SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS PURSUANT TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(MARK ONE)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999
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.)
625 MADISON AVENUE, NEW YORK, NEW YORK	10022
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (212) 527-4000

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OR 12(g) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
CLASS A COMMON STOCK	NEW YORK STOCK EXCHANGE, INC.

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 IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS FORM 10-K. [X]

AS OF MARCH 8, 2000, 19,992,837 SHARES OF CLASS A COMMON STOCK AND 31,250,000 SHARES OF CLASS B COMMON STOCK WERE OUTSTANDING. 11,250,000 SHARES OF CLASS A COMMON STOCK AND ALL OF THE SHARES OF CLASS B COMMON STOCK WERE HELD BY REV HOLDINGS INC., AN INDIRECTLY WHOLLY OWNED SUBSIDIARY OF MAFCO HOLDINGS INC. THE AGGREGATE MARKET VALUE OF THE REGISTRANT'S CLASS A COMMON STOCK HELD BY NON-AFFILIATES (USING NEW YORK STOCK EXCHANGE, INC. CLOSING PRICE AS OF MARCH 8, 2000) WAS APPROXIMATELY $96,171,207.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

BACKGROUND

Revlon, Inc. (and together with its subsidiaries, the "Company") conducts its business exclusively through its direct subsidiary, Revlon Consumer Products Corporation and its subsidiaries ("Products Corporation"). The Company manufactures, markets and sells an extensive array of cosmetics and skin care, fragrances and personal care products ("consumer products"). REVLON is one of the world's best known names in cosmetics and is a leading mass market cosmetics brand. The Company believes that its global brand name recognition, product quality and marketing experience have enabled it to create one of the strongest consumer brand franchises in the world, with products sold in approximately 175 countries and territories. The Company's products are marketed under such well-known brand names as REVLON, COLORSTAY, REVLON AGE DEFYING, ALMAY and ULTIMA II in cosmetics; MOON DROPS, ETERNA 27, ULTIMA II and JEANNE GATINEAU in skin care; CHARLIE and FIRE & ICE in fragrances; and FLEX, OUTRAGEOUS, MITCHUM, COLORSTAY, COLORSILK, JEAN NATE, PLUSBELLE, BOZZANO and COLORAMA in personal care products. To further strengthen its consumer brand franchises, the Company markets each core brand with a distinct and uniform global image, including packaging and advertising, while retaining the flexibility to tailor products to local and regional preferences.

The Company was founded by Charles Revson, who revolutionized the cosmetics industry by introducing nail enamels matched to lipsticks in fashion colors over 65 years ago. Today, the Company has leading market positions in many of its principal product categories in the United States self-select distribution channel. The Company's leading market positions for its REVLON brand products include the number one positions in lip makeup and nail enamel (which the Company has occupied for the past 23 years), with the top three selling brands of lip makeup for 1999. The REVLON brand captured in 1996 and continued to hold in 1999 the number one position overall in color cosmetics (consisting of lip, eye and face makeup and nail enamel) in the United States self-select distribution channel, where its market share was 19.7% for 1999. The Company also has leading market positions in several product categories in certain markets outside of the United States, including in Argentina, Australia, Brazil, Canada, Mexico and South Africa.

All United States market share and market position data herein for the Company's brands are based upon retail dollar sales, which are derived from A.C. Nielsen data. A.C. Nielsen measures retail sales volume of products sold in the United States self-select distribution channel. Such data represent A.C. Nielsen's estimates based upon data gathered by A.C. Nielsen from market samples and are therefore subject to some degree of variance.

In the United States, the self-select distribution channel includes independent drug stores and chain drug stores (such as Walgreens, CVS, Eckerds, Rite Aid and Longs), mass volume retailers (such as Wal-Mart, Target Stores and Kmart) and supermarkets and combination supermarket/drug stores (such as Albertson's, Kroger and H.E. Butt). Internationally, the self-select distribution channel includes retailers such as Boots in the United Kingdom and Western Europe, Shoppers Drug Mart in Canada and Wal-Mart worldwide. The foregoing retailers, among others, sell the Company's products.

RECENT DEVELOPMENTS

On October 1, 1999 the Company announced that it had completed its review of strategic alternatives to maximize shareholder value and had decided to pursue the sale of its worldwide professional products line and its non-core Latin American brands Colorama, Juvena, Bozzano and Plusbelle. On March 30, 2000, the Company completed the disposition of its worldwide professional products line, including professional hair care products for use in and resale by professional salons, ethnic hair and personal care products, Natural Honey skin care and certain regional toiletries brands. Proceeds from the sale were $315 million in cash, (before adjustments), plus $10 million in contingent consideration based upon the business' future performance. A portion of the net proceeds of approximately $150.3 million was used to reduce the aggregate commitment under the Credit Agreement (as described below) and the balance will be available for general corporate purposes.

On March 28, 2000, Products Corporation executed a definitive agreement for the sale of its non-core Plusbelle brand in Argentina for $46.5 million in cash. The closing of the sale, which is expected to occur during the second quarter, is subject to various conditions. A portion of the net proceeds of the sale will be used to reduce the aggregate commitment under the Credit Agreement and the balance will be available for general corporate purposes.

The Company continues to pursue the sale of its non-core Colorama, Juvena and Bozzano brands in Brazil and is in discussions with prospective purchasers. If a transaction is consummated, a portion of the net proceeds will be applied to reduce the aggregate commitment under the Credit Agreement and the balance will be available for general corporate purposes.

In the fourth quarter of 1998, the Company committed to a restructuring plan to realign and reduce personnel, exit excess leased real estate, realign and consolidate regional activities, reconfigure certain manufacturing operations and exit certain product lines. During 1999, the Company recorded a net charge of $20.5 million relating to such restructuring plan, principally for employee severance and other personnel benefits. Additionally, the Company adopted a plan to exit a non-core business as to which a charge of $1.6 million was recorded.

During the fourth quarter of 1999, the Company continued to re-evaluate its organizational structure and implemented a new restructuring plan principally at its New York headquarters and New Jersey locations resulting in a charge of $18.1 million principally for employee severance. As part of this restructuring plan, the Company reduced personnel and consolidated excess real estate. In the fourth quarter of 1999, the Company also recorded a $22.0 million charge in connection with executive separation costs. The Company will continue to evaluate its organizational structure, which may result in additional restructuring charges in the future.

BUSINESS OBJECTIVES AND STRATEGY

The Company's objective is to become the most dynamic leader in global beauty and skin care by being the most trusted supplier to its customers and consumers, the most innovative in meeting their needs, and the first to market with these innovations.

To achieve its objectives the Company's business strategy, which is intended to improve its operating performance, is:

- to attract and retain the best people in the industry;
- to build consistent global equities;
- to gain unique insights into its consumer needs and to execute flawlessly against those needs;
- to understand the needs of and to exceed the expectations of its trade partners; and
- to operate at benchmark levels of efficiency in all aspects of its business.

PRODUCTS

The Company manufactures and markets a variety of products worldwide. The following table sets forth the Company's principal brands (a).

BRAND	COSMETICS	SKIN CARE	FRAGRANCES	PERSONAL CARE PRODUCTS
REVLON	Revlon, ColorStay, Revlon Age Defying, Super Lustrous, MoistureStay, Moon Drops, Line & Shine, New Complexion, Top Speed, Wet/Dry Shadow, EveryLash, Timeliner, StreetWear, Revlon Implements	Moon Drops, Revlon Results, Eterna 27	Charlie, Charlie Red, Charlie White, Ciara	Flex, Outrageous, Aquamarine, Mitchum, Lady Mitchum, Hi & Dri, ColorStay, Colorsilk, Frost & Glow, Revlon Shadings, Jean Nate
ALMAY	Almay, Time-Off, Amazing, One Coat, Stay Smooth, Skin Stays Clean, Moisture Balance	Time-Off, Moisture Balance, Moisture Renew, Stay Clean		Almay
ULTIMA II	Ultima II, Beautiful Nutrient, Wonderwear, The Nakeds, Full Moisture	Glowtion, Vital Radiance, CHR		
SIGNIFICANT REGIONAL BRANDS	Colorama(b), Juvena(b), Jeanne Gatineau(b), Cutex(b)	Jeanne Gatineau(b)	Charlie Gold	Plusbelle(b), Bozzano(b), Colorama(b), ZP-11

(a) Brands relating to the Company's professional products line, ethnic products and Natural Honey products are not listed.

(b) Trademark owned in certain markets outside the United States.

Cosmetics and Skin Care. The Company sells a broad range of cosmetics and skin care products designed to fulfill specifically identified consumer needs, principally priced in the upper range of the self-select distribution channel, including lip makeup, nail color and nail care products, eye and face makeup and skin care products such as lotions, cleansers, creams, toners and moisturizers. Many of the Company's products incorporate patented, patent-pending or proprietary technology.

The Company markets several different lines of REVLON lip makeup (which includes lipstick, lip gloss and liner). The Company's breakthrough COLORSTAY lipcolor, which uses patented transfer-resistant technology that provides long wear, is produced in approximately 50 shades. COLORSTAY Liquid Lip, a patented lip technology introduced in 1999, is produced in approximately 40 shades and builds on the strengths of the COLORSTAY foundation by offering long-wearing benefits in a new product form, which enhances comfort and shine. SUPER LUSTROUS lipstick is produced in

approximately 70 shades. MOON DROPS, a moisturizing lipstick, is produced in approximately 50 shades. LINE & SHINE utilizes an innovative product form, combining lipliner and lip gloss in one package, and is produced in approximately 20 shades. MOISTURESTAY uses patent-pending technology to moisturize the lips even after the color wears off, and is produced in approximately 40 shades.

The Company's nail color and nail care lines include enamels, cuticle preparations and enamel removers. The Company's flagship REVLON nail enamel is produced in approximately 85 shades and uses a patented formula that provides consumers with improved wear, application, shine and gloss in a toluene-free and formaldehyde-free formula. TOP SPEED nail enamel is produced in approximately 80 shades and contains a patented speed drying polymer formula, which sets in 60 seconds. REVLON has the number one position in nail enamel in the United States self-select distribution channel. The Company also sells CUTEX nail polish remover and nail care products in certain countries outside the United States.

The Company sells face makeup, including foundation, powder, blush and concealers, under such REVLON brand names as REVLON AGE DEFYING, which is targeted for women in the over 35 age bracket; COLORSTAY, which uses patent-pending transfer-resistant technology that provides long wear and won't rub off benefits; and NEW COMPLEXION, for consumers in the 18 to 34 age bracket.

The Company's eye makeup products include mascaras, eyeliners, eye shadows and brow color. COLORSTAY eyecolor, mascara and brow color, EVERYLASH mascara, SOFTSTROKE eyeliners and REVLON Wet/Dry eye shadows are targeted for women in the 18 to 49 age bracket.

The Company's ALMAY brand consists of a complete line of hypo-allergenic, dermatologist-tested, fragrance-free cosmetics and skin care products targeted for consumers who want "a fresh, healthy, effortless look." ALMAY products include lip makeup, nail color, eye and face makeup and skin care products. In 1999, ALMAY expanded its flagship ONE COAT franchise to include ONE COAT MASCARA COLOR & CURL; other ONE COAT products include ONE COAT LIPCOLOR, ONE COAT NAIL COLOR, ONE COAT GEL EYE PENCIL and ONE COAT LIP SHINE. The Company also introduced Skin Stays Clean liquid and compact foundation makeup with its patented "clean pore complex." ALMAY expanded its STAY SMOOTH franchise beyond its ANTI-CHAP LIPLINER to STAY SMOOTH MASCARA, a defining mascara with a built in comb. The ALMAY AMAZING COLLECTION features long-wearing mascaras, foundations and lipcolor.

The Company's STREETWEAR brand consists of a quality, value-priced line of nail enamels, mascaras, lip and eye liners, lip glosses and body accessories that are targeted for the young, beauty savvy consumer.

The Company's premium priced cosmetics and skin care products are sold under the ULTIMA II brand name, which is the Company's flagship premium priced brand sold throughout the world. ULTIMA II'S products include lip makeup, eye and face makeup and skin care products including GLOWTION, a line of skin brighteners that combines skin care and color; FULL MOISTURE FOUNDATION and lipcolor, VITAL RADIANCE and CHR skin care products; the BEAUTIFUL NUTRIENT collection, a complete line of nourishing makeup that provides advanced nutrient protection against dryness; THE NAKEDS makeup, a trend-setting line of makeup emphasizing neutral colors; and WONDERWEAR. The WONDERWEAR collection includes a long-wearing foundation that uses patented technology, cheek and eyecolor products that use proprietary technology that provides long wear, and WONDERWEAR lipstick, which uses patented transfer-resistant technology. In the U.S. the Company has broadened the distribution of ULTIMA II into the self-select channel.

The Company sells implements, which include nail and eye grooming tools such as clippers, scissors, files, tweezers and eye lash curlers. The Company's implements are sold individually and in sets under the REVLON brand name and are the number one brand in the United States self-select distribution channel.

The Company also sells cosmetics in international markets under regional brand names including COLORAMA and JUVENA in Brazil.

The Company's skin care products, including moisturizers, are sold under brand names, including ETERNA 27, MOON DROPS, REVLON RESULTS, ALMAY TIME-OFF REVITALIZER, CLEAR COMPLEXION and ULTIMA II VITAL RADIANCE. In addition, the Company sells skin care products in international markets under internationally recognized brand names and under various regional brands, including the Company's premium priced JEANNE GATINEAU.

Fragrances. The Company sells a selection of moderately priced and premium priced fragrances, including perfumes, eau de toilettes and colognes. The Company's portfolio includes fragrances such as CHARLIE and CIARA and line extensions such as CHARLIE RED and CHARLIE WHITE. The Company's CHARLIE fragrance has been a market leader since the mid-1970's. In international markets, the Company distributes under license certain brands, including VERSACE and VAN GILS.

Personal Care Products. The Company sells a broad line of personal care consumer products, which complements its core cosmetics lines and enables the Company to meet the consumer's broader beauty care needs. In the self-select distribution channel, the Company sells haircare, antiperspirant and other personal care products, including the FLEX, OUTRAGEOUS and AQUAMARINE haircare lines throughout the world and the COLORAMA, BOZZANO, PLUSBELLE and JUVENA brands outside the United States; the breakthrough, patented COLORSTAY, as well as COLORSILK, REVLON SHADINGS and FROST & GLOW hair coloring lines throughout most of the world; and the MITCHUM, LADY MITCHUM and HI & DRI antiperspirant brands throughout the world. The Company also markets hypo-allergenic personal care products, including sunscreens, moisturizers and antiperspirants, under the ALMAY brand.

MARKETING

Consumer Products. The Company markets extensive consumer product lines at a range of retail prices primarily through the self-select distribution channel and markets select premium lines through demonstrator-assisted channels, principally outside the U.S. Each line is distinctively positioned and is marketed globally with consistently recognizable logos, packaging and advertising designed to differentiate it from other brands. The Company's existing consumer product lines are carefully segmented, and new product lines are developed, to target specific consumer needs as measured by focus groups and other market research techniques.

The Company uses print and television advertising and point-of-sale merchandising, including displays and samples. The Company's marketing emphasizes a uniform global image and product for its portfolio of core brands, including REVLON, COLORSTAY, REVLON AGE DEFYING, ALMAY, ULTIMA II, FLEX, CHARLIE, OUTRAGEOUS and MITCHUM. The Company coordinates advertising campaigns with in-store promotional and other marketing activities. The Company develops jointly with retailers carefully tailored advertising, point-of-purchase and other focused marketing programs. The Company uses network and spot television advertising, national cable advertising and print advertising in major general interest, women's fashion and women's service magazines, as well as coupons, magazine inserts and point-of-sale testers. The Company also uses cooperative advertising programs with some retailers, supported by Company-paid or Company-subsidized demonstrators, and coordinated in-store promotions and displays.

The Company also has developed unique marketing materials such as the "Revlon Report," a glossy, color pamphlet distributed in magazines and on merchandising units, available in approximately 80 countries and approximately 20 languages, which highlights seasonal and other fashion and color trends, describes the Company's products that address those trends and contains coupons, rebate offers and other promotional material to encourage consumers to try the Company's products. Other marketing materials designed to introduce the Company's newest products to consumers and encourage trial and purchase include point-of-sale testers on the Company's display units that provide information about, and permit consumers to test, the Company's products, thereby achieving the benefits of an in-store demonstrator without the corresponding cost, magazine inserts containing samples of the Company's newest products, trial size products and "shade samplers," which are collections of trial size products in different shades. Additionally, the Company has its own website, which features current product and promotional information.

NEW PRODUCT DEVELOPMENT AND RESEARCH AND DEVELOPMENT

The Company believes that it is an industry leader in the development of innovative and technologically-advanced consumer products. The Company's marketing and research and development groups identify consumer needs and shifts in consumer preferences in order to develop new products, tailor line extensions and promotions and redesign or reformulate existing products to satisfy such needs or preferences. The Company's research and development group comprises departments specialized in the technologies critical to the Company's various product categories as well as an advanced technology department that promotes inter-departmental, cross-functional research on a wide range of technologies to develop new and innovative products. The Company

independently develops substantially all of its new products. The Company also has entered into joint research projects with major universities and commercial laboratories to develop advanced technologies.

The Company believes that its Edison, New Jersey facility is one of the most extensive cosmetics research and development facilities in the United States. The scientists at the Edison facility are responsible for all of the Company's new product research worldwide, performing research for new products, ideas, concepts and packaging. The Company also has satellite research facilities in Brazil and France.

The research and development group at the Edison facility also performs extensive safety and quality tests on the Company's products, including toxicology, microbiology and package testing. Additionally, quality control testing is performed at each manufacturing facility.

As of December 31, 1999, the Company employed approximately 200 people in its research and development activities, including specialists in pharmacology, toxicology, chemistry, microbiology, engineering, biology, dermatology and quality control. In 1999, 1998 and 1997, the Company spent approximately $32.9 million, $31.9 million and $29.7 million, respectively, on research and development activities.

MANUFACTURING AND RELATED OPERATIONS AND RAW MATERIALS

The Company manufactures REVLON brand color cosmetics, personal care products and fragrances and ULTIMA II cosmetics and skin treatment products for sale in the United States, Japan and most of the countries in Latin America and Southeast Asia at its Phoenix, Arizona facility and its Canadian facility. The Company manufactures ALMAY brand products for sale throughout the world at its Oxford, North Carolina facility. Implements for sale throughout the world are manufactured and/or assembled at the Company's Irvington, New Jersey facility. The Phoenix and Oxford facilities have been ISO-9002 certified. ISO-9002 certification is an internationally recognized standard for manufacturing facilities, which signifies that the manufacturing facility has achieved and maintains certain performance and quality commitment standards.

The Company manufactures its entire line of consumer products (except implements) for sale in most of Europe at its Maesteg, South Wales facility. Production of cosmetics and personal care products also currently takes place at the Company's facilities in Canada, Venezuela, Mexico, New Zealand, Brazil, Argentina, France and South Africa. Production of color cosmetics for Japan and Mexico has been shifted primarily to the United States. The Maesteg facility has been certified by the British equivalent of ISO-9002.

The globalization of the Company's core brands allows the Company to centralize production of some product categories for sale throughout the world within designated facilities and shift production of certain other product categories to more cost effective manufacturing sites to reduce production costs. Shifts of production may result in the closing of certain of the Company's manufacturing facilities, and the Company continually reviews its needs in this regard. In addition, as part of its efforts to continuously reduce costs, the Company attempts to ensure that a significant portion of its capital expenditures is devoted to improving operating efficiencies.

The Company purchases raw materials and components throughout the world. The Company continuously pursues reductions in cost of goods through the global sourcing of raw materials and components from qualified vendors, utilizing its large purchasing capacity to maximize cost savings. The global sourcing of raw materials and components from accredited vendors also ensures the quality of the raw materials and components. The Company believes that alternate sources of raw materials and components exist and does not anticipate any significant shortages of, or difficulty in obtaining, such materials.

The Company's improvements in manufacturing, sourcing and related operations have contributed to improved customer service, including an improvement in the percentage of timely order fulfillment from most of the Company's principal manufacturing facilities, and the timeliness and accuracy of new product and promotion deliveries. To promote the Company's understanding of and responsiveness to the needs of its retail customers, the Company has dedicated teams assigned to significant accounts, and has provided retail accounts with a designated customer service representative. As a result of these efforts, accompanied by stronger and more customer-focused management, the Company has developed strong relationships with its retailers.

INFORMATION SYSTEMS

As part of the Company's comprehensive business process enhancement program the Company's management information systems have been substantially upgraded to provide comprehensive order processing, production and accounting support for the Company's business, as well as to upgrade certain information technology to be Year 2000 compliant. In addition, the Company developed a comprehensive plan to address Year 2000 issues. The Year 2000 plan addressed three main areas: (a) information technology systems; (b) non-information technology systems (including factory equipment, building systems and other embedded systems); and (c) business partner readiness (including without limitation customers, inventory and non-inventory suppliers, service suppliers, banks, insurance companies and tax and other governmental agencies).

Since January 1, 2000, the Company has not experienced any adverse consequences resulting from Year 2000 issues relative to its systems or business partners. The Company believes that incremental out-of-pocket costs of its Year 2000 program (which do not include costs incurred in connection with the Company's comprehensive business process enhancement program) were not material. These costs included the cost of third party consultants, remediation of existing computer software and replacement and remediation of embedded systems.

DISTRIBUTION

The Company's products are sold in approximately 175 countries and territories. The Company's worldwide sales force had approximately 1,000 people as of December 31, 1999 (which includes approximately 300 employees related to the professional products line which was sold in March 2000), including dedicated sales forces for cosmetics, skin care and fragrance products in the self-select distribution channel, for the demonstrator-assisted distribution channel, for personal care products distribution and, prior to the disposition of the worldwide professional products line, for salon distribution. In addition, the Company utilizes sales representatives and independent distributors to serve specialized markets and related distribution channels.

United States. Net sales in the United States accounted for approximately 56.2% of the Company's 1999 net sales, a majority of which were made in the self-select distribution channel. The Company also sells a broad range of consumer products to United States Government military exchanges and commissaries. The Company licenses its trademarks to select manufacturers for products that the Company believes have the potential to extend the Company's brand names and image. As of December 31, 1999, 10 licenses were in effect relating to 15 product categories to be marketed in the self-select distribution channel. Pursuant to the licenses, the Company retains strict control over product design and development, product quality, advertising and use of its trademarks. These licensing arrangements offer opportunities for the Company to generate revenues and cash flow through earned royalties.

International. Net sales outside the United States accounted for approximately 43.8% of the Company's 1999 net sales. The ten largest countries in terms of these sales, which include, among others, Spain, Brazil, the United Kingdom, Argentina, Australia, South Africa and Canada, accounted for approximately 31.9% of the Company's net sales in 1999. The Company is increasing distribution through the expanding self-select distribution channels outside the United States, such as drug stores/chemists, hypermarkets/mass volume retailers and variety stores, as these channels gain importance. The Company also distributes outside the United States through department stores and specialty stores such as perfumeries. At December 31, 1999, the Company actively sold its products through wholly owned subsidiaries established in 28 countries outside of the United States and through a large number of distributors and licensees elsewhere around the world. The Company continues to pursue strategies to establish its presence in new markets where the Company identifies opportunities for growth. In addition, the Company is building a franchise through local distributorships in northern and central Africa, where the Company intends to expand the distribution of its products by capitalizing on its market strengths in South Africa.

CUSTOMERS

The Company's principal customers include large mass volume retailers and chain drug stores, including such well known retailers as Wal-Mart, Target, Kmart, Walgreens, Rite Aid, CVS, Eckerds, Albertsons Drugs and Longs in the United States, Boots in the United Kingdom, Carrefour in Western Europe and Wal-Mart internationally. Wal-Mart and its affiliates worldwide accounted for approximately 13.1% of the Company's 1999 consolidated net sales. Although the loss of Wal-Mart as a customer could have an adverse effect on the Company, the Company believes that its

relationship with Wal-Mart is satisfactory and the Company has no reason to believe that Wal-Mart will not continue as a customer.

COMPETITION

The consumer products business is characterized by vigorous competition throughout the world. Brand recognition, together with product quality, performance and price and the extent to which consumers are educated on product benefits, have a marked influence on consumers' choices among competing products and brands. Advertising, promotion, merchandising and packaging, and the timing of new product introductions and line extensions, also have a significant impact on buying decisions, and the structure and quality of the sales force affect product reception, in-store position, permanent display space and inventory levels in retail outlets. The Company competes in most of its product categories against a number of companies, a number of which have substantially greater resources than the Company. In addition to products sold in the self-select and demonstrator-assisted distribution channels, the Company's products also compete with similar products sold door-to-door or through mail order or telemarketing by representatives of direct sales companies. The Company's principal competitors include L'Oreal S.A., The Procter & Gamble Company, Unilever N.V. and Estee Lauder, Inc.

SEASONALITY

The Company's business is subject to certain seasonal fluctuations, with net sales in the second half of the year benefiting slightly from increased retailer purchases in the United States for the back-to-school and Christmas selling seasons.

PATENTS, TRADEMARKS AND PROPRIETARY TECHNOLOGY

The Company's major trademarks are registered in the United States and in many other countries, and the Company considers trademark protection to be very important to its business. Significant trademarks include REVLON, COLORSTAY, REVLON AGE DEFYING, STREETWEAR, FLEX, PLUSBELLE, CUTEX (outside the U.S.), MITCHUM, ETERNA 27, ULTIMA II, ALMAY, CHARLIE, JEAN NATE, REVLON RESULTS, COLORAMA, FIRE & ICE, MOON DROPS, SUPER LUSTROUS, WONDERWEAR and COLORSILK.

The Company utilizes certain proprietary or patented technologies in the formulation or manufacture of a number of the Company's products, including COLORSTAY lipcolor and cosmetics, COLORSTAY hair color, classic REVLON nail enamel, TOP SPEED nail enamel, REVLON AGE DEFYING foundation and cosmetics, NEW COMPLEXION makeup, WONDERWEAR foundation, WONDERWEAR lipstick, ALMAY TIME-OFF skin care and makeup, ALMAY AMAZING cosmetics, ALMAY ONE COAT eye makeup and cosmetics, ULTIMA II VITAL RADIANCE skin care products and OUTRAGEOUS shampoo. The Company also protects certain of its packaging and component concepts through design patents. The Company considers its proprietary technology and patent protection to be important to its business.

GOVERNMENT REGULATION

The Company is subject to regulation by the Federal Trade Commission and the Food and Drug Administration (the "FDA") in the United States, as well as various other federal, state, local and foreign regulatory authorities. The Phoenix, Arizona and Oxford, North Carolina manufacturing facilities are registered with the FDA as drug manufacturing establishments, permitting the manufacture of cosmetics that contain over-the-counter drug ingredients such as sunscreens. Compliance with federal, state, local and foreign laws and regulations pertaining to discharge of materials into the environment, or otherwise relating to the protection of the environment, has not had, and is not anticipated to have, a material effect upon the capital expenditures, earnings or competitive position of the Company. State and local regulations in the United States that are designed to protect consumers or the environment have an increasing influence on product claims, contents and packaging.

INDUSTRY SEGMENTS, FOREIGN AND DOMESTIC OPERATIONS

The Company operates in a single segment. Certain geographic, financial and other information of the Company is set forth in Note 19 of the Notes to Consolidated Financial Statements of the Company.

EMPLOYEES

As of December 31, 1999, the Company employed the equivalent of approximately 11,000 full-time persons (which includes approximately 1,900 employees related to the professional products line which was sold in March 2000). As of December 31, 1999, approximately 1,700 of such employees in the United States were covered by collective bargaining agreements, (which includes approximately 400 employees related to the professional products line). The Company believes that its employee relations are satisfactory. Although the Company has experienced minor work stoppages of limited duration in the past in the ordinary course of business, such work stoppages have not had a material effect on the Company's results of operations or financial condition.

ITEM 2. PROPERTIES

The following table sets forth as of December 31, 1999 the Company's major manufacturing, research and warehouse/distribution facilities, all of which are owned except where otherwise noted.

LOCATION	USE	APPROXIMATE FLOOR SPACE SQ. FT.
Oxford, North Carolina.....	Manufacturing, warehousing, distribution and office	1,012,000
Phoenix, Arizona.....	Manufacturing, warehousing, distribution and office (partially leased)	706,000
Jacksonville, Florida (a).....	Manufacturing, warehousing, distribution, research and office	526,000
Edison, New Jersey.....	Research and office (leased)	175,000
Irvington, New Jersey.....	Manufacturing, warehousing and office	96,000
Sao Paulo, Brazil.....	Manufacturing, warehousing, distribution, office and research	435,000
Maesteg, South Wales.....	Manufacturing, distribution and office	316,000
Mississauga, Canada.....	Manufacturing, warehousing, distribution and office	245,000
Santa Maria, Spain (a).....	Manufacturing and warehousing	173,000
Caracas, Venezuela.....	Manufacturing, distribution and office	145,000
Kempton Park, South Africa....	Warehousing, distribution and office (leased)	127,000
Canberra, Australia.....	Warehousing, distribution and office	125,000
Isando, South Africa.....	Manufacturing, warehousing, distribution and office	94,000
Buenos Aires, Argentina.....	Manufacturing, warehousing, distribution and office	75,000
Bologna, Italy (a).....	Manufacturing, warehousing, distribution and office	60,000
Dublin, Ireland (a).....	Manufacturing, warehousing, distribution and office	32,500

(a) Facility was transferred to the purchaser of the professional products line in March 2000.

In addition to the facilities described above, additional facilities are owned and leased in various areas throughout the world, including the lease for the Company's executive offices in New York, New York (346,000 square feet, of which approximately 19,000 square feet were sublet to affiliates of the Company and approximately 78,000 square feet were sublet to unaffiliated third parties as of December 31, 1999). Management considers the Company's facilities to be well-maintained and satisfactory for the Company's operations, and believes that the Company's facilities provide sufficient capacity for its current and expected production requirements.

ITEM 3. LEGAL PROCEEDINGS

The Company is involved in various routine legal proceedings incident to the ordinary course of its business. The Company believes that the outcome of all pending legal proceedings in the aggregate is unlikely to have a material adverse effect on the business or consolidated financial condition of the Company.

In October and November 1999 six purported class actions were filed by each of Thomas Comport, Boaz Spitz, Felix Ezeir and Amy Hoffman, Ted Parris, Jerry Krim and Dan Gavish individually and on behalf of others similarly situated to them, in the United States District Court for the Southern District of New York, against the Company and certain of its present and former officers and directors, alleging, among other things, violations of Rule 10b-5 under the Securities Exchange Act of 1934, as amended, through the alleged use of deceptive accounting practices during the period from October 29, 1997 through October 2, 1998, inclusive, in the Comport and

Hoffman/Parris cases and October 30, 1997 through October 1, 1999, inclusive, in the Spitz, Ezeir, Krim and Gavish cases. Each of the actions seeks a declaration that it is properly brought as a class action, and unspecified damages, attorney fees and other costs. In January 2000, the court consolidated the six cases. The Company believes the allegations contained in these suits to be without merit and intends to vigorously defend against them.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MacAndrews & Forbes Holdings Inc. ("MacAndrews Holdings"), which is indirectly wholly owned by Ronald O. Perelman, through REV Holdings Inc. ("REV Holdings"), beneficially owns 11,250,000 shares of the Company's Class A Common Stock (representing 56.3% of the outstanding shares of Class A Common Stock) and all of the outstanding 31,250,000 shares of Class B Common Stock, which together represent approximately 83% of the outstanding shares of the Company's Common Stock and have approximately 97.4% of the combined voting power of the outstanding shares of the Company's Common Stock. The remaining 8,742,837 shares of Class A Common Stock outstanding at March 8, 2000 are owned by the public. As of March 8, 2000, there were 744 holders of record of Class A Common Stock. No dividends were declared or paid during 1999 or 1998. The terms of the Credit Agreement, the 8 5/8% Notes (as hereinafter defined), the 8 1/8% Notes (as hereinafter defined) and the 9% Notes (as hereinafter defined) currently restrict the ability of Products Corporation to pay dividends or make distributions to Revlon, Inc. See the Consolidated Financial Statements of the Company and the Notes thereto.

The table below shows the Company's high and low quarterly stock prices for the years ended December 31, 1999 and 1998.

1999 QUARTERLY STOCK PRICES (1)

	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
High	$ 22 1/4	$ 32	$ 29 1/8	$ 12
Low	13 1/2	19 1/8	18	7 1/2

1998 QUARTERLY STOCK PRICES (1)

	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
High	$ 51 13/16	$ 56 1/16	$ 54 1/2	$ 27 13/16
Low	33 5/8	47 9/16	30 7/8	12 1/2

(1) Represents the closing price per share on the New York Stock Exchange (NYSE), which is the exchange on which shares of the Company's Class A Common Stock are listed. The Company's symbol is REV.

ITEM 6. SELECTED FINANCIAL DATA

The Consolidated Statements of Operations Data for each of the years in the five-year period ended December 31, 1999 and the Balance Sheet Data as of December 31, 1999, 1998, 1997 and 1996 are derived from the Consolidated Financial Statements of the Company, which have been audited by KPMG LLP, independent certified public accountants. The Balance Sheet Data as of December 31, 1995 is derived from unaudited consolidated financial statements, which have been restated to reflect the Company's former retail and outlet store business as discontinued operations. The Selected Consolidated Financial Data should be read in conjunction with the Consolidated Financial Statements of the Company and the Notes to the Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	YEAR ENDED DECEMBER 31,				
	1999	1998	1997	1996	1995
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)				
STATEMENTS OF OPERATIONS DATA:					
Net sales	$ 1,861.3	$ 2,252.2	$ 2,238.6	$ 2,092.1	$ 1,867.3
Operating (loss) income	(212.6)(a)	124.6(b)	214.9 (c)	199.2	147.5
(Loss) income from continuing operations	(371.5)	(27.3)	57.8	24.4	(37.2)
Basic (loss) income from continuing operations per common share	$ (7.25)	$ (0.53)	$ 1.13	$ 0.49	$ (0.88)
Diluted (loss) income from continuing operations per common share	$ (7.25)	$ (0.53)	$ 1.13	$ 0.49	$ (0.88)
Weighted average number of common shares outstanding: (d)					
Basic	51,240,225	51,217,997	51,131,440	49,687,500	42,500,000
Diluted	51,240,225	51,217,997	51,544,318	49,818,792	42,500,000

	DECEMBER 31,				
	1999	1998	1997	1996	1995
	(DOLLARS IN MILLIONS)				
BALANCE SHEET DATA:					
Total assets	$ 1,558.3	$ 1,830.0	$ 1,756.0	$ 1,617.3	$ 1,532.6
Long-term debt, including current portion	1,772.1	1,660.0	1,425.2	1,361.0	1,476.7
Total stockholders' deficiency	(1,014.9)	(648.0)	(458.5)	(497.1)	(702.3)

(a) Includes business consolidation costs and other, net and executive separation costs of $40.2 million and $22.0 million, respectively. See Note 4 to the Consolidated Financial Statements.

(b) Includes business consolidation costs and other, net aggregating $35.8 million. See Note 4 to the Consolidated Financial Statements.

(c) Includes business consolidation costs and other, net, of $3.6 million. See Note 4 to the Consolidated Financial Statements.

(d) Represents the weighted average number of common shares outstanding for the period. See Note 1 to the Consolidated Financial Statements.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(DOLLARS IN MILLIONS)

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, and, until the disposition of its professional products line in March 2000, had included professional products, which consisted of hair and nail care products principally for use in and resale by professional salons. In addition, the Company has a licensing group.

RESULTS OF OPERATIONS

The following table sets forth the Company's net sales for each of the last three years:

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Net sales:			
United States	$ 1,046.2	$ 1,343.7	$ 1,304.9
International	815.1	908.5	933.7
	$ 1,861.3	$ 2,252.2	$ 2,238.6

The following table sets forth certain statements of operations data as a percentage of net sales for each of the last three years:

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Cost of sales*	36.9 %	34.0 %	33.2 %
Gross profit	63.1	66.0	66.8
Selling, general and administrative expenses ("SG&A")**	72.4	59.0	57.1
Business consolidation costs and other, net	2.2	1.5	0.1
Operating (loss) income	(11.4)	5.5	9.6

* 1998 includes $2.7 (0.1% of net sales) for charges related to business consolidation costs.

** 1999 includes $22.0 (1.2% of net sales) for charges related to executive separation costs.

YEAR ENDED DECEMBER 31, 1999 COMPARED WITH YEAR ENDED DECEMBER 31, 1998

Net sales were $1,861.3 and $2,252.2 for 1999 and 1998, respectively, a decrease of $390.9, or 17.4% on a reported basis (a decrease of 14.9% on a constant U.S. dollar basis).

United States. Net sales in the United States were $1,046.2 for 1999 compared with $1,343.7 for 1998, a decrease of $297.5, or 22.1%. Net sales for 1999 were adversely affected by lower than anticipated share growth, competitive activities and a reduction in the level of Company shipments to certain retailers to achieve such retailers' new lower inventory target levels. The reduction of retailers' target inventory levels will continue and is expected to adversely impact sales through the first half of 2000.

New products in 1999 included EVERYLASH mascara, MOISTURESTAY SHEER LIP COLOR, REVLON AGE DEFYING compact makeup, WET/DRY EYE SHADOW, ALMAY STAY SMOOTH lip makeup and mascara, ALMAY Foundation with Skin Stays Clean attributes, products in the ALMAY ONE COAT collection, MITCHUM COOL DRY antiperspirant and COLORSTAY LIQUID LIP.

International. Net sales outside the United States were $815.1 for 1999 compared with $908.5 for 1998, a decrease of $93.4, or 10.3%, on a reported basis (a decrease of 3.7% on a constant U.S. dollar basis). Net sales for 1999 on a constant U.S. dollar basis were affected by unfavorable economic conditions in certain markets outside the U.S., principally Brazil, which restrained consumer and trade demand, increased competitive activity and lower sales in certain markets, principally the United Kingdom and Canada. The decrease in net sales for 1999 on a reported basis also reflects the unfavorable effect on sales of a stronger U.S. dollar against certain foreign currencies, particularly the Brazilian real. Sales outside the United States are divided into three geographic regions. In Europe, which comprises Europe, the Middle East and Africa, net sales decreased by 9.2% on a reported basis to $369.5 for 1999 as compared with 1998 (a decrease of 4.3% on a constant U.S. dollar basis). In the Western Hemisphere, which comprises Canada, Mexico, Central America, South America and Puerto Rico, net sales decreased by 15.4% on a reported basis to $303.1 for 1999 as compared with 1998 (a decrease of 3.0% on a constant U.S. dollar basis). The Company's operations in Brazil are significant. In Brazil, net sales were $76.1 on a reported basis for 1999 compared with $122.5 for 1998, a decrease of $46.4, or 37.9% (a decrease of 3.1% on a constant U.S. dollar basis). On a reported basis, net sales in Brazil were adversely affected by the stronger U.S. dollar against the Brazilian real, unfavorable economic conditions and increased competitive activities. In the Far East, net sales decreased by 0.7% on a reported basis to $142.5 for 1999 as compared with 1998 (a decrease of 4.0% on a constant U.S. dollar basis). Net sales outside the United States, including, without limitation, in Brazil, may be adversely affected by generally weak economic conditions, political and economic uncertainties, including, without limitation, currency fluctuations and competitive activities in certain markets.

Cost of sales

As a percentage of net sales, cost of sales was 36.9% for 1999 compared with 34.0% for 1998. The increase in cost of sales as a percentage of net sales for 1999 compared with 1998 is due to changes in product mix, the effect of weaker local currencies on the cost of imported purchases by subsidiaries outside the U.S. and the effect of lower net sales.

SG&A expenses

As a percentage of net sales, SG&A expenses were 72.4% ($1,347.6) for 1999 compared with 59.0% ($1,328.8) for 1998. The increase in SG&A expenses as a percentage of net sales is due in large measure to the reduced levels of sales coupled with the Company's decision to maintain throughout the second half of 1999 brand support intended to drive consumer purchasing and facilitate the inventory reduction process by U.S. retailers referred to earlier. In addition, SG&A increased as a result of executive separation costs of $22.0, which were partially offset by savings from the Company's restructuring plan from 1998.

Business consolidation costs and other, net

In the fourth quarter of 1998, the Company committed to a restructuring plan to realign and reduce personnel, exit excess leased real estate, realign and consolidate regional activities, reconfigure certain manufacturing operations and exit certain product lines. During 1999, the Company continued to implement such restructuring plan for which it recorded a charge of $20.5 for employee severance and other personnel benefits, costs associated with the exit from leased facilities as well as other costs. Also in 1999, the Company consummated an exit from a non-core business, resulting in an additional charge of $1.6, which is included in business consolidation costs and other, net.

During the fourth quarter of 1999, the Company continued to re-evaluate its organizational structure and implemented a new restructuring plan principally at its New York headquarters and New Jersey locations resulting in a charge of $18.1 principally for employee severance. As part of this new restructuring plan, the Company reduced personnel and consolidated excess real estate. As a result of the new restructuring plan, executive separation costs, and the elimination of open positions, the Company anticipates annual savings of between $45 and $50, beginning in 2000.

Operating (loss) income

As a result of the foregoing, operating (loss) for 1999 was $(212.6) compared to operating income of $124.6 for 1998.

Other expenses/(income)

Interest expense was $147.9 for 1999 compared with $137.9 for 1998. The increase in interest expense for 1999 as compared with 1998 is due to higher average outstanding debt and higher interest rates under the Credit Agreement, partially offset by lower interest rates as a result of the refinancings in 1998.

Foreign currency (gains) losses, net, were $(0.5) for 1999 compared with $4.6 in 1998. Foreign currency losses, net for 1998 consisted primarily of losses in several markets in Latin America.

Provision for income taxes

The provision for income taxes was $9.1 for 1999 compared with $5.0 for 1998.

Discontinued operations

During 1998, the Company completed the disposition of its approximately 85% ownership interest in The Cosmetic Center, Inc. ("CCI") and, accordingly, the results of operations of CCI had been reported as discontinued operations along with the loss on disposal of such operations.

YEAR ENDED DECEMBER 31, 1998 COMPARED WITH YEAR ENDED DECEMBER 31, 1997

NET SALES

Net sales were $2,252.2 and $2,238.6 for 1998 and 1997, respectively, an increase of $13.6, or 0.6% (or 2.7% on a constant U.S. dollar basis).

United States. Net sales in the United States were $1,343.7 for 1998 compared with $1,304.9 for 1997, an increase of $38.8, or 3.0%. The increase in net sales in 1998 reflects improvements in net sales of products in the Company's ALMAY and ULTIMA franchises and expansion of certain of the Company's professional product lines including an acquisition. For the first half of 1998, net sales for the Company's REVLON franchise increased as compared to the first half of 1997 as a result of continued consumer acceptance of new product offerings and general improvement in consumer demand for the Company's color cosmetics. Beginning in third quarter of 1998, such sales were adversely affected by a slowdown in the rate of growth in the mass market color cosmetics category and a leveling of market share. Additionally, net sales for 1998 were impacted by reduced purchases by some retailers, particularly chain drug stores, resulting from improved inventory management through systems upgrades and inventory reductions following several recent business combinations.

REVLON brand color cosmetics continued as the number one brand in dollar market share in the U.S. self-select distribution channel. New product introductions (including, in 1998, certain products launched during 1997) generated incremental net sales in 1998, principally as a result of launches of TOP SPEED nail enamel, MOISTURESTAY lip makeup, products in the NEW COMPLEXION line, COLORSTAY shampoo, ALMAY STAY SMOOTH lip makeup, products in the ALMAY AMAZING collection, products in the ALMAY ONE COAT collection, products in the ULTIMA II BEAUTIFUL NUTRIENT and ULTIMA II FULL MOISTURE lipcolor lines and ULTIMA II GLOWTION skin brighteners.

International. Net sales outside the United States were $908.5 for 1998 compared with $933.7 for 1997, a decrease of $25.2, or 2.7%, on a reported basis (an increase of 2.4% on a constant U.S. dollar basis). The increase in net sales for 1998 on a constant dollar basis reflects the benefits of increased distribution, including acquisitions, and successful new product introductions in several markets including MOISTURESTAY lip makeup and TOP SPEED nail enamel. The decrease in net sales for 1998 on a reported basis reflects the unfavorable effect on sales of a stronger U.S. dollar against most foreign currencies and unfavorable economic conditions in several international markets. These unfavorable economic conditions restrained consumer and trade demand outside the U.S., particularly in South America and the Far East, as well as Russia and other developing economies. Sales outside the United States are divided into three geographic regions. In Europe, which comprises Europe, the Middle East and Africa, net sales decreased by 2.6% on a reported basis to $406.9 for 1998 as compared with 1997 (an increase of 0.5% on a constant U.S. dollar basis). In the Western Hemisphere, which comprises Canada, Mexico, Central America, South America and Puerto Rico, net sales increased by 4.7% on a reported basis to $358.1 for 1998 as compared with 1997 (an increase of 9.5% on a constant U.S. dollar basis). The Company's operations in Brazil are significant. In Brazil, net sales were $122.5 on a reported basis for 1998 compared with $130.9 for 1997, a decrease of $8.4, or 6.4% (an increase of 0.5% on a constant U.S. dollar basis). On a reported basis, net sales in Brazil were adversely affected by the stronger U.S. dollar against the Brazilian real. In the Far East, net sales decreased by 17.5% on a reported basis to $143.5 for 1998 as compared with 1997 (a decrease of 7.4% on a constant U.S. dollar basis). Net sales outside the United States, including without limitation in Brazil, were adversely impacted by generally weak economic conditions, political and economic uncertainties, including without limitation currency fluctuations, and competitive activities in certain markets.

Cost of sales

As a percentage of net sales, cost of sales was 34.0% for 1998 compared with 33.2% for 1997. The increase in cost of sales as a percentage of net sales for 1998 compared with 1997 is due to changes in product mix, the effect of weaker local currencies on the cost of imported purchases, the effect of lower net sales in the second half of 1998 and the inclusion of $2.7 of other costs incurred to exit certain product lines outside the United States in connection with the restructuring charge in the fourth quarter of 1998. These factors were partially offset by the benefits of more efficient global production and purchasing.

SG&A expenses

As a percentage of net sales, SG&A expenses were 59.0% for 1998 compared with 57.1% for 1997. SG&A expenses other than advertising and consumer-directed promotion expenses, as a percentage of net sales, were 40.2% for 1998 compared with 39.3% for 1997. The increase in SG&A expenses other than advertising and consumer-directed promotion expenses as a percentage of net sales was due primarily to the effects of lower than expected sales. The Company's advertising and consumer-directed promotion expenditures were incurred to support existing product lines, new product launches and increased distribution. Advertising and consumer-directed promotion expenses as a percentage of net sales were 18.8%, or $422.9, for 1998 compared to 17.8%, or $397.4, for 1997.

Business consolidation costs and other, net

In the fourth quarter of 1998 the Company committed to a restructuring plan to realign and reduce personnel, exit excess leased real estate, realign and consolidate regional activities, reconfigure certain manufacturing operations and exit certain product lines. As a result, the Company recognized a net charge of $42.9 consisting of $26.6 of employee severance and termination benefits for 720 sales, marketing, administrative, factory and distribution employees worldwide, $14.9 of costs to exit excess leased real estate primarily in the United States and $2.7 of other costs described above in cost of sales, partially offset by a gain of $1.3 for the sale of a factory outside the United States.

In the third quarter of 1998 the Company recognized a gain of approximately $7.1 for the sale of the wigs and hairpieces portion of its business in the United States.

In 1997 the Company incurred business consolidation costs of $20.6 in connection with the implementation of its business strategy to rationalize factory operations. These costs primarily included severance for 415 factory and administrative employees and other costs related to the rationalization of certain factory and warehouse operations worldwide. Such costs were partially offset by an approximately $12.7 settlement of a claim and related gains of approximately $4.3 for the sales of certain factory operations outside the United States.

Operating income

As a result of the foregoing, operating income decreased by $90.3, or 42.0%, to $124.6 for 1998 from $214.9 for 1997.

Other expenses/income

Interest expense was $137.9 for 1998 compared with $133.7 for 1997. The increase in interest expense for 1998 as compared with 1997 is due to higher average outstanding borrowings partially offset by lower interest rates.

Foreign currency losses, net, were $4.6 for 1998 compared to $6.4 for 1997. The foreign currency losses for 1998 consisted primarily of losses in several markets in Latin America. The losses in 1997 consisted primarily of losses in several markets in Europe and the Far East.

Provision for income taxes

The provision for income taxes was $5.0 and $9.3 for 1998 and 1997, respectively. The decrease was primarily attributable to lower taxable income outside the United States in 1998.

Discontinued operations

During 1998, the Company completed the disposition of its approximately 85% equity interest in CCI. In connection with such transaction, the Company recorded a loss on disposal of $47.7 during 1998. (Loss) income from discontinued operations was $(16.5) (excluding the $47.7 loss on disposal) and $0.7 for 1998 and 1997, respectively. The 1997 period includes a $6.0 non-recurring gain resulting from the merger of Prestige Fragrance & Cosmetics, Inc., then a wholly owned subsidiary of the Company, with and into CCI on April 25, 1997, partially offset by related business consolidation costs of $4.0. The 1998 period includes the Company's share of a non-recurring charge of $10.5 taken by CCI primarily related to inventory and severance.

Extraordinary items

The extraordinary loss of $51.7 in 1998 resulted primarily from the write-off of deferred financing costs and payment of call premiums associated with the redemption of Products Corporation's 9 3/8% Senior Notes due 2001 (the "Senior Notes") and Products Corporation's 10 1/2% Senior Subordinated Notes due 2003 (the "Senior Subordinated Notes"). The extraordinary loss in 1997 resulted from the write-off of deferred financing costs associated with the extinguishment of borrowings under the credit agreement in effect at that time prior to maturity with proceeds from the credit agreement, and costs of approximately $6.3 in connection with the redemption of Products Corporation's 10 7/8% Sinking Fund Debentures due 2010 (the "Sinking Fund Debentures").

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash (used for)/provided by operating activities was $(82.8), $(51.5) and $8.7 for 1999, 1998 and 1997, respectively. The increase in net cash used for operating activities for 1999 compared with 1998 was the result of operating losses and increased use of cash for business consolidation costs during 1999, partially offset by changes in working capital. The increase in net cash used for operating activities for 1998 compared with cash provided in 1997 resulted primarily from lower operating income and increased cash used for business consolidation costs in 1998.

Net cash used for investing activities was $40.7, $91.0 and $84.3 for 1999, 1998 and 1997, respectively. Net cash used for investing activities in 1999 related principally to capital expenditures. Net cash used for investing activities for 1998 and 1997 includes cash paid in connection with acquisitions of businesses and capital expenditures, partially offset by the proceeds from the sale of the wigs and hairpieces portion of the Company's business in the United States in 1998 and from the sale of certain assets in 1998 and 1997. Net cash used for investing activities for 1999, 1998 and 1997 included capital expenditures of $42.3, $60.8 and $52.3, respectively, and in 1998 and 1997 $57.6 and $40.5, respectively, used for acquisitions.

Net cash provided by financing activities was $118.5, $159.1 and $84.9 for 1999, 1998 and 1997, respectively. Net cash provided by financing activities for 1999 included cash drawn under the Credit Agreement, partially offset by repayments of borrowings under the Credit Agreement, redemption of the 9 1/2% Senior Notes due 1999 (the "1999 Notes") and repayments under Products Corporation's Japanese yen-denominated credit agreement (the "Yen Credit Agreement"). Net cash provided by financing activities for 1998 included proceeds from the issuance of Products Corporation's 9% Senior Notes due 2006 (the "9% Notes"), Products Corporation's 8 5/8% Senior Subordinated Notes due 2008 (the "8 5/8% Notes") and Products Corporation's 8 1/8% Senior Notes due 2006 (the "8 1/8% Notes") and cash drawn under the Credit Agreement, partially offset by the payment of fees and expenses related to the issuance of the 9% Notes, the 8 5/8% Notes and the 8 1/8% Notes, the redemption of the Senior Subordinated Notes and the Senior Notes, and the repayment of borrowings under the Yen Credit Agreement. Net cash provided by financing activities for 1997 included cash drawn under the credit agreement in effect at that time and the Credit Agreement, partially offset by the repayment of borrowings under the credit agreement in effect at that time, the payment of fees and expenses related to entering into the Credit Agreement, the repayment of borrowings under the

Yen Credit Agreement and the redemption of Products Corporation's Sinking Fund Debentures. During 1998 and 1997, net cash used by discontinued operations was $17.3 and $3.4, respectively.

In May 1997, Products Corporation entered into a credit agreement (as subsequently amended, the "Credit Agreement") with a syndicate of lenders, whose individual members change from time to time. Prior to the commitment reduction resulting from the sale of the professional products line (See "Subsequent Event" below) the Credit Agreement provided up to $723.0 and comprises five senior secured facilities: $198.0 in two term loan facilities (the "Term Loan Facilities"), a $300.0 multi-currency facility (the "Multi-Currency Facility"), a $175.0 revolving acquisition facility, which may also be used for general corporate purposes and which may be increased to $375.0 under certain circumstances with the consent of a majority of the lenders (the "Acquisition Facility"), and a $50.0 special standby letter of credit facility (the "Special LC Facility"). At December 31, 1999, the Company had approximately $198.0 outstanding under the Term Loan Facilities, $235.2 outstanding under the Multi-Currency Facility, $155.0 outstanding under the Acquisition Facility and $29.8 of issued but undrawn letters of credit under the Special LC Facility.

The Credit Agreement contained financial covenants requiring Products Corporation to maintain minimum interest coverage and to limit its leverage ratio, among other things. As a result of the loss from continuing operations before taxes incurred by Products Corporation in the third quarter of 1999, the interest coverage and leverage ratios specified in the Credit Agreement were not achieved at September 30, 1999. The Credit Agreement was amended on November 10, 1999 to (i) eliminate the interest coverage ratio and leverage ratio covenants from the quarter ended September 30, 1999 through the year 2000 and to modify those covenants for the years 2001 and 2002; (ii) add a minimum EBITDA covenant for each quarter end during the year 2000; (iii) limit the amount that Products Corporation may spend for capital expenditures and investments including acquisitions; (iv) permit the sale of Products Corporation's worldwide professional products line and its non-core Latin American brands Colorama, Juvena, Bozzano and Plusbelle (the "Asset Sales"); (v) change the reduction of the aggregate commitment that is required upon consummation of any Asset Sale to an amount equal to 60% of the "Net Proceeds" (as defined in the Credit Agreement) from such Asset Sale as opposed to 100% of such Net Proceeds as provided under the Credit Agreement prior to the amendment; (vi) increase the "applicable margin" by 3/4 of 1% and (vii) permit the amendment of the Yen Credit Agreement described below. In March 2000, 60% of the Net Proceeds from the sale of its worldwide professional products line was applied to reduce the aggregate commitment under the Credit Agreement to $572.7 (See "Subsequent Event" below). In March 2000, the Credit Agreement was amended to eliminate the default upon the acceleration of or certain payment defaults under indebtedness of REV Holdings in excess of $0.5.

A subsidiary of Products Corporation was the borrower under the Yen Credit Agreement, which had a principal balance of approximately (Yen)1.0 billion as of December 31, 1999 (approximately $9.9 U.S. dollar equivalent as of December 31, 1999) after giving effect to the payment of approximately (Yen)539 million (approximately $4.6 U.S. dollar equivalent) in March 1999. In November 1999, the borrower under the Yen Credit Agreement executed an amendment to the Yen Credit Agreement to eliminate the amortization payment due in March 2000 and to provide that the final maturity date of the Yen Credit Agreement will be the earlier of (i) the closing date of the sale of Products Corporation's professional products line and (ii) December 31, 2000. In March 2000, the outstanding balance under the Yen Credit Agreement was repaid in full in accordance with its terms.

In November 1998, Products Corporation issued and sold $250.0 principal amount of 9% Notes, of which $200.0 was used to temporarily reduce borrowings under the Credit Agreement in anticipation of the redemption referred to below. On June 1, 1999, Products Corporation redeemed the $200.0 principal amount of 1999 Notes with borrowings from the Credit Agreement.

Products Corporation borrows funds from its affiliates from time to time to supplement its working capital borrowings at interest rates more favorable to Products Corporation than interest rates under the Credit Agreement. No such borrowings were outstanding as of December 31, 1999.

The Company's principal sources of funds are expected to be cash flow generated from operations (before interest) and borrowings under the Credit Agreement, other existing working capital lines and renewals thereof, as well as proceeds from the sale of one or more of the Company's non-core Latin American brands. The Credit Agreement, the 8 5/8% Notes, the 8 1/8% Notes and 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, working capital and capital expenditure requirements, expenses in connection with the Company's restructuring referred to above and debt service payments. As required under the Credit Agreement, the Company used 60% of the Net Proceeds (as defined in the Credit Agreement) from the sale of its worldwide professional products line to reduce the aggregate commitment under the Credit Agreement. Additionally, the Company expects that it will receive cash proceeds from the sale of one or more of its non-core Latin American brands and that it will use 60% of the Net Proceeds, to reduce the aggregate commitment under the Credit Agreement.

The Company estimates that capital expenditures for 2000 will be approximately $25, including upgrades to the Company's management information systems. The Company estimates that cash payments related to the restructuring plans referred to in Note 4 and executive separation costs will be approximately $35 in 2000. Pursuant to a tax sharing agreement, Revlon, Inc. may be required to make tax sharing payments to Mafco Holdings Inc. as if Revlon, Inc. were filing separate income tax returns, except that no payments are required by Revlon, Inc. if and to the extent that Products Corporation is prohibited under the Credit Agreement from making tax sharing payments to Revlon, Inc. The Credit Agreement prohibits Products Corporation from making any 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 2000.

Products Corporation enters into forward foreign exchange contracts and option contracts from time to time to hedge certain cash flows denominated in foreign currencies. There were no forward foreign exchange or option contracts outstanding at December 31, 1999. Products Corporation had forward foreign exchange contracts denominated in various currencies of approximately $197.5 (U.S. dollar equivalent) outstanding at December 31, 1998 and option contracts of approximately $51.0 at December 31, 1998. Such contracts are entered into to hedge transactions predominantly occurring within twelve months. If Products Corporation had terminated these contracts on December 31, 1998 no material gain or loss would have been realized.

The Company expects that cash flows from operations and funds from currently available credit facilities and renewals of short-term borrowings will be sufficient to enable the Company to meet its anticipated cash requirements during 2000 on a consolidated basis, including for debt service. However, there can be no assurance that the combination of cash flow from operations, funds from existing credit facilities and renewals of short-term borrowings will be sufficient to meet the Company's cash requirements on a consolidated basis. If the Company is unable to satisfy such cash requirements, the Company could be required to adopt one or more alternatives, such as reducing or delaying capital expenditures, restructuring indebtedness, selling other assets or operations, or seeking capital contributions or loans from affiliates of the Company or issuing additional shares of capital stock of Revlon, Inc. Products Corporation has had discussions with an affiliate that is prepared to provide financial support to Products Corporation of up to $40 on appropriate terms through December 31, 2000. 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 the Class A Common Stock that may be authorized by the Board of Directors of Revlon, Inc. There can be no assurance that any of such actions could be effected, that they would enable the Company to continue to satisfy its capital requirements or that they would be permitted under the terms of the Company's various debt instruments then in effect. The terms of the Credit Agreement, the 8 5/8% Notes, the 8 1/8% 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, regulatory fees such as Securities and Exchange Commission (the "Commission") filing fees and other miscellaneous expenses related to being a public holding company and 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. Second Amended and Restated 1996 Stock Plan, provided that the aggregate amount of such dividends and distributions taken together with any purchases of Revlon, Inc. common stock on the open market to satisfy matching obligations under the excess savings plan may not exceed $6.0 per annum.

EURO CONVERSION

As part of the European Economic and Monetary Union, a single currency (the "Euro") will replace the national currencies of the principal European countries (other than the United Kingdom) in which the Company conducts business and manufacturing. The conversion rates between the Euro and the participating nations' currencies were fixed as of January 1, 1999, with the participating national currencies to be removed from circulation between January 1, 2002 and June 30, 2002 and replaced by Euro notes and coinage. During the transition period from January 1, 1999 through December 31, 2001, public and private entities as well as individuals may pay for goods and services using checks, drafts, or wire transfers denominated either in the Euro or the participating country's national currency. Under the regulations governing the transition to a single currency, there is a "no compulsion, no prohibition" rule which states that no one can be prevented from using the Euro after January 1, 2002 and no one is obliged to use the Euro before July 2002. In keeping with this rule, the Company expects to either continue using the national currencies or the Euro for invoicing or payments. Based upon the information currently available, the Company does not expect that the transition to the Euro will have a material adverse effect on the business or consolidated financial condition of the Company.

FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K for the year ended December 31, 1999 as well as other public documents of the Company contains 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 as to being the most trusted supplier, the most innovative and the first to market with innovations, attracting and retaining the best people in the industry, building consistent global equities, addressing consumer needs, exceeding trade partners' expectations, operating at benchmark levels of efficiency, becoming the most dynamic leader in global beauty and skin care, the introduction of new products and expansion into markets, future financial performance, the effect on sales of lower retailer inventory targets, the effect on sales of political and/or economic conditions and competitive activities in certain markets, the Company's estimate of restructuring activities, costs and benefits, cash flow from operations, capital expenditures, the Company's qualitative and quantitative estimates as to market risk sensitive instruments, the Company's expectations about the effects of the transition to the Euro, the availability of funds from currently available credit facilities, renewals of short-term borrowings, and capital contributions or loans from affiliates or the sale of assets or operations or additional shares of Revlon, Inc. and the Company's intent to pursue the sale of one or more of its non-core regional Latin American brands, that it will consummate such sales during the second quarter of 2000 and its expectation regarding the proceeds of such sales. 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 "believe," "expects," "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 the Company undertakes no obligation to update them. 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 in becoming the most trusted supplier, the most innovative and the first to market with innovations, attracting and retaining the best people in the industry, building consistent global equities, addressing consumer needs, exceeding trade partners' expectations, operating at benchmark levels of efficiency, becoming the most dynamic leader in global beauty and skin care, and in developing and introducing new products or failure of customers to accept new product offerings; (ii) changes in consumer preferences, including reduced consumer demand for the Company's color cosmetics and other current products; (iii) difficulties or delays in the Company's continued expansion into the self-select distribution channel and into certain markets and development of new markets; (iv) unanticipated costs or difficulties or delays in completing projects associated with the Company's strategy to improve operating efficiencies ; (v) the inability to secure capital contributions or loans from affiliates or sell assets or operations or additional shares of Revlon, Inc.; (vi) effects of and changes in political and/or economic conditions, including inflation and monetary conditions, and in trade, monetary, fiscal and tax policies in international markets, including but not limited to Brazil; (vii) actions by competitors, including business combinations, technological breakthroughs, new products offerings and marketing and promotional successes; (viii) combinations among significant customers or the loss, insolvency or failure to pay debts by a significant customer or customers; (ix) lower than expected sales as a result of difficulties or delays in achieving retailers' inventory target levels; (x) difficulties, delays or unanticipated costs or

less than expected benefits resulting from the Company's restructuring activities; (xi) interest rate or foreign exchange rate changes affecting the Company and its market sensitive financial instruments; (xii) difficulties, delays or unanticipated costs associated with the transition to the Euro; and (xiii) difficulties or delays in pursuing the sale of one or more of its non-core Latin American brands, the inability to consummate such sales during the second quarter of 2000 or to secure the expected level of proceeds from such sales.

EFFECT OF NEW ACCOUNTING STANDARDS

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," which establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. In June 1999, the FASB issued SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of SFAS No. 133, an Amendment of SFAS No. 133," which has delayed the required implementation of SFAS No. 133 such that the Company must adopt this new standard no later than January 1, 2001. The effect of adopting the new standard by the Company has not yet been determined. The Company plans to adopt the new standard on January 1, 2001.

INFLATION

In general, costs are affected by inflation and the effects of inflation may be experienced by the Company in future periods. Management believes, however, that such effects have not been material to the Company during the past three years in the United States or foreign non-hyperinflationary countries. The Company operates in certain countries around the world, such as Brazil, Venezuela and Mexico, that have experienced hyperinflation in the past three years. The Company's operations in Brazil were accounted for as operating in a hyperinflationary economy until June 30, 1997. Effective July 1, 1997, Brazil was considered a non-hyperinflationary economy. The impact of accounting for Brazil as a non-hyperinflationary economy was not material to the Company's operating results. Effective January 1997, Mexico was considered a hyperinflationary economy for accounting purposes. Effective January 1, 1999, Mexico was considered a non-hyperinflationary economy. In hyperinflationary foreign countries, the Company attempts to mitigate the effects of inflation by increasing prices in line with inflation, where possible, and efficiently managing its working capital levels.

SUBSEQUENT EVENT

On March 30, 2000, the Company completed the disposition of its worldwide professional products line, including professional hair care for use in and resale by professional salons, ethnic hair and personal care products, Natural Honey skin care and certain regional toiletries brands, for $315 in cash, before adjustments, plus $10 in purchase price payable in the future, contingent upon the purchasers' achievement of certain rates of return on their investment. The disposition involved the sale of certain of the Company's subsidiaries throughout the world devoted to the professional products line, as well as assets dedicated exclusively or primarily to the lines being disposed. The worldwide professional products line was purchased by a company formed by CVC Capital Partners, the Colomer family and other investors, led by Carlos Colomer, a former manager of the line that was sold, following arms'-length negotiation of the terms of the purchase agreement therefor, including the determination of the amount of the consideration.

The following unaudited summary pro forma financial information gives effect to the sale of the worldwide professional products line as of January 1, 1999 in the case of the pro forma statement of operations data and as of December 31, 1999 in the case of the pro forma balance sheet data. The pro forma information includes certain adjustments, such as reduced interest expense and a reduction in long-term debt as a result of the repayment of debt with $294.3 of the net proceeds from the disposition. The unaudited pro forma statement of operations data exclude the gain on the sale of the professional products line and eliminate costs incurred to date in connection with the sale since the gain and associated costs are non-recurring. The unaudited summary pro forma financial information is not necessarily indicative of the results of operations of the Company had the sale occurred at January 1, 1999, or financial position at December 31, 1999 had the sale occurred at that date, nor is it necessarily indicative of future results.

REVLON, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

	HISTORICAL YEAR ENDED DECEMBER 31, 1999	RESULTS OF PROFESSIONAL PRODUCTS LINE	ADJUSTMENTS	YEAR ENDED DECEMBER 31, 1999
Net sales	$ 1,861.3	$ (320.1)	$	$ 1,541.2
Cost of sales	686.1	(118.7)		567.4
Gross profit	1,175.2	(201.4)		973.8
Selling, general and administrative expenses	1,347.6	(168.9)		1,178.7
Business consolidation costs and other, net	40.2	(0.9)		39.3
Operating loss	(212.6)	(31.6)		(244.2)
Other expenses (income):				
Interest expense	147.9	(0.7)	(26.9)	120.3
Other, net	1.9	1.3	(2.0)	1.2
Other expenses, net	149.8	0.6	(28.9)	121.5
(Loss) income from operations before income taxes	(362.4)	(32.2)	28.9	(365.7)
Provision for income tax	9.1	(2.6)		6.5
(Loss) income from operations	$ (371.5)	$ (29.6)	$ 28.9	$ (372.2)
Basic and diluted (loss) income per common share:				
(Loss) income from operations	$ (7.25)			$ (7.26)
Weighted average number of common shares outstanding:				
Basic and diluted	51,240,225			51,240,225

REVLON, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEETS
(DOLLARS IN MILLIONS)

ASSETS	DECEMBER 31, 1999	PROFESSIONAL PRODUCTS LINE	ADJUSTMENTS	DECEMBER 31, 1999 PRO FORMA
Current assets:				
Cash and cash equivalents	$ 25.4	$ (3.0)		$ 22.4
Trade receivables, net	332.6	(78.4)		254.2
Inventories	278.3	(49.6)		228.7
Prepaid expenses and other	51.3	6.7		58.0
Total current assets	687.6	(124.3)		563.3
Property, plant and equipment, net	336.4	(41.5)		294.9
Other assets	177.5	(3.3)		174.2
Intangible assets, net	356.8	(111.4)		245.4
Total assets	$ 1,558.3	$ (280.5)		$ 1,277.8
LIABILITIES AND STOCKHOLDERS' DEFICIENCY				
Total current liabilities	$ 597.3	$ (49.6)		$ 547.7
Long-term debt-third parties	1,737.8	(0.3)	$ (296.3)	1,441.2
Long-term debt-affiliates	24.1			24.1
Other long-term liabilities	214.0			214.0
Total stockholders' deficiency	(1,014.9)	(230.6)	296.3	(949.2)
Total liabilities and stockholders' deficiency	$ 1,558.3	$ (280.5)	$ -	$ 1,277.8

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Sensitivity

The Company has exposure to changing interest rates, primarily in the United States. The Company's policy is to manage interest rate risk through the use of a combination of fixed and floating rate debt. The Company from time to time makes use of derivative financial instruments to adjust its fixed and floating rate ratio. The table below provides information about the Company's indebtedness that is sensitive to changes in interest rates. The table presents cash flows with respect to principal on indebtedness and related weighted average interest rates by expected maturity dates. Weighted average variable rates are based on implied forward rates in the yield curve at December 31, 1999. The information is presented in U.S. dollar equivalents, which is the Company's reporting currency.

Exchange Rate Sensitivity

The Company manufactures and sells its products in a number of countries throughout the world and, as a result, is exposed to movements in foreign currency exchange rates. In addition, a portion of the Company's borrowings are denominated in foreign currencies, which are also subject to market risk associated with exchange rate movement. The Company from time to time hedges major net foreign currency cash exposures generally through foreign exchange forward and option contracts. The contracts are entered into with major financial institutions to minimize counterparty risk. These contracts generally have a duration of less than twelve months and are primarily against the U.S. dollar. In addition, the Company enters into foreign currency swaps to hedge intercompany financing transactions. The forward foreign exchange and option contracts entered into during 1999 expired by December 31, 1999.

The Company does not hold or issue financial instruments for trading purposes.

	EXPECTED MATURITY DATE FOR YEAR ENDED DECEMBER 31,							FAIR VALUE DEC. 31,
	2000	2001	2002	2003	2004	THEREAFTER	TOTAL	1999
	(US dollar equivalent in millions)							
DEBT								
Short term variable rate (various currencies).	$37.6						$ 37.6	$ 37.6
Average interest rate.....	8.3%							
Long-term fixed rate ($US)						$1,149.2	1,149.2	705.0
Average interest rate.....						8.6%		
Long-term variable rate ($US)		$67.2	$405.8				473.0	473.0
Average interest rate.....		9.5%	9.7%					
Long-term variable rate (various currencies)	10.2	0.3	115.2		$0.1		125.8	125.8
Average interest rate.....	3.1%	7.3%	8.0%		7.3%			
Total debt							$1,785.6	$1,341.4

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Reference is made to the Index on page F-1 of the Consolidated Financial Statements of the Company and the Notes thereto contained herein.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information concerning the Directors and executive officers of the Company. Each Director holds office until his successor is duly elected and qualified or until his resignation or removal, if earlier.

NAME	POSITION
Ronald O. Perelman	Chairman of the Board, Chairman of the Executive Committee of the Board and Director
Jeffrey M. Nugent	President, Chief Executive Officer and Director
Frank J. Gehrmann	Executive Vice President and Chief Financial Officer
Wade H. Nichols III	Executive Vice President and Chief Administrative Officer
Donald G. Drapkin	Director
Meyer Feldberg	Director
Howard Gittis	Director
Morton L. Janklow	Director
Vernon E. Jordan	Director
Edward J. Landau	Director
Jerry W. Levin	Director
Linda Gosden Robinson	Director
Terry Semel	Director
Martha Stewart	Director

The name, age (as of March 8, 2000), principal occupation for the last five years and selected biographical information for each of the Directors and executive officers of the Company are set forth below.

Mr. Perelman (57) has been Chairman of the Board of Directors of the Company and of the Company's wholly owned subsidiary Products Corporation since June 1998, Chairman of the Executive Committee of the Board of the Company and of Products Corporation since November 1995, and a Director of the Company and of Products Corporation since their respective formations in 1992. Mr. Perelman was Chairman of the Board of the Company and of Products Corporation from their respective formations in 1992 until November 1995. Mr. Perelman has been Chairman of the Board and Chief Executive Officer of Mafco Holdings Inc. ("Mafco Holdings" and, collectively with MacAndrews Holdings, "MacAndrews & Forbes") and MacAndrews Holdings and various of its affiliates since 1980. Mr. Perelman is also Chairman of the Executive Committee of the Board of Directors of M&F Worldwide Corp. ("M&F Worldwide") and is Chairman of the Board of Directors of Panavision Inc. ("Panavision"). Mr. Perelman is also a Director of the following corporations which file reports pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"): Golden State Bancorp Inc. ("Golden State"), Golden State Holdings Inc. ("Golden State Holdings"), M&F Worldwide, Panavision and REV Holdings. (On December 27, 1996, Marvel

Entertainment Group, Inc. ("Marvel"), Marvel Holdings Inc. ("Marvel Holdings"), Marvel (Parent) Holdings Inc. ("Marvel Parent") and Marvel III Holdings Inc. ("Marvel III"), of which Mr. Perelman was a Director on such date, filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code.)

Mr. Nugent (53) has been President and Chief Executive Officer of the Company and of Products Corporation since December 5, 1999. He has been a Director of the Company and of Products Corporation since February 14, 2000. He had been Worldwide President and Chief Executive Officer of Neutrogena Corporation from January 1995 until December 5, 1999. Prior to that, Mr. Nugent held various senior executive positions at Johnson & Johnson.

Mr. Gehrmann (45) was elected as Executive Vice President and Chief Financial Officer of the Company and of Products Corporation in January 1998. From January 1997 until January 1998 he had been Vice President of the Company and of Products Corporation. Prior to January 1997 he served in various appointed senior executive positions for the Company and for Products Corporation, including Executive Vice President and Chief Financial Officer of Products Corporation's Operating Groups from August 1996 to January 1998, Executive Vice President and Chief Financial Officer of Products Corporation's Worldwide Consumer Products business from January 1995 to August 1996, and Executive Vice President and Chief Financial Officer of Products Corporation's Revlon North America unit from September 1993 to January 1994. From 1983 through September 1993, Mr. Gehrmann held positions of increasing responsibility in the financial organizations of Mennen Corporation and the Colgate-Palmolive Company, which acquired Mennen Corporation in 1992. Prior to 1983, Mr. Gehrmann served as a certified public accountant at the international auditing firm of Ernst & Young.

Mr. Nichols (57) has been Executive Vice President and Chief Administrative Officer of the Company and of Products Corporation since January 1, 2000. He was Executive Vice President and General Counsel of the Company and of Products Corporation from January 1998 until December 31, 1999 and served as Senior Vice President and General Counsel of the Company and Products Corporation from their respective formations in 1992 until January 1998.

Mr. Drapkin (52) has been a Director of the Company and of Products Corporation since their respective formations in 1992. He has been Vice Chairman of the Board of MacAndrews & Forbes and various of its affiliates since 1987. Mr. Drapkin was a partner in the law firm of Skadden, Arps, Slate, Meagher & Flom for more than five years prior to 1987. Mr. Drapkin is also a Director of the following corporations which file reports pursuant to the Exchange Act: Algos Pharmaceutical Corporation, Anthracite Capital, Inc., BlackRock Asset Investors, The Molson Companies Limited, Nexell Therapeutics Inc., Playboy Enterprises, Inc., Warnaco Group, Inc. and Weider Nutrition International, Inc. (On December 27, 1996, Marvel, Marvel Holdings, Marvel Parent and Marvel III, of which Mr. Drapkin was a Director on such date, filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code.)

Professor Feldberg (57) has been a Director of the Company since February 1997. Professor Feldberg has been the Dean of Columbia Business School, New York City, for more than the past five years. Professor Feldberg is also a Director of the following corporations which file reports pursuant to the Exchange Act: Federated Department Stores, Inc., PRIMEDIA Inc. and Paine Webber Group, Inc. (28 directorships within such fund complex).

Mr. Gittis (66) has been a Director of the Company and of Products Corporation since their respective formations in 1992. He has been Vice Chairman of the Board of MacAndrews & Forbes and various of its affiliates since 1985. Mr. Gittis is also a Director of the following corporations which file reports pursuant to the Exchange Act: Golden State, Golden State Holdings, Jones Apparel Group, Inc., Loral Space & Communications Ltd., M&F Worldwide, Panavision, REV Holdings and Sunbeam Corporation.

Mr. Janklow (69) has been a Director of the Company since July 1997. He has been of counsel to Janklow, Newborn & Ashley and Senior Partner of Janklow & Nesbit Associates, a New York City-based literary agency, since 1989 and Chairman of the Board and Chief Executive Officer of Morton L. Janklow Associates, Inc., New York City since 1977. Mr. Janklow is also trustee of the Managed Accounts Services Portfolio Trust/Pace.

Mr. Jordan (64) has been a Director of the Company since June 1996. Mr. Jordan has been a Managing Director of Lazard Freres & Co. LLC since January 2000. Since January 2000, Mr. Jordan has been Of

Counsel at the Washington, D.C. law firm of Akin, Gump, Strauss, Hauer & Feld, LLP, and was a Senior Partner of such firm for more than five years prior thereto. He is also a Director of the following corporations which file reports pursuant to the Exchange Act: American Express Company, Callaway Golf Corporation, AMFM Inc., Dow Jones & Company, Inc., J.C. Penney Company, Inc., Ryder System, Inc., Sara Lee Corporation, Union Carbide Corporation and Xerox Corporation. He is also a trustee of Howard University.

Mr. Landau (70) has been a Director of the Company since June 1996. Mr. Landau has been Of Counsel at the law firm of Wolf, Block, Schorr and Solis-Cohen LLP since February 1998, and was a Senior Partner of Lowenthal, Landau, Fischer & Bring, P.C., the predecessor to such firm, for more than five years prior to that date. Mr. Landau is also a Director of Offitbank Investment Fund, Inc., which files reports pursuant to the Exchange Act.

Mr. Levin (55) was Chairman of the Board of the Company and of Products Corporation from November 1995 to June 1998 and has been a Director of the Company since its formation in 1992 and a Director of Products Corporation from its formation in 1992 to November 1998. Mr. Levin has been President and Chief Executive Officer and a Director of Sunbeam Corporation ("Sunbeam") since June 1998 and was elected Chairman of the Sunbeam Board in March 1999. He has served as Chairman and Chief Executive Officer of The Coleman Company, Inc. ("Coleman") since August 1998. Mr. Levin was Chairman and Chief Executive Officer of Company from 1997 to March 1998 and was Chairman of the Board and a Director of The Cosmetic Center, Inc. from April 1997 until December 1998. Mr. Levin was Chief Executive Officer of the Company and of Products Corporation from their respective formations in 1992 until 1997 and President of the Company and of Products Corporation from their respective formations in 1992 until November 1995. Mr. Levin has been Executive Vice President of MacAndrews Holdings since March 1989. For 15 years prior to joining MacAndrews Holdings, he held various senior executive positions with The Pillsbury Company. Mr. Levin is a Director of the following corporations which file reports pursuant to the Exchange Act: Ecolab, Inc., Sunbeam Corporation and U.S. Bancorp, Inc.

Ms. Robinson (47) has been a Director of the Company since June 1996. Ms. Robinson has been Chairman of the Board and Chief Executive Officer of Robinson Lerer & Montgomery, LLC, a New York City strategic communications consulting firm, since May 1996. For more than five years prior thereto she was Chairman of the Board and Chief Executive Officer of Robinson Lerer Sawyer Miller Group, or its predecessors. Ms. Robinson is a trustee of Mt. Sinai Medical Center and Health System.

Mr. Semel (57) has been a Director of the Company since June 1996. Mr. Semel has been Chairman of Windsor Media, Inc., Los Angeles, a diversified media company, since October 1999. He was Chairman of the Board and Co-Chief Executive Officer of the Warner Bros. Division of Time Warner Entertainment LP ("Warner Brothers"), Los Angeles, from March 1994 until October 1999 and of Warner Music Group, Los Angeles, from November 1995 until October 1999. For more than ten years prior to that he was President of Warner Brothers or its predecessor, Warner Bros. Inc. Mr. Semel is also a Director of Polo Ralph Lauren Corporation, which files reports pursuant to the Exchange Act.

Ms. Stewart (58) has been a Director of the Company since June 1996. Ms. Stewart is the Chairman of the Board and Chief Executive Officer of Martha Stewart Living Omnimedia, Inc., New York City (formerly Martha Stewart Living Omnimedia, LLC, New York City). She has been an author, founder of the magazine Martha Stewart Living, creator of a syndicated television series, a syndicated newspaper column and a catalog company, and a lifestyle consultant and lecturer for more than the past five years. Ms. Stewart is a Director of Martha Stewart Living Omnimedia, Inc., which files reports pursuant to the Exchange Act.

BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of Directors has an Executive Committee, an Audit Committee and a Compensation and Stock Plan Committee (the "Compensation Committee").

The Executive Committee consists of Messrs. Perelman, Gittis and Nugent. The Executive Committee may exercise all of the powers and authority of the Board, except as otherwise provided under the Delaware General Corporation Law. The Executive Committee also serves as the Company's nominating committee for Board membership. The Audit Committee, consisting of Mr. Landau, Professor Feldberg and Ms. Robinson, makes recommendations to the Board of Directors regarding the engagement of the Company's independent auditors for ratification by the Company's stockholders, reviews the plan, scope and results of the audit, and reviews with the auditors and management the Company's policies and procedures with respect to internal accounting and financial controls, changes in accounting policy and the scope of the non-audit services which may be performed by the Company's independent auditors, among other things. The Compensation Committee, currently consisting of Messrs. Gittis, Drapkin and Semel and Mr. Morton Janklow, who will not be standing for re-election as a director at the Annual Meeting, makes recommendations to the Board of Directors regarding compensation and incentive arrangements (including performance-based arrangements) for the Chief Executive Officer, other executive officers, officers and other key managerial employees of the Company. The Compensation Committee also considers and recommends awards pursuant to the Revlon, Inc. Second Amended and Restated 1996 Stock Plan, which was amended and restated as of December 17, 1996 and as of February 12, 1999 (the "Stock Plan"), and administers such plan.

During 1999, the Board of Directors held six meetings and acted once by unanimous written consent, the Executive Committee acted four times by unanimous written consent, the Audit Committee held five meetings and the Compensation Committee held one meeting and acted nine times by unanimous written consent. During 1999, all Directors (other than Mr. Semel and Ms. Stewart) attended 75% or more of the meetings of the Board of Directors and of the Committees of which they were members.

COMPENSATION OF DIRECTORS

Directors who currently are not receiving compensation as officers or employees of the Company or any of its affiliates are paid an annual retainer fee of $25,000, payable in quarterly installments, and a fee of $1,000 for each meeting of the Board of Directors or any committee thereof they attend.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth information for the years indicated concerning the compensation awarded to, earned by or paid to the persons who served as Chief Executive Officer of the Company during 1999 and the four most highly paid executive officers, other than the Chief Executive Officers, who served as executive officers of the Company during 1999 (collectively, the "Named Executive Officers"), for services rendered in all capacities to the Company and its subsidiaries during such periods.

SUMMARY COMPENSATION TABLE

		ANNUAL COMPENSATION (a)			LONG-TERM COMPENSATION AWARDS	
NAME AND PRINCIPAL POSITION	YEAR	SALARY ($)	BONUS ($)	OTHER ANNUAL COMPENSATION ($)	SECURITIES UNDERLYING OPTIONS	ALL OTHER COMPEN-SATION ($)
Jeffrey M. Nugent President and Chief Executive Officer (b)	1999	160,256	0	36,382	300,000	38,743
George Fellows	1999	1,806,923	1,685,000	107,848	170,000	1,849,051
Former President and	1998	1,800,000	115,000	88,549	170,000	33,181
Chief Executive Officer (c)	1997	1,250,000	1,250,000	22,191	170,000	30,917
M. Katherine Dwyer	1999	953,653	755,000	13,940	75,000	496,304
Former Senior Vice	1998	875,000	420,000	9,651	75,000	21,585
President (d)	1997	500,000	800,000	5,948	125,000	18,377
Irwin Engelman Former Vice Chairman and Chief Administrative Officer (e)	1999	700,000	0	0	75,000	540,000
Frank J. Gehrmann	1999	494,038	370,500	3,089	65,000	14,244
Executive Vice	1998	427,500	80,200	3,343	30,000	17,297
President and Chief Financial Officer (f)						
Wade H. Nichols III	1999	593,558	216,450	17,964	40,000	37,802
Executive Vice	1998	555,000	83,600	19,457	40,000	33,195
President and Chief Administrative Officer (g)	1997	525,000	274,000	24,215	30,000	23,089

(a) The amounts shown in Annual Compensation for 1999, 1998 and 1997 reflect salary, bonus and other annual compensation (including perquisites and other personal benefits valued in excess of $50,000) and amounts reimbursed for payment of taxes awarded to, earned by or paid to the persons listed for services rendered to the Company and its subsidiaries. The Company has a bonus plan (the "Executive Bonus Plan") in which executives participate (including Mr. Nugent and Mr. Nichols (see "--Employment Agreements and Termination of Employment Arrangements")). The Executive Bonus Plan provides for payment of cash compensation upon the achievement of predetermined corporate and/or business unit and individual performance goals during the calendar year established pursuant to the Executive Bonus Plan or by the Compensation Committee. Mr. Gehrmann's compensation is reported for 1999 and 1998 only because he did not serve as an executive officer of the Company prior to 1998. Each of Messrs. Engelman's and Nugent's compensation is reported for 1999 only because neither served as a paid executive officer of the Company prior to 1999.

(b) Mr. Nugent served as President and Chief Executive Officer of the Company effective December 5, 1999. The amount shown for Mr. Nugent under Salary for 1999 is comprised of $76,923 in salary and $83,333 earned by Mr. Nugent for consulting services provided by Mr. Nugent to the Company. Mr. Nugent did not receive a Bonus for 1999. The amount shown for Mr. Nugent under Other Annual Compensation for 1999 includes a payment of $36,382 in respect of gross ups for taxes on imputed income arising out of relocation expenses paid or reimbursed by the Company in 1999. The amount shown under All Other Compensation for 1999 reflects $38,743 in Company-paid relocation expenses.

(c) Mr. Fellows served as President and Chief Executive Officer of the Company during 1999 until his resignation effective November 1999. The amount shown for Mr. Fellows under Bonus for 1999 is comprised of a special restructuring bonus of $1,685,000 paid to Mr. Fellows for 1999 upon achievement of business objectives set by the Compensation Committee. The amount shown for Mr. Fellows under Other Annual Compensation for 1999 includes $18,020 in respect of personal use of a Company-provided automobile and $17,145 in respect of Company-paid tax preparation expenses and payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile and Company-provided air travel and for taxes on imputed income arising out of premiums paid or reimbursed by the Company in respect of life insurance. The amount shown under All Other Compensation for 1999 reflects $29,251 in respect of life insurance premiums, $4,800 in respect of matching contributions under the Revlon Employees' Savings, Profit Sharing and Investment Plan (the "401(k) Plan"), $15,000 in respect of matching contributions under the Revlon Excess Savings Plan for Key Employees (the "Excess Plan") and $1,800,000 payable pursuant to Mr. Fellows' separation agreement. The amount shown for Mr. Fellows under Other Annual Compensation for 1998 includes $18,020 in respect of personal use of a Company-provided automobile and $15,445 in respect of membership fees and related expenses for personal use of a health and country club and payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile and Company-provided air travel and for taxes on imputed income arising out of premiums paid or reimbursed by the Company in respect of life insurance. The amount shown under All Other Compensation for 1998 reflects $13,381 in respect of life insurance premiums, $4,800 in respect of matching contributions under the 401(k) Plan and $15,000 in respect of matching contributions under the Excess Plan. The amounts shown under Other Annual Compensation for 1997 reflect payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile and for taxes on imputed income arising out of premiums paid or reimbursed by the Company in respect of life insurance. The amount shown under All Other Compensation for 1997 reflects $11,117 in respect of life insurance premiums, $4,800 in respect of matching contributions under the 401(k) Plan and $15,000 in respect of matching contributions under the Excess Plan.

(d) Ms. Dwyer served as Senior Vice President of the Company during 1999 and resigned effective January 3, 2000. The amount shown for Ms. Dwyer under Bonus for 1999 is comprised of a special restructuring bonus of $755,000 paid to Ms. Dwyer for 1999 upon achievement of business objectives set by the Compensation Committee. The amounts shown under Bonus for 1998 and 1997 include an additional payment of $300,000 in each year pursuant to her employment agreement in effect at the time. The amounts shown for Ms. Dwyer under Other Annual Compensation for 1999, 1998 and 1997 reflect payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile and payments in respect of gross ups for taxes on imputed income arising out of premiums paid or reimbursed by the Company in respect of life insurance. The amount shown under All Other Compensation for 1999 reflects $1,810 in respect of life insurance premiums, $4,800 in respect of matching contributions under the 401(k) Plan, $14,694 in respect of matching contributions under the Excess Plan

and $475,000 payable pursuant to Ms. Dwyer's separation agreement. The amount shown under All Other Compensation for 1998 reflects $1,785 in respect of life insurance premiums, $4,800 in respect of matching contributions under the 401(k) Plan and $15,000 in respect of matching contributions under the Excess Plan. The amount shown under All Other Compensation for 1997 reflects $2,720 in respect of life insurance premiums, $4,800 in respect of matching contributions under the 401(k) Plan and $10,857 in respect of matching contributions under the Excess Plan.

(e) Mr. Engelman became an executive officer of the Company in November 1998 and served as Vice Chairman and Chief Administrative Officer of the Company during 1999 until his resignation effective December 31, 1999. The amount shown for Mr. Engelman under All Other Compensation for 1999 reflects $15,000 in respect of matching contributions under the Excess Plan and $525,000 payable pursuant to Mr. Engelman's separation agreement.

(f) Mr. Gehrmann became an executive officer of the Company in January 1998. The amount shown for Mr. Gehrmann under Bonus for 1999 reflects the bonus amount payable to Mr. Gehrmann pursuant to his employment agreement. The amounts shown for Mr. Gehrmann under Other Annual Compensation for 1999 and 1998 reflects payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile. The amount shown under All Other Compensation for 1999 reflects $4,800 in respect of matching contributions under the 401(k) Plan and $9,444 in respect of matching contributions under the Excess Plan. The amount shown under All Other Compensation for 1998 reflects $4,800 in respect of matching contributions under the 401(k) Plan and $12,497 in respect of matching contributions under the Excess Plan.

(g) The amount shown for Mr. Nichols under Bonus for 1999 reflects the amount payable to Mr. Nichols under the Executive Bonus Plan, taking into account the guarantee by the Company of a minimum of 50% of targeted awards for 1999 (see "--Employment Agreements and Termination of Employment Arrangements"). The amount shown for Mr. Nichols under Bonus for 1997 were deferred pursuant to the Revlon Executive Deferred Compensation Plan (the "Deferred Compensation Plan") pursuant to which eligible executive employees who participate in the Executive Bonus Plan may elect to defer all or a portion of the bonus otherwise payable in respect of a calendar year. The amounts shown under Other Annual Compensation for 1999, 1998 and 1997 reflect payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile and payments for taxes on imputed income arising out of premiums paid or reimbursed by the Company in respect of life insurance. The amount shown for Mr. Nichols under All Other Compensation for 1999 reflects $9,377 in respect of life insurance premiums, $4,800 in respect of matching contributions under the 401(k) Plan, $11,781 in respect of matching contributions under the Excess Plan and $11,844 in respect of above-market earnings on compensation deferred under the Deferred Compensation Plan for each year in which compensation was deferred that were earned but not paid or payable during 1999. The amount shown under All Other Compensation for 1998 reflects $9,990 in respect of life insurance premiums, $4,800 in respect of matching contributions under the 401(k) Plan, $10,463 in respect of matching contributions under the Excess Plan and $7,942 in respect of above-market earnings on compensation deferred under the Deferred Compensation Plan for each year in which compensation was deferred that were earned but not paid or payable during 1998. The amount shown under All Other Compensation for 1997 reflects $4,252 in respect of life insurance premiums, $4,800 in respect of matching contributions under the 401(k) Plan, $11,606 in respect of matching contributions under the Excess Plan and $2,431 in respect of above-market earnings on compensation deferred under the Deferred Compensation Plan for each year in which compensation was deferred that were earned but not paid or payable during 1997.

OPTION GRANTS IN THE LAST FISCAL YEAR

During 1999, the following grants of stock options were made pursuant to the Stock Plan to the executive officers named in the Summary Compensation Table:

	INDIVIDUAL GRANTS				GRANT DATE VALUE (a)
NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED (#)	PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE ($/SH)	EXPIRATION DATE	GRANT DATE PRESENT VALUE ($)
Jeffrey M. Nugent	300,000	12%	9.31	12/5/09	1,968,360
George Fellows	170,000	7%	15.00	12/31/02	1,547,340
M. Katherine Dwyer	75,000	3%	15.00	1/3/00	682,650
Irwin Engelman	75,000	3%	15.00	2/12/01	682,650
Frank J. Gehrmann	40,000		15.00	2/12/09	364,080
	25,000	3%	24.13	5/17/09	407,784
Wade H. Nichols III	40,000	2%	15.00	2/12/09	364,080

The grants made during 1999 under the Stock Plan to Messrs. Fellows, Engelman and Nichols and Ms. Dwyer were made on February 12, 1999, vested fully on the first anniversary of the grant date, and have an exercise price equal to the NYSE closing price per share of the Class A Common Stock on the grant date, as indicated in the table above. The options granted to Mr. Nichols in 1999 consist of non-qualified options having a term of 10 years. The options granted to Messrs. Fellows and Engelman in 1999 consist of non-qualified options that expire on December 31, 2002 and February 12, 2001, respectively, and the options granted to Ms. Dwyer in 1999 consist of non-qualified options that expired on January 3, 2000, pursuant to her termination agreement. (See "--Employment Agreements and Termination of Employment Arrangements"). The grants made during 1999 under the Stock Plan to Mr. Gehrmann were made on February 12, 1999 (with respect to an option to purchase 40,000 shares of the Company's Class A Common Stock that vested in full on the first anniversary of the grant date) and May 17, 1999 (with respect to an option to purchase 25,000 shares of the Company's Class A Common Stock that vests 25% each year beginning on the first anniversary of the grant date and will become 100% vested on the fourth anniversary of the grant date) and consist of non-qualified options having a term of 10 years with an exercise price equal to the NYSE closing price per share of the Class A Common Stock on the applicable grant date, as indicated in the table above. The grant made during 1999 under the Stock Plan to Mr. Nugent was made on December 5, 1999, has an exercise price equal to the NYSE closing price per share of the Class A Common Stock on the first business day after the grant date, as indicated in the table above, and will not vest as to any portion until the third anniversary of the date of grant and will thereupon become 100% vested, except that upon termination of employment by Mr. Nugent for "good reason" or by the Company other than for "cause" under his employment agreement, such options will vest with respect to 33 1/3% of the shares subject thereto if such termination is on or after the first and before the second anniversaries of such grant and with respect to 66 2/3% if such termination is on or after the second and before the third anniversaries of such grant. During 1999, the Company also granted an option to purchase 300,000 shares of the Company's Class A Common Stock pursuant to the Stock Plan to Mr. Perelman, the Chairman of the Board of Directors of the Company. The option vested in full on the grant date and has an exercise price of $15.00, the NYSE closing price per share of the Class A Common Stock on February 12, 1999, the date of the grant.

(a) Grant Date Present Values were calculated using the Black-Scholes option pricing model. The model as applied used the grant dates of February 12, 1999 and May 17, 1999 with respect to the options granted on such dates and used the grant date of December 6, 1999 (the first business day after the date of grant) with respect to the option granted to Mr. Nugent on December 5, 1999. Stock option models require a prediction about the future movement of stock price. The following assumptions were made for purposes of calculating Grant Date Present Values: (i) a risk-free rate of return of 5.18% with respect to the options granted on February 12, 1999, 6.24% with respect to the options granted on May 17, 1999, and 5.75% with respect to the option granted to Mr. Nugent on December 5, 1999, which were the rates as of the applicable grant dates for the U.S. Treasury Zero Coupon Bond issues with a remaining term similar to the expected term of the options; (ii) stock price volatility of 68% based upon the volatility of the Company's stock price; (iii) a constant dividend rate of zero percent and (iv) that the options normally would be exercised on the final day of their seventh year after grant. No adjustments to the theoretical value were made to reflect the waiting period, if any, prior to vesting of the stock options or the transferability (or restrictions related thereto) of the stock options. The real value of the options in the table depends upon the actual performance of the Company's stock during the applicable period and upon when they are exercised.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

The following chart shows the number of stock options exercised during 1999 and the 1999 year-end value of the stock options held by the executive officers named in the Summary Compensation Table:

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED ($)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR-END (#) EXERCISABLE/UNEXERCISABLE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FISCAL YEAR-END EXERCISABLE/ UNEXERCISABLE (a)($)
Jeffrey M. Nugent	0	0	0/300,000	0/0
George Fellows	0	0	205,000/255,000(b)	0/0
M.Katherine Dwyer	0	0	126,250/193,750(c)	0/0
Irwin Engelman	0	0	18,750/131,250	0/0
Frank J. Gehrmann	0	0	21,000/118,000	0/0
Wade H. Nichols III	0	0	55,000/85,000	0/0

(a) The market value of the underlying shares of Class A Common Stock at year end, calculated using $7 15/16, the December 31, 1999 NYSE closing price per share of Class A Common Stock, was less than the exercise price of all stock options listed in the table. The actual value, if any, an executive may realize upon exercise of a stock option depends upon the amount by which the market price of shares of Class A Common Stock exceeds the exercise price per share when the stock options are exercised.

(b) Pursuant to Mr. Fellows' separation agreement effective November 1999, Mr. Fellows' 1998 option grant was cancelled; accordingly, the 1998 grant is not included in the option information in the above table for Mr. Fellows at fiscal year end.

(c) The option information for Ms. Dwyer in the table above is correct as of December 31, 1999. Pursuant to Ms. Dwyer's separation agreement, effective January 3, 2000 unvested options were cancelled; accordingly, as of

January 3, 2000 the number of securities underlying Ms. Dwyer's total outstanding options, all of which are exercisable, was 126,250.

EMPLOYMENT AGREEMENTS AND TERMINATION OF EMPLOYMENT ARRANGEMENTS

Each of Messrs. Nugent, Gehrmann and Nichols has a current executive employment agreement with the Company's wholly owned subsidiary, Products Corporation. Mr. Nugent's employment agreement, effective December 5, 1999, provides that he will serve as President and Chief Executive Officer at a base salary of not less than $1,000,000 for 1999 and 2000, not less than $1,150,000 for 2001 and not less than $1,300,000 for 2002, and that management recommend to the Compensation Committee that he be granted options to purchase 300,000 shares of Class A Common Stock on December 5, 1999 (which grant was made) and 100,000 shares of Class A Common Stock on each of December 5, 2000 and 2001. At any time on or after December 31, 2002, Products Corporation may terminate the term of Mr. Nugent's agreement by 24 months' prior notice of non-renewal. During any such period after notice of non-renewal Mr. Nugent would be deemed an employee at will and would be eligible for severance under the Executive Severance Policy. Mr. Gehrmann entered into an employment agreement with Products Corporation dated as of May 10, 1999, which provides that he will serve as Chief Financial Officer at a base salary of not less than $500,000 and that management will recommend to the Compensation Committee that he be granted options to purchase 40,000 shares of Class A Common Stock each year during the term of the agreement (unless and until a "triggering event" (as defined in the employment agreement) were to occur). At any time, Products Corporation may give written notice of non-extension of the term of Mr. Gehrmann's agreement such that the term would expire on the third anniversary of such notice. Mr. Nichols' employment agreement with Products Corporation was amended and restated as of May 10, 1999 and amended as of January 1, 2000 and provides that he will serve as chief administrative officer or another equivalent executive position through February 28, 2003 at a base salary of not less than $650,000 and that management will recommend to the Compensation Committee that he be granted options to purchase 40,000 shares of Class A Common Stock each year during the term of the agreement (unless and until a "triggering event" (as defined in the employment agreement) were to occur). Mr. Fellows resigned from his employment with the Company effective November 1, 1999 and entered into a termination agreement with Products Corporation dated as of February 16, 2000 (the "Fellows Agreement"), which provides that he receive a separation allowance of $5,400,000 payable over a period to expire December 31, 2002, which allowance would be reduced in each calendar year on account of any compensation earned from employment or consulting services during such calendar year by an amount equal to fifty percent of the gross amount of such compensation earned up to $1,000,000. Pursuant to the Fellows Agreement, the Company made a payment to Mr. Fellows for 1999 in the amount of $1,800,000 and will make a payment for 2000 in the amount of $900,000. Ms. Dwyer resigned from her employment with the Company effective January 3, 2000 and entered into a termination agreement with Products Corporation dated as of November 23, 1999 (the "Dwyer Agreement"), which provides that she receive a separation allowance of $1,900,000 payable over a period of twenty-four months, the unpaid portion of which allowance would be reduced on account of any compensation earned for employment or consulting services after the date of acceptance of subsequent employment, provided that Ms. Dwyer could, upon commencing subsequent employment, elect instead of such reduction to be paid a cash lump sum amount equal to 50% of the remaining allowance. Pursuant to the Dwyer Agreement, the Company made a payment to Ms. Dwyer for 1999 of $475,000. Mr. Engelman resigned from his employment with the Company effective December 31, 1999 and entered into a termination agreement with Products Corporation dated as of November 17, 1999 (the "Engelman Agreement"), which provides that he receive severance pay for twelve months at a base salary rate of $700,000, which pay would not be reduced by compensation earned for employment of consulting services during the severance period. Pursuant to the Engelman Agreement, the Company made a payment to Mr. Engelman for 1999 in the amount of $525,000.

During 1999, in connection with the Company's review of strategic alternatives and in order to retain its executives during such process, the Company guaranteed a minimum of 50% of targeted awards payable under the Executive Bonus Plan for 1999, regardless of achievement of corporate and/or business unit objectives. Messrs. Nugent's and Nichols' employment agreements provide for participation in the Executive Bonus Plan. Mr. Nugent's agreement also provides that he will receive not less than $500,000 as a bonus for 2000 regardless of whether Executive Bonus Plan objectives are attained for such year. Mr. Gehrmann's agreement provides for a bonus for 1999 equal to 75% of base salary and for 2000 and thereafter a bonus of 75% of Mr. Gehrmann's 1999 base salary payable in bi-weekly installments in lieu of annual bonus payments. All of the employment agreements currently in effect provide for continuation of life insurance and executive medical insurance coverage in the event of permanent

disability and participation in other executive benefit plans on a basis equivalent to senior executives of the Company generally. The agreements with Messrs. Nugent and Nichols provide for Company-paid supplemental term life insurance during employment in the amount of three times base salary, and all of the employment agreements currently in effect provide for Company-paid supplemental disability insurance. All of the employment agreements currently in effect provide for protection of Company confidential information and include a non-compete obligation.

Mr. Gehrmann's agreement provides that in the event of termination of the term of the employment agreement by Mr. Gehrmann on 30 days' notice effective June 30, 2000 or for breach by the Company of a material provision of the employment agreement, failure of the Compensation Committee to adopt and implement the recommendations of management with respect to stock option grants, or following a "triggering event" (as defined in the employment agreement), Mr. Gehrmann would be entitled to continued base salary and bonus payments until the third anniversary of the date of termination (without reduction for compensation received by Mr. Gehrmann from other employment or consultancy) as well as continued participation in the Company's life insurance plan subject to a limit of two years and medical plans subject to the terms of such plans until the third anniversary of the date of termination or until Mr. Gehrmann were to become covered by like plans of another company. Mr. Nichols' agreement provides that in the event of termination of the term of the employment agreement by Mr. Nichols for breach by the Company of a material provision of the employment agreement, failure of the Compensation Committee to adopt and implement the recommendations of management with respect to stock option grants, or following a "triggering event" for "good reason" (as defined in the employment agreement), which event is not agreed to by Mr. Nichols, or by the Company (otherwise than for "cause", as defined in the employment agreement, or disability), Mr. Nichols would be entitled, at his election, to severance pursuant to the Executive Severance Policy (see "- Executive Severance Policy") (other than the six-month limit on lump sum payment provided for in the Executive Severance Policy, which provision would not apply to Mr. Nichols) or continued payments of base salary and bonus throughout the term and continued participation in the Company's life insurance plan subject to a limit of two years and medical plans subject to the terms of such plans throughout the term or until Mr. Nichols were covered by like plans of another company. Such payments to Mr. Nichols would only be reduced by compensation earned by Mr. Nichols from other employment or consultancy during such period if termination of employment were prior to a "triggering event" (as defined in the employment agreement). Mr. Nugent's agreement provides that in the event of termination of the term of the employment agreement by Mr. Nugent for breach by the Company of a material provision of the employment agreement or failure of the Compensation Committee to adopt and implement the recommendations of management with respect to stock option grants, or by the Company prior to December 31, 2002 (otherwise than for "cause" as defined in the employment agreement or disability), Mr. Nugent would be entitled, at his election, to severance pursuant to the Executive Severance Policy (see "-Executive Severance Policy") (other than the six-month limit on lump sum payment provided for in the Executive Severance Policy, which provision would not apply to Mr. Nugent) or continued payments of base salary through December 31, 2004 and continued participation in the Company's life insurance plan subject to a limit of two years and medical plans subject to the terms of such plans through December 31, 2004 or until Mr. Nugent were covered by like plans of another company, continued Company-paid supplemental term life insurance and continued Company-paid supplemental disability insurance. Such payments to Mr. Nugent would be reduced by any compensation earned by Mr. Nugent from other employment or consultancy during such period. In addition, the employment agreement with Mr. Nugent provides that if he remains employed by Products Corporation or its affiliates until age 62, then upon any subsequent retirement he will be entitled to a supplemental pension benefit in a sufficient amount so that his annual pension benefit from all qualified and non-qualified pension plans of Products Corporation and its affiliates (expressed as a straight life annuity) equals $500,000. If Mr. Nugent's employment were to terminate prior to September 30, 2000 then he would receive no supplemental pension benefit. If his employment were to terminate on or after September 30, 2000 and prior to September 30, 2001 then he would receive 11.1% of the amount otherwise payable pursuant to his agreement and thereafter an additional 11.1% would accrue as of each September 30th on which Mr. Nugent is still employed (but in no event more than would have been payable to Mr. Nugent under the foregoing provision had he retired at age 62). Mr. Nugent would not receive any supplemental pension benefit and would be required to reimburse the Company for any supplemental pension benefits received if he were to terminate his employment prior to January 1, 2003 other than for "good reason" (as defined in the employment agreement), or if he were to breach the agreement or be terminated by the Company for "cause" (as defined in the employment agreement).

Mr. Nugent's employment agreement provides that he is entitled to a loan from Products Corporation of up to $500,000 for relocation expenses, which will be due and payable with interest at the applicable federal rate upon the earlier of the termination of his employment or five years from the initial loan. In addition, during the term of his

employment agreement, Mr. Nugent will be entitled to additional compensation payable on a monthly basis equal to the amount actually paid by him in respect of interest and principal on a bank loan (the "Mortgage") of up to $1,500,000 obtained by Mr. Nugent to purchase a principal residence in the New York metropolitan area (the "Home Loan Payments"), plus a gross up for any taxes payable by Mr. Nugent as a result of such additional compensation. If Mr. Nugent terminates his employment for other than "good reason" or is terminated for "cause" (as such terms are defined in his employment agreement), then he shall be obligated to pay to Products Corporation an amount equal to the total amount of interest that would have been payable on the Home Loan Payments if the rate of interest on the Mortgage were the applicable federal rate in effect from time to time, plus the applicable tax gross up for such amounts. In addition, Mr. Nugent's employment agreement provides that he shall be entitled to a special bonus, payable on January 15 of the year next following the year in which his employment terminates, equal to the product of (A) $1,500,000 less the amount of Home Loan Payments made prior to the termination multiplied by (B) the following percentages: for termination in 2000, 0%; for termination in 2001, 20%; for termination in 2002, 40%; for termination in 2003, 60%; for termination in 2004, 80%; and for termination in 2005 or thereafter, 100%. Notwithstanding the above, if Mr. Nugent terminates his employment for other than "good reason" or is terminated for "cause" (as such terms are defined in his employment agreement), or if he breaches certain post-employment covenants, any bonus described above shall be forfeited or repaid by Mr. Nugent, as the case may be.

EXECUTIVE SEVERANCE POLICY

Products Corporation's Executive Severance Policy provides that upon termination of employment of eligible executive employees, including Mr. Nugent and the other Named Executive Officers (other than Ms. Dwyer and Messrs. Fellows and Engelman), other than voluntary resignation or termination by Products Corporation for good reason, in consideration for the execution of a release and confidentiality agreement and the Company's standard employee non-competition agreement, the eligible executive will be entitled to receive, in lieu of severance under any employment agreement then in effect or under Products Corporation's basic severance plan, a number of months of severance pay in semi-monthly installments based upon such executive's grade level and years of service reduced by the amount of any compensation from subsequent employment, unemployment compensation or statutory termination payments received by such executive during the severance period, and, in certain circumstances, by the actuarial value of enhanced pension benefits received by the executive, as well as continued participation in medical and certain other benefit plans for the severance period (or in lieu thereof, upon commencement of subsequent employment, a lump sum payment equal to the then present value of 50% of the amount of base salary then remaining payable through the balance of the severance period). Pursuant to the Executive Severance Policy, upon meeting the conditions set forth therein, Messrs. Gehrmann, Nugent and Nichols would be entitled to severance pay equal to two years of base salary at the rate in effect on the date of employment termination plus continued participation in the medical and dental plans for two years on the same terms as active employees.

DEFINED BENEFIT PLANS

The following table shows the estimated annual retirement benefits payable (as of December 31, 1999) at normal retirement age (65) to a person retiring with the indicated average compensation and years of credited service, on a straight life annuity basis, after Social Security offset, under the Revlon Employees' Retirement Plan (the "Retirement Plan"), including amounts attributable to the Pension Equalization Plan, each as described below.

HIGHEST CONSECUTIVE FIVE-YEAR AVERAGE COMPENSATION DURING FINAL TEN YEARS	ESTIMATED ANNUAL STRAIGHT LIFE ANNUITY BENEFITS AT RETIREMENT WITH INDICATED YEARS OF CREDITED SERVICE (a)				
	15	20	25	30	35
$ 600,000	$151,701	$202,268	$252,835	$303,402	$303,402
700,000	177,701	236,935	296,168	355,402	355,402
800,000	203,701	271,601	339,502	407,402	407,402
900,000	229,701	306,268	382,835	459,402	459,402
1,000,000	255,701	340,935	426,168	500,000	500,000
1,100,000	281,701	375,601	469,502	500,000	500,000
1,200,000	307,701	410,268	500,000	500,000	500,000
1,300,000	333,701	444,935	500,000	500,000	500,000
1,400,000	359,701	479,601	500,000	500,000	500,000
1,500,000	385,701	500,000	500,000	500,000	500,000
2,000,000	500,000	500,000	500,000	500,000	500,000
2,500,000	500,000	500,000	500,000	500,000	500,000

(a) The normal form of benefit for the Retirement Plan and the Pension Equalization Plan is a straight life annuity.

The Retirement Plan is intended to be a tax qualified defined benefit plan. Retirement Plan benefits are a function of service and final average compensation. The Retirement Plan is designed to provide an employee having 30 years of credited service with an annuity generally equal to 52% of final average compensation, less 50% of estimated individual Social Security benefits. Final average compensation is defined as average annual base salary and bonus (but not any part of bonuses in excess of 50% of base salary) during the five consecutive calendar years in which base salary and bonus (but not any part of bonuses in excess of 50% of base salary) were highest out of the last 10 years prior to retirement or earlier termination. Except as otherwise indicated, credited service includes all periods of employment with the Company or a subsidiary prior to retirement. The base salaries and bonuses of each of the Chief Executive Officer and the other Named Executive Officers are set forth in the Summary Compensation Table under columns entitled "Salary" and "Bonus," respectively.

The Employee Retirement Income Security Act of 1974, as amended, places certain maximum limitations upon the annual benefit payable under all qualified plans of an employer to any one individual. In addition, the Omnibus Budget Reconciliation Act of 1993 limits the annual amount of compensation that can be considered in determining the level of benefits under qualified plans. The Pension Equalization Plan, as amended effective December 14, 1998, is a non-qualified benefit arrangement designed to provide for the payment by the Company of the difference, if any, between the amount of such maximum limitations and the annual benefit that would be payable under the Retirement Plan but for such limitations, up to a combined maximum annual straight life annuity benefit at age 65 under the Retirement Plan and the Pension Equalization Plan of $500,000. Benefits provided under the Pension Equalization Plan are conditioned on the participant's compliance with his or her non-competition agreement and on the participant not competing with Products Corporation for one year after termination of employment.

The number of years of credited service under the Retirement Plan and the Pension Equalization Plan as of January 1, 2000 (rounded to full years) for Mr. Fellows is eleven years (which includes credit for prior service with

Revlon Holdings Inc. ("Holdings")), for Ms. Dwyer is six years, for Mr. Engelman is one year, for Mr. Gehrmann is six years and for Mr. Nichols is 21 years (which includes credit for prior service with Holdings). Mr. Nugent had no years of credited service as of January 1, 2000.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of January 31, 2000 the number of shares of Common Stock beneficially owned, and the percent so owned, by (i) each person known to the Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock, (ii) each director of the Company, (iii) each of the Chief Executive Officers during 1999 and each of the other Named Executive Officers during 1999 and (iv) all directors and executive officers of the Company as a group. The number of shares owned are those beneficially owned, as determined under the rules of the Commission, and such information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares of Common Stock as to which a person has sole or shared voting power or investment power and any shares of Common Stock which the person has the right to acquire within 60 days through the exercise of any option, warrant or right, through conversion of any security or pursuant to the automatic termination of a power of attorney or revocation of a trust, discretionary account or similar arrangement.

NAME AND ADDRESS OF BENEFICIAL OWNEER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Ronald O. Perelman 35 E. 62nd St. New York, NY 10021	42,800,000 (Class A and Class B)(1)	83.5%
Donald Drapkin	12,000 (Class A)(2)	*
M. Katherine Dwyer	131,117 (Class A)(3)	*
Irwin Engelman	10,859 (Class A)(4)	*
Meyer Feldberg	0	
George Fellows	384,686 (Class A)(5)	1.9%
Frank J. Gehrmann	78,697 (Class A)(6)	*
Howard Gittis	15,000 (Class A)	*
Morton L. Janklow	0	
Vernon E. Jordan	0	
Edward J. Landau	100	*
Jerry W. Levin	451,489 (Class A)(7)	2.3%
Wade H. Nichols III	119,954 (Class A)(8)	*
Jeffrey M. Nugent	0	
Linda Gosden Robinson	0	
Terry Semel	5,000 (Class A)(9)	*
Martha Stewart	1,000 (10)	*
All Directors and Executive Officers as a Group (14 Persons)	12,233,240 (Class A)(11) 31,250,000 (Class B)	61.2% 100.0%

*Less than one percent.

(1) Mr. Perelman through Mafco Holdings (which through REV Holdings) beneficially owns 11,250,000 shares of Class A Common Stock (representing approximately 56.3% of the outstanding shares of Class A Common Stock) and all of the outstanding 31,250,000 shares of Class B Common Stock, which together represent approximately 83.0% of the outstanding shares of Common Stock and has approximately 97.4% of the combined voting power of the outstanding shares of Common Stock. All of the shares of Common Stock owned by REV Holdings are pledged by REV Holdings to secure obligations, and shares of intermediate holding companies are or may from time to time be pledged to secure obligations of Mafco

Holdings or its affiliates. Mr. Perelman also holds an option to acquire 300,000 shares, which option vested on February 12, 1999. The vested option to acquire 300,000 shares together with the Class A and Class B Common Stock owned by Mr. Perelman represents approximately 83.5% of the outstanding shares of Common Stock.

(2) All of such shares are held by trusts for Mr. Drapkin's children and beneficial ownership is disclaimed.

(3) Includes 3,000 shares held directly; 625 shares acquired pursuant to the Company matching under the 401(k) Plan; 1,242 shares that Ms. Dwyer has the right to receive pursuant to the Company matching under the Excess Plan; 31,250, 31,250, 18,750 and 45,000 shares which may be acquired under options which vested on January 9, 1998, January 9, 1999, January 8, 1999 and February 28, 1999, respectively.

(4) Includes 10,000 shares owned jointly by Mr. Engelman's wife and 859 shares acquired pursuant to the Company matching under the Excess Plan.

(5) Includes 8,000 shares held directly; 314 shares acquired pursuant to the Company matching under the 401(k) Plan; 1,372 shares that Mr. Fellows has the right to receive pursuant to the Company matching under the Excess Plan; 42,500, 42,500, 120,000 and 170,000 shares which may be acquired under options which vested on January 9, 1999, January 9, 2000, February 28, 1999 and February 12, 2000, respectively.

(6) Includes 3,000 shares owned jointly by Mr. Gehrmann's wife; 578 shares acquired pursuant to the Company matching under the 401(k) Plan; 1,119 shares that Mr. Gehrmann has the right to receive pursuant to the Company matching under the Excess Plan; 2,500, 2,500, 2,500, 2,500, 3,000, 3,000, 3,000, 7,500, 7,500 and 40,000 shares which may be acquired under options which vested on February 28, 1997, February 28, 1998, February 28, 1999, February 28, 2000, January 9, 1998, January 9, 1999, January 9, 2000, January 8, 1999, January 8, 2000 and February 12, 2000, respectively.

(7) Includes 25,000 shares held directly by Mr. Levin; 1,000 shares owned by Mr. Levin's daughter as to which beneficial ownership is disclaimed; 129 shares acquired pursuant to the Company matching under the 401(k) Plan; 360 shares that Mr. Levin has the right to receive pursuant to the Company matching under the Excess Plan; 42,500, 42,500, 42,500, 42,500, 42,500, 42,500 and 170,000 shares which may be acquired under options which vested on January 9, 1998, January 9, 1999, January 9, 2000, January 8, 1999, January 8, 2000, March 2, 1999 and February 28, 1999, respectively.

(8) Includes 5,400 shares held directly; 568 shares acquired pursuant to the Company matching under the 401(k) Plan; 1,486 shares that Mr. Nichols has the right to receive pursuant to the Company matching under the Excess Plan; 7,500, 7,500, 7,500, 10,000, 10,000, 30,000 and 40,000 shares which may be acquired under options which vested on January 9, 1998, January 9, 1999, January 9, 2000, January 8, 1999, January 8, 2000, February 28, 1999 and February 12, 2000, respectively.

(9) Includes 2,000 shares owned by Mr. Semel's children as to which beneficial ownership is disclaimed and 3,000 shares owned jointly by Mr. Semel's wife.

(10) Includes 500 shares owned directly and 500 shares owned indirectly by the Martha Stewart Inc. Defined Benefit Pension Plan.

(11) Includes only shares held by persons who were directors and executive officers of the Company as of January 31, 2000.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

MacAndrews & Forbes beneficially owns shares of Common Stock having approximately 97.4% of the combined voting power of the outstanding shares of Common Stock. As a result, MacAndrews & Forbes is able to elect the entire Board of Directors of the Company and control the vote on all matters submitted to a vote of the Company's stockholders. MacAndrews & Forbes is wholly owned by Ronald O. Perelman, who is Chairman of the Board of Directors of the Company.

TRANSFER AGREEMENTS

In June 1992, Revlon, Inc. and Products Corporation entered into an asset transfer agreement with Holdings and certain of its wholly owned subsidiaries (the "Asset Transfer Agreement"), and Revlon, Inc. and Products Corporation entered into a real property asset transfer agreement with Holdings (the "Real Property Transfer Agreement" and, together with the Asset Transfer Agreement, the "Transfer Agreements"), and pursuant to such agreements, on June 24, 1992 Holdings transferred assets to Products Corporation and Products Corporation assumed all the liabilities of Holdings, other than certain specifically excluded assets and liabilities (the liabilities excluded are referred to as the "Excluded Liabilities"). Certain consumer products lines sold in demonstrator assisted distribution channels considered not integral to the Company's business and which historically had not been profitable (the "Retained Brands") and certain of the assets and liabilities were retained by Holdings. Holdings agreed to indemnify Revlon, Inc. and Products Corporation against losses arising from the Excluded Liabilities, and Revlon, Inc. and Products Corporation agreed to indemnify Holdings against losses arising from the liabilities assumed by Products Corporation. The amount reimbursed by Holdings to Products Corporation for the Excluded Liabilities for 1999 was $0.5 million.

OPERATING SERVICES AGREEMENT

In June 1992, Revlon, Inc., Products Corporation and Holdings entered into an operating services agreement (as amended and restated, and as subsequently amended, the "Operating Services Agreement") pursuant to which Products Corporation has manufactured, marketed, distributed, warehoused and administered, including the collection of accounts receivable, the Retained Brands for Holdings. Pursuant to the Operating Services Agreement, Products Corporation was reimbursed an amount equal to all of its and Revlon, Inc.'s direct and indirect costs incurred in connection with furnishing such services, net of the amounts collected by Products Corporation with respect to the Retained Brands, payable quarterly. There were no amounts reimbursed by Holdings to Products Corporation for such direct and indirect costs for 1999.

REIMBURSEMENT AGREEMENTS

Revlon, Inc., Products Corporation and MacAndrews Holdings have entered into reimbursement agreements (the "Reimbursement Agreements") pursuant to which (i) MacAndrews Holdings is obligated to provide (directly or through affiliates) certain professional and administrative services, including employees, to Revlon, Inc. and its subsidiaries, including Products Corporation, and purchase services from third party providers, such as insurance and legal and accounting services, on behalf of Revlon, Inc. and its subsidiaries, including Products Corporation, to the extent requested by Products Corporation, and (ii) Products Corporation is obligated to provide certain professional and administrative services, including employees, to MacAndrews Holdings (and its affiliates) and purchase services from third party providers, such as insurance and legal and accounting services, on behalf of MacAndrews Holdings (and its affiliates) to the extent requested by MacAndrews Holdings, provided that in each case the performance of such services does not cause an unreasonable burden to MacAndrews Holdings or Products Corporation, as the case may be. The Company reimburses MacAndrews Holdings for the allocable costs of the services purchased for or provided to the Company and its subsidiaries and for reasonable out-of-pocket expenses incurred in connection with the provision of such services. MacAndrews Holdings (or such affiliates) reimburses the Company for the allocable costs of the services purchased for or provided to MacAndrews Holdings (or such affiliates) and for the reasonable out-of-pocket expenses incurred in connection with the purchase or provision of such services. The net amount reimbursed by MacAndrews Holdings to the Company for the services provided under the Reimbursement Agreements for 1999 was $0.5 million. Each of Revlon, Inc. and Products Corporation, on the one hand, and MacAndrews Holdings, on the other, has agreed to indemnify the other party for losses arising out of

the provision of services by it under the Reimbursement Agreements other than losses resulting from its willful misconduct or gross negligence. The Reimbursement Agreements may be terminated by either party on 90 days' notice. The Company does not intend to request services under the Reimbursement Agreements unless their costs would be at least as favorable to the Company as could be obtained from unaffiliated third parties.

TAX SHARING AGREEMENT

Revlon, Inc., for federal income tax purposes, is included in the affiliated group of which Mafco Holdings is the common parent, and Revlon, Inc.'s federal taxable income and loss is included in such group's consolidated tax return filed by Mafco Holdings. Revlon, Inc. also may be included in certain state and local tax returns of Mafco Holdings or its subsidiaries. In June 1992, Holdings, Revlon, Inc. and certain of its subsidiaries, and Mafco Holdings entered into a tax sharing agreement (as subsequently amended, the "Tax Sharing Agreement"), pursuant to which Mafco Holdings has agreed to indemnify Revlon, Inc. against federal, state or local income tax liabilities of the consolidated or combined group of which Mafco Holdings (or a subsidiary of Mafco Holdings other than Revlon, Inc. or its subsidiaries) is the common parent for taxable periods beginning on or after January 1, 1992 during which Revlon, Inc. or a subsidiary of Revlon, Inc. is a member of such group. Pursuant to the Tax Sharing Agreement, for all taxable periods beginning on or after January 1, 1992, Revlon, Inc. will pay to Holdings amounts equal to the taxes that Revlon, Inc. would otherwise have to pay if it were to file separate federal, state or local income tax returns (including any amounts determined to be due as a result of a redetermination arising from an audit or otherwise of the consolidated or combined tax liability relating to any such period which is attributable to Revlon, Inc.), except that Revlon, Inc. will not be entitled to carry back any losses to taxable periods ending prior to January 1, 1992. No payments are required by Revlon, Inc. if and to the extent Products Corporation is prohibited under the Credit Agreement from making tax sharing payments to Revlon, Inc. The Credit Agreement prohibits Products Corporation from making such tax sharing payments other than in respect of state and local income taxes. Since the payments to be made under the Tax Sharing Agreement will be determined by the amount of taxes that Revlon, Inc. would otherwise have to pay if it were to file separate federal, state or local income tax returns, the Tax Sharing Agreement will benefit Mafco Holdings to the extent Mafco Holdings can offset the taxable income generated by Revlon, Inc. against losses and tax credits generated by Mafco Holdings and its other subsidiaries. There were no cash payments in respect of federal taxes made by Revlon, Inc. pursuant to the Tax Sharing Agreement for 1999.

REGISTRATION RIGHTS AGREEMENT

Prior to the consummation of the Company's initial public equity offering in 1996, Revlon, Inc. and Revlon Worldwide Corporation (subsequently merged into REV Holdings), the then direct parent of Revlon, Inc., entered into the Registration Rights Agreement pursuant to which REV Holdings and certain transferees of Revlon, Inc.'s Common Stock held by REV Holdings (the "Holders") have the right to require Revlon, Inc. to register all or part of the Class A Common Stock owned by such Holders and the Class A Common Stock issuable upon conversion of Revlon, Inc.'s Class B Common Stock owned by such Holders under the Securities Act of 1933, as amended (a "Demand Registration"); provided that Revlon, Inc. may postpone giving effect to a Demand Registration up to a period of 30 days if Revlon, Inc. believes such registration might have a material adverse effect on any plan or proposal by Revlon, Inc. with respect to any financing, acquisition, recapitalization, reorganization or other material transaction, or if Revlon, Inc. is in possession of material non-public information that, if publicly disclosed, could result in a material disruption of a major corporate development or transaction then pending or in progress or in other material adverse consequences to Revlon, Inc. In addition, the Holders have the right to participate in registrations by Revlon, Inc. of its Class A Common Stock (a "Piggyback Registration"). The Holders will pay all out-of-pocket expenses incurred in connection with any Demand Registration. Revlon, Inc. will pay any expenses incurred in connection with a Piggyback Registration, except for underwriting discounts, commissions and expenses attributable to the shares of Class A Common Stock sold by such Holders.

OTHER

Pursuant to a lease dated April 2, 1993 (the "Edison Lease"), Holdings leased to Products Corporation the Edison research and development facility for a term of up to 10 years with an annual rent of $1.4 million and certain shared operating expenses payable by Products Corporation which, together with the annual rent, were not to exceed $2.0 million per year. In August 1998, Holdings sold the Edison facility to an unrelated third party, which assumed substantially all liability for environmental claims and compliance costs relating to the Edison facility, and in connection with the sale Products Corporation terminated the Edison Lease and entered into a new lease with the new owner. Holdings agreed to indemnify Products Corporation to the extent rent under the new lease exceeds rent that would have been payable under the terminated Edison Lease had it not been terminated. The net amount reimbursed by Holdings to Products Corporation with respect to the Edison facility for 1999 was $0.2 million.

During 1999, Products Corporation leased certain facilities to MacAndrews & Forbes or its affiliates pursuant to occupancy agreements and leases. These included space at Products Corporation's New York headquarters and at Products Corporation's offices in London. The rent paid to Products Corporation for 1999 was $1.1 million.

Products Corporation's Credit Agreement is supported by, among other things, guarantees from Holdings and certain of its subsidiaries. The obligations under such guarantees are secured by, among other things, the capital stock and certain assets of certain subsidiaries of Holdings.

Products Corporation borrows funds from its affiliates from time to time to supplement its working capital borrowings. No such borrowings were outstanding as of December 31, 1999. The interest rates for such borrowings are more favorable to Products Corporation than interest rates under the Credit Agreement and, for borrowings occurring prior to the execution of the Credit Agreement, the credit facilities in effect at the time of such borrowing. The amount of interest paid by Products Corporation for such borrowings for 1999 was $0.5 million.

During 1998, the Company made advances of $0.25 million, $0.3 million and $0.4 million to Mr. Fellows, Ms. Dwyer, and Mr. Levin, respectively, which advances were repaid in 1999.

During 1999, the Company made an advance of $0.4 million to Mr. Nugent.

During 1999, a company that was an affiliate of the Company during part of 1999 assembled lipstick cases for Products Corporation. Products Corporation paid approximately $0.1 million for such services in 1999.

During 1999, Products Corporation made payments of $0.1 million to a fitness center, an interest in which is owned by members of Mr. Drapkin's immediate family, for discounted health club dues for an executive health program of Products Corporation.

The law firm of which Mr. Jordan is of counsel provided legal services to Revlon, Inc. and its subsidiaries during 1999, and it is anticipated that it will provide legal services to Revlon, Inc. and its subsidiaries during 2000.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) List of documents filed as part of this Report:

(1) Consolidated Financial Statements and Independent Auditors' Report included herein:
See Index on page F-1

(2) Financial Statement Schedule:
See Index on page F-1

All other schedules are omitted as they are inapplicable or the required information is furnished in the Consolidated Financial Statements of the Company or the Notes thereto.

(3) List of Exhibits:

EXHIBIT NO. DESCRIPTION

3. CERTIFICATE OF INCORPORATION AND BY-LAWS.

3.1 Amended and Restated Certificate of Incorporation of Revlon, Inc. dated March 4, 1996. (Incorporated by reference to Exhibit 3.4 to the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1996 of Revlon, Inc.).

3.2 Amended and Restated By-Laws of Revlon, Inc. dated January 30, 1997. (Incorporated by reference to Exhibit 3.2 to the Annual Report on Form 10-K for the year ended December 31, 1996 of Revlon, Inc. (the "Revlon 1996 10-K")).

4. INSTRUMENTS DEFINING THE RIGHT OF SECURITY HOLDERS, INCLUDING INDENTURES.

4.1 Indenture, dated as of February 1, 1998, between Revlon Escrow and U.S. Bank Trust National Association (formerly known as First Trust National Association), as Trustee, relating to the 8 1/8% Senior Notes due 2006 (the "8 1/8% Senior Notes Indenture"). (Incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-1 of Products Corporation filed with the Commission on March 12, 1998, File No. 333-47875 (the "Products Corporation 1998 Form S-1")).

4.2 Indenture, dated as of February 1, 1998, between Revlon Escrow and U.S. Bank Trust National Association (formerly known as First Trust National Association), as Trustee, relating to the 8 5/8% Senior Notes Due 2006 (the "8 5/8% Senior Subordinated Notes Indenture"). (Incorporated by reference to Exhibit 4.3 to the Products Corporation 1998 Form S-1).

4.3 First Supplemental Indenture, dated April 1, 1998, among Products Corporation, Revlon Escrow, and the Trustee, amending the 8 1/8% Senior Notes Indenture. (Incorporated by reference to Exhibit 4.2 to the Products Corporation 1998 Form S-1).

4.4 First Supplemental Indenture, dated March 4, 1998, among Products Corporation, Revlon Escrow, and the Trustee, amending the 8 5/8% Senior Subordinated Notes Indenture. (Incorporated by reference to Exhibit 4.4 to the Products Corporation 1998 Form S-1).

4.5 Indenture, dated as of November 6, 1998, between Products Corporation and U.S. Bank Trust National Association, as Trustee, relating to Products Corporation's 9% Senior Notes due 2006. (Incorporated by reference to Exhibit 4.13 to the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1998 of Revlon, Inc. (the "Revlon 1998 Third Quarter Form 10-Q")).

4.6 Third Amended and Restated Credit Agreement dated as of June 30, 1997, between Pacific Finance & Development Corp. and the Long-Term Credit Bank of Japan, Ltd. (the "Yen Credit Agreement"). (Incorporated by reference to Exhibit 4.11 to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1997 of Revlon, Inc.).

4.7 First Amendment to the Yen Credit Agreement dated as of December 10, 1998. (Incorporated by

reference to Exhibit 4.8 to the Registration Statement on Form S-4 of Products Corporation filed with the Commission on December 18, 1998, File No. 33-69213 (the "Products Corporation 1998 S-4")).

4.8 Second Amendment to the Yen Credit Agreement dated as of November 12, 1999 by and among Pacific Finance & Development Corp. and General Electric Capital Corporation, assignee of the Long Term Credit Bank of Japan. (Incorporated by reference to Exhibit 4.13 to the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1999 of Revlon, Inc. (the "Revlon 1999 Third Quarter Form 10-Q")).

4.9 Amended and Restated Credit Agreement, dated as of May 30, 1997, among Products Corporation, The Chase Manhattan Bank, Citibank N.A., Lehman Commercial Paper Inc., Chase Securities Inc. and the lenders party thereto (the "Credit Agreement"). (Incorporated by reference to Exhibit 4.23 to Amendment No. 2 to the Registration Statement on Form S-1 of Revlon Worldwide (Parent) Corporation, filed with the Commission on June 26, 1997, File No. 33-23451).

4.10 First Amendment, dated as of January 29, 1998, to the Credit Agreement. (Incorporated by reference to Exhibit 4.8 to the Annual Report on Form 10-K for the year ended December 31, 1997 of Revlon, Inc. (the "Revlon 1997 10-K")).

4.11 Second Amendment, dated as of November 6, 1998, to the Credit Agreement. (Incorporated by reference to Exhibit 4.12 to the Revlon 1998 Third Quarter Form 10-Q).

4.12 Third Amendment, dated as of December 23, 1998, to the Credit Agreement. (Incorporated by reference to Exhibit 4.12 to Amendment No. 1 to the Products Corporation 1998 Form S-4 filed with the Commission on January 22, 1999, File No. 33-69213).

4.13 Fourth Amendment, dated as of November 10, 1999, to the Credit Agreement. (Incorporated by reference to Exhibit 4.12 to the Revlon 1999 Third Quarter Form 10-Q).

10. MATERIAL CONTRACTS.

10.1 Asset Transfer Agreement, dated as of June 24, 1992, among Holdings, National Health Care Group, Inc., Charles of the Ritz Group Ltd., Products Corporation and Revlon, Inc. (Incorporated by reference to Exhibit 10.1 to Amendment No. 1 to the Revlon, Inc. Registration Statement on Form S-1 filed with the Commission on June 29, 1992, File No. 33-47100 (the "Revlon 1992 Amendment No. 1")).

10.2 Tax Sharing Agreement, dated as of June 24, 1992, among Mafco Holdings, Revlon, Inc., Products Corporation and certain subsidiaries of Products Corporation (the "Tax Sharing Agreement"). (Incorporated by reference to Exhibit 10.5 to the Revlon 1992 Amendment No. 1).

10.3 First Amendment, dated as of February 28, 1995, to the Tax Sharing Agreement. (Incorporated by reference to Exhibit 10.5 to the Annual Report on Form 10-K for the year ended December 31, 1994 of Products Corporation).

10.4 Second Amendment, dated as of January 1, 1997, to the Tax Sharing Agreement. (Incorporated by reference to Exhibit 10.7 to the Revlon 1996 10-K).

10.5 Second Amended and Restated Operating Services Agreement by and among Holdings, Revlon, Inc. and Products Corporation, dated as of January 1, 1996 (the "Operating Services Agreement"). (Incorporated by reference to Exhibit 10.8 to the Revlon 1996 10-K).

10.6 Amendment to the Operating Services Agreement, dated as of July 1, 1997. (Incorporated by reference to Exhibit 10.10 to the Revlon 1997 10-K).

10.7 Employment Agreement amended and restated as of the 10th day of May, 1999, effective as of January 1, 1998, between Products Corporation and Wade H. Nichols (the "Nichols Employment Agreement"). (Incorporated by reference to Exhibit 10.25 to the Quarterly Report on Form 10-Q

for the quarterly period ended June 30, 1999 of Revlon, Inc.).

*10.8 Amendment, as of January 1, 2000 to the Nichols Employment Agreement.

*10.9 Employment Agreement dated as of May 10, 1999 between Products Corporation and Frank Gehrmann.

*10.10 Employment Agreement dated as of November 2, 1999 between Products Corporation and Jeffrey M. Nugent.

10.11 Amended and Restated Revlon Pension Equalization Plan, amended and restated as of December 14, 1998. (Incorporated by reference to Exhibit 10.15 to the Annual Report on Form 10-K for year ended December 31, 1998 of Revlon, Inc.).

10.12 Executive Supplemental Medical Expense Plan Summary dated July 1991. (Incorporated by reference to Exhibit 10.18 to the Registration Statement on Form S-1 of Revlon, Inc. filed with the Commission on May 22, 1992, File No. 33-47100 (the "Revlon 1992 Form S-1")).

10.13 Description of Post Retirement Life Insurance Program for Key Executives. (Incorporated by reference to Exhibit 10.19 to the Revlon 1992 Form S-1).

10.14 Benefit Plans Assumption Agreement dated as of July 1, 1992, by and among Holdings, Revlon, Inc. and Products Corporation. (Incorporated by reference to Exhibit 10.25 to the Annual Report on Form 10-K for the year ended December 31, 1992 of Products Corporation).

10.15 Revlon Executive Bonus Plan effective January 1, 1997. (Incorporated by reference to Exhibit 10.20 to the Revlon 1996 10-K).

10.16 Revlon Amended and Restated Executive Deferred Compensation Plan dated as of August 6, 1999. (Incorporated by reference to Exhibit 10.27 to the Revlon 1999 Third Quarter Form 10-Q).

10.17 Revlon Executive Severance Policy effective January 1, 1996. (Incorporated by reference to Exhibit 10.23 to the Amendment No. 3 to the Registration Statement on Form S-1 of Revlon, Inc. filed with the Commission on February 5, 1996, File No. 33-9958).

10.18 Revlon, Inc. Second Amended and Restated 1996 Stock Plan (Amended and Restated as of February 12, 1999). (Incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-8 of Revlon, Inc. filed with the Commission on April 14, 1999, File No. 333-76267).

*10.19 Purchase Agreement dated as of February 18, 2000 by and among Revlon, Inc., Revlon Consumer Products Corporation, REMEA 2 B.V., Revlon Europe, Middle East and Africa, Ltd., Revlon International Corporation, Europeenne de Produits de Beaute S.A., Deutsche Revlon GmbH & Co. K.G., Revlon Canada, Inc., Revlon de Argentina, S.A.I.C., Revlon South Africa (Proprietary) Limited, Revlon (Suisse) S.A., Revlon Overseas Corporation C.A., CEIL - Comercial, Exportadora, Industrial Ltda., Revlon Manufacturing Ltd., Revlon Belgium N.V., Revlon (Chile) S.A., Revlon (Hong Kong) Limited, Revlon, S.A., Revlon Nederland B.V., Revlon New Zealand Limited, European Beauty Products S.p.A. and Beauty Care Professional Products Luxembourg, S.a.r.l.

21. SUBSIDIARIES.

*21.1 Subsidiaries of the Registrant.

23. Consents of Experts and Counsel.

23.1 Consent of KPMG LLP.

24. POWERS OF ATTORNEY.

*24.1 Power of Attorney of Ronald O. Perelman.

*24.2 Power of Attorney of Donald G. Drapkin.

*24.3 Power of Attorney of Meyer Feldberg.

*24.4 Power of Attorney of Howard Gittis.

*24.5 Power of Attorney of Morton L. Janklow.

*24.6 Power of Attorney of Vernon E. Jordan, Jr., Esq.

*24.7 Power of Attorney of Edward J. Landau, Esq.

*24.8 Power of Attorney of Jerry W. Levin.

*24.9 Power of Attorney of Linda Gosden Robinson.

*24.10 Power of Attorney of Terry Semel.

*24.11 Power of Attorney of Martha Stewart.

27. Financial Data Schedule.

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* Filed herewith.

(b) Reports on Form 8-K - None.

REVLON, INC. AND SUBSIDIARIES
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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Revlon, Inc.:

We have audited the accompanying consolidated balance sheets of Revlon, Inc. and its subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of operations, stockholders' deficiency and comprehensive loss and cash flows for each of the years in the three-year period ended December 31, 1999. In connection with our audits of the consolidated financial statements we have also audited the financial statement schedule as listed on the index on page F-1. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Revlon, Inc. and its subsidiaries as of December 31, 1999 and 1998 and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1999, in conformity with generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG LLP

New York, New York
March 30, 2000

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

ASSETS	DECEMBER 31, 1999	DECEMBER 31, 1998
Current assets:		
Cash and cash equivalents	$ 25.4	$ 34.7
Trade receivables, less allowances of $27.2 and $28.5, respectively	332.6	536.0
Inventories	278.3	264.1
Prepaid expenses and other	51.3	69.9
Total current assets	687.6	904.7
Property, plant and equipment, net	336.4	378.9
Other assets	177.5	173.5
Intangible assets, net	356.8	372.9
Total assets	$ 1,558.3	$ 1,830.0
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities:		
Short-term borrowings - third parties	$ 37.6	$ 27.9
Current portion of long-term debt - third parties	10.2	6.0
Accounts payable	139.8	134.8
Accrued expenses and other	409.7	389.7
Total current liabilities	597.3	558.4
Long-term debt - third parties	1,737.8	1,629.9
Long-term debt - affiliates	24.1	24.1
Other long-term liabilites	214.0	265.6
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
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, 19,992,837 and 19,986,771 issued and outstanding, respectively	0.2	0.2
Capital deficiency	(228.4)	(228.5)
Accumulated deficit since June 24, 1992	(773.5)	(402.0)
Accumulated other comprehensive loss	(68.1)	(72.6)
Total stockholders' deficiency	(1,014.9)	(648.0)
Total liabilities and stockholder's deficiency	$ 1,558.3	$ 1,830.0

See Accompanying Notes to Consolidated Financial Statements.

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

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Net sales	$ 1,861.3	$ 2,252.2	$ 2,238.6
Cost of sales	686.1	765.7	743.1
Gross profit	1,175.2	1,486.5	1,495.5
Selling, general and administrative expenses	1,347.6	1,328.8	1,277.0
Business consolidation costs and other, net	40.2	33.1	3.6
Operating (loss) income	(212.6)	124.6	214.9
Other expenses (income):			
Interest expense	147.9	137.9	133.7
Interest income	(2.8)	(5.2)	(4.2)
Amortization of debt issuance costs	4.3	5.1	6.6
Foreign currency (gains) losses, net	(0.5)	4.6	6.4
Miscellaneous, net	0.9	4.5	5.3
Other expenses, net	149.8	146.9	147.8
(Loss) income from continuing operations before income taxes	(362.4)	(22.3)	67.1
Provision for income taxes	9.1	5.0	9.3
(Loss) income from continuing operations	(371.5)	(27.3)	57.8
(Loss) income from discontinued operations	-	(16.5)	0.7
Loss from disposal of discontinued operations	-	(47.7)	-
Extraordinary items - early extinguishments of debt	-	(51.7)	(14.9)
Net (loss) income	$ (371.5)	$ (143.2)	$ 43.6
Basic (loss) income per common share:			
(Loss) income from continuing operations	$ (7.25)	$ (0.53)	$ 1.13
(Loss) income from discontinued operations	-	(1.26)	0.01
Extraordinary items	-	(1.01)	(0.29)
Net (loss) income per common share	$ (7.25)	$ (2.80)	$ 0.85
Diluted (loss) income per common share:			
(Loss) income from continuing operations	$ (7.25)	$ (0.53)	$ 1.13
(Loss) income from discontinued operations	-	(1.26)	0.01
Extraordinary items	-	(1.01)	(0.29)
Net (loss) income per common share	$ (7.25)	$ (2.80)	$ 0.85
Weighted average number of common shares outstanding:			
Basic	51,240,225	51,217,997	51,131,440
Diluted	51,240,225	51,217,997	51,544,318

See Accompanying Notes to Consolidated Financial Statements.

REVLON, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY AND COMPREHENSIVE LOSS
(DOLLARS IN MILLIONS)

	PREFERRED STOCK	COMMON STOCK	CAPITAL DEFICIENCY	ACCUMULATED DEFICIT (a)	ACCUMULATED OTHER COMPREHENSIVE LOSS (b)	TOTAL STOCKHOLDERS' DEFICIENCY
Balance, January 1, 1997	$54.6	$0.5	$(231.6)	$(302.4)	$(18.2)	$ (497.1)
Issuance of common stock			0.2			0.2
Net capital contribution			0.3 (c)			0.3
Comprehensive income:						
Net income				43.6		43.6
Adjustment for minimum pension liability					7.9	7.9
Currency translation adjustment					(13.4)	(13.4)
Total comprehensive income						38.1
Balance, December 31, 1997	54.6	0.5	(231.1)	(258.8)	(23.7)	(458.5)
Issuance of common stock			2.6			2.6
Comprehensive loss:						
Net loss				(143.2)		(143.2)
Adjustment for minimum pension liability					(28.0)	(28.0)
Revaluation of marketable securities					(3.0)	(3.0)
Currency translation adjustment					(17.9)(d)	(17.9)
Total comprehensive loss						(192.1)
Balance, December 31, 1998	54.6	0.5	(228.5)	(402.0)	(72.6)	(648.0)
Issuance of common stock			0.1			0.1
Comprehensive loss:						
Net loss				(371.5)		(371.5)
Adjustment for minimum pension liability					27.6	27.6
Revaluation of marketable securities					(0.8)	(0.8)
Currency translation adjustment					(22.3)	(22.3)
Total comprehensive loss						(367.0)
Balance, December 31, 1999	$54.6	$0.5	$(228.4)	$(773.5)	$(68.1)	$(1,014.9)

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(a) Represents net loss since June 24, 1992, the effective date of the transfer agreements referred to in Note 16.

(b) Accumulated other comprehensive loss includes a revaluation of marketable securities of $3.8 and $3.0 for 1999 and 1998, respectively, currency translation adjustments of $59.4, $37.1 and $19.2 for 1999, 1998 and 1997, respectively, and adjustments for the minimum pension liability of $4.9, $32.5 and $4.5 for 1999, 1998 and 1997, respectively.

(c) Represents changes in capital from the acquisition of the Bill Blass business (See Note 16).

(d) Accumulated other comprehensive loss and comprehensive loss each include a reclassification adjustment of $2.2 for realized gains associated with the sale of certain assets outside the United States.

See Accompanying Notes to Consolidated Financial Statements.

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

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	$(371.5)	$ (143.2)	$ 43.6
Adjustments to reconcile net (loss) income to net cash (used for) provided by operating activities:			
Depreciation and amortization	126.1	111.3	99.7
Loss (income) from discontinued operations	-	64.2	(0.7)
Extraordinary items	-	51.7	14.9
Loss (gain) on sale of certain assets, net	1.6	(8.4)	(4.4)
Change in assets and liabilities:			
Decrease (increase) in trade receivables	187.1	(43.0)	(70.0)
Increase in inventories	(22.5)	(4.6)	(16.9)
Decrease (increase) in prepaid expenses and other current assets	12.6	(11.4)	0.4
Increase (decrease) in accounts payable	10.8	(49.2)	17.9
Increase (decrease) in accrued expenses and other current liabilities	20.5	52.5	(2.8)
Other, net	(47.5)	(71.4)	(73.0)
Net cash (used for) provided by operating activities	(82.8)	(51.5)	8.7
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(42.3)	(60.8)	(52.3)
Acquisition of businesses, net of cash acquired	-	(57.6)	(40.5)
Proceeds from the sale of certain assets	1.6	27.4	8.5
Net cash used for investing activities	(40.7)	(91.0)	(84.3)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings - third parties	12.3	(16.3)	18.0
Proceeds from the issuance of long-term debt - third parties	574.5	1,469.1	760.2
Repayment of long-term debt - third parties	(464.9)	(1,270.9)	(690.2)
Net proceeds from issuance of common stock	0.1	1.1	0.2
Net contribution from parent	-	-	0.3
Proceeds from the issuance of debt - affiliates	67.1	105.9	120.7
Repayment of debt - affiliates	(67.1)	(105.9)	(120.2)
Payment of debt issuance costs	(3.5)	(23.9)	(4.1)
Net cash provided by financing activities	118.5	159.1	84.9
Effect of exchange rate changes on cash and cash equivalents	4.3	(2.0)	(3.6)
Net cash used by discontinued operations	-	(17.3)	(3.4)
Net (decrease) increase in cash and cash equivalents	(9.3)	(2.7)	2.3
Cash and cash equivalents at beginning of period	34.7	37.4	35.1
Cash and cash equivalents at end of period	$ 25.4	$ 34.7	$ 37.4
Supplemental schedule of cash flow information:			
Cash paid during the period for:			
Interest	$ 146.1	$ 133.4	139.6
Income taxes, net of refunds	8.2	10.9	10.5
Supplemental schedule of noncash investing activities:			
In connection with business acquisitions, liabilities were assumed (including minority interest and discontinued operations) as follows:			
Fair value of assets acquired	$ -	$ 74.5	$ 132.7
Cash paid	-	(57.6)	(64.5)
Liabilities assumed	$ -	$ 16.9	$ 68.2

See Accompanying Notes to Consolidated Financial Statements.

1. SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION AND BASIS OF PRESENTATION:

Revlon, Inc. (and together with its subsidiaries, the "Company") conducts its business exclusively through its direct subsidiary, Revlon Consumer Products Corporation and its subsidiaries ("Products Corporation"). The Company manufactures and sells an extensive array of cosmetics and skin care, fragrances and personal care products, and professional products (products for use in and resale by professional salons). On March 30, 2000, the Company sold its worldwide professional products line (See Note 20 for further information). The Company's principal customers include large mass volume retailers and chain drug stores, as well as certain department stores and other specialty stores, such as perfumeries. The Company also sells consumer and professional products to United States military exchanges and commissaries and has a licensing group.

Unless the context otherwise requires, all references to the Company mean Revlon, Inc. and its subsidiaries. Through December 31, 1999, Revlon, Inc. has essentially had no business operations of its own and its only material asset has been all of the outstanding capital stock of Products Corporation. As such, its net (loss) income has historically consisted predominantly of its equity in the net (loss) income of Products Corporation and in 1999, 1998 and 1997 included approximately $1.2, $1.5 and $1.2, respectively, in expenses incidental to being a public holding company.

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

The Company is an indirect 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.

Certain amounts in the prior year financial statements have been reclassified to conform with the current year's presentation.

CASH AND CASH EQUIVALENTS:

Cash equivalents (primarily investments in time deposits which have original maturities of three months or less) are carried at cost, which approximates fair value.

INVENTORIES:

Inventories are stated at the lower of cost or market value. Cost is principally determined by the first-in, first-out method.

PROPERTY, PLANT AND EQUIPMENT AND OTHER ASSETS:

Property, plant and equipment is recorded at cost and is depreciated on a straight-line basis over the estimated useful lives of such assets as follows: land improvements, 20 to 40 years; buildings and improvements, 5 to 50 years; machinery and equipment, 3 to 17 years; and office furniture and fixtures and capitalized software, 2 to 12 years. Leasehold improvements are amortized over their estimated useful lives or the terms of the leases, whichever is shorter. Repairs and maintenance are charged to operations as incurred, and expenditures for additions and improvements are capitalized.

Included in other assets are permanent displays amounting to approximately $131.2 and $129.0 (net of amortization) as of December 31, 1999 and 1998, respectively, which are amortized over 3 to 5 years. In addition, the Company has included in other assets charges related to the issuance of its debt instruments amounting to approximately $21.0 and $23.6 (net of amortization) as of December 31, 1999 and 1998, respectively, which are amortized over the terms of the related debt instruments.

INTANGIBLE ASSETS RELATED TO BUSINESSES ACQUIRED:

Intangible assets related to businesses acquired principally represent goodwill, the majority of which is being amortized on a straight-line basis over 40 years. The Company evaluates, when circumstances warrant, the recoverability of its intangible assets on the basis of undiscounted cash flow projections. When impairment is indicated, the Company writes down recorded amounts of goodwill to the amount of estimated undiscounted cash flows. Accumulated amortization aggregated $128.0 and $115.6 at December 31, 1999 and 1998, respectively.

REVENUE RECOGNITION:

The Company recognizes net sales upon shipment of merchandise. Net sales comprise gross revenues less expected returns, trade discounts and customer allowances. Cost of sales is reduced for the estimated net realizable value of expected returns.

INCOME TAXES:

Income taxes are calculated using the liability method in accordance with the provisions of Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes."

The Company is included in the affiliated group of which Mafco Holdings is the common parent, and the Company's federal taxable income and loss will be included in such group's consolidated tax return filed by Mafco Holdings. The Company also may be included in certain state and local tax returns of Mafco Holdings or its subsidiaries. For all periods presented, federal, state and local income taxes are provided as if the Company filed its own income tax returns. On June 24, 1992, Holdings (as hereinafter defined), the Company and certain of its subsidiaries and Mafco Holdings entered into a tax sharing agreement, which is described in Notes 13 and 16.

PENSION AND OTHER POSTRETIREMENT AND POSTEMPLOYMENT BENEFITS:

The Company sponsors pension and other retirement plans in various forms covering substantially all employees who meet eligibility requirements. For plans in the United States, the minimum amount required pursuant to the Employee Retirement Income Security Act, as amended, is contributed annually. Various subsidiaries outside the United States have retirement plans under which funds are deposited with trustees or reserves are provided.

The Company accounts for benefits such as severance, disability and health insurance provided to former employees prior to their retirement, if estimable, on a terminal basis in accordance with the provisions of SFAS No. 5, "Accounting for Contingencies," as amended by SFAS No. 112, "Employers' Accounting for Postemployment Benefits," which requires companies to accrue for postemployment benefits when it is probable that a liability has been incurred and the amount of such liability can be reasonably estimated.

RESEARCH AND DEVELOPMENT:

Research and development expenditures are expensed as incurred. The amounts charged against earnings in 1999, 1998 and 1997 were $32.9, $31.9 and $29.7, respectively.

FOREIGN CURRENCY TRANSLATION:

Assets and liabilities of foreign operations are generally translated into United States dollars at the rates of exchange in effect at the balance sheet date. Income and expense items are generally translated at the weighted average

exchange rates prevailing during each period presented. Gains and losses resulting from foreign currency transactions are included in the results of operations. Gains and losses resulting from translation of financial statements of foreign subsidiaries and branches operating in non-hyperinflationary economies are recorded as a component of accumulated other comprehensive loss. Foreign subsidiaries and branches operating in hyperinflationary economies translate nonmonetary assets and liabilities at historical rates and include translation adjustments in the results of operations.

Effective January 1997 and for all of 1997 and 1998, the Company's operations in Mexico have been accounted for as operating in a hyperinflationary economy. Effective January 1, 1999, the Company's operations in Mexico have been accounted for as is required for a non-hyperinflationary economy. Effective July 1997, the Company's operations in Brazil have been accounted for as is required for a non-hyperinflationary economy. The impact of the changes in accounting for Brazil and Mexico was not material to the Company's operating results in 1997 and in 1999 for Mexico.

SALE OF SUBSIDIARY STOCK:

The Company recognizes gains and losses on sales of subsidiary stock in its Consolidated Statements of Operations.

BASIC AND DILUTED (LOSS) INCOME PER COMMON SHARE AND CLASSES OF STOCK:

The basic (loss) income 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) income per common share has been computed based upon the weighted average number of shares of common stock outstanding and when appropriate the dilutive effect of stock options. The Company's outstanding stock options represent the only potential dilutive common stock outstanding. The amounts of (loss) income used in the calculations of diluted and basic (loss) income per common share were the same in each year presented. The number of shares used in the calculation of diluted (loss) income per common share for 1997 was greater than the number of shares used in the calculation of basic (loss) income per common share for that year by 412,878 shares to give effect to the dilutive effect of outstanding stock options. The number of shares used in the calculation of diluted (loss) income per common share for 1999 and 1998 does not include any incremental shares that would have been outstanding assuming the exercise of stock options because the effect of those incremental shares would have been antidilutive.

The Class A Common Stock, par value $.01 per share (the "Class A Common Stock") and Class B Common Stock, par value $.01 per share (the "Class B Common Stock") (collectively with the Class A Common Stock, the "Common Stock") vote as a single class on all matters, except as otherwise required by law, with each share of Class A Common Stock entitling its holder to one vote and each share of the Class B Common Stock entitling its holder to ten votes. All of the shares of the Class B Common Stock are owned by REV Holdings Inc. ("REV Holdings"), an indirect wholly owned subsidiary of Mafco Holdings. Mafco Holdings beneficially owns shares of Common Stock having approximately 97.4% of the combined voting power of the outstanding shares of Common Stock. The holders of the Company's two classes of common stock are entitled to share equally in the earnings of the Company from dividends, when and if declared by the Board. Each outstanding share of Class B Common Stock is convertible into one share of Class A Common Stock.

The Company designated 1,000 shares of Preferred Stock as the Series A Preferred Stock, of which 546 shares are outstanding and held by REV Holdings. The holder of Series A Preferred Stock is not entitled to receive any dividends. The Series A Preferred Stock is entitled to a liquidation preference of $100,000 per share before any distribution is made to the holders of Common Stock. The holder of the Series A Preferred Stock does not have any voting rights, except as required by law. The Series A Preferred Stock may be redeemed at any time by the Company, at its option, for $100,000 per share. However, the terms of Products Corporation's various debt agreements currently restrict Revlon, Inc.'s ability to effect such redemption by generally restricting the amount of dividends or distributions Products Corporation can pay to Revlon, Inc.

STOCK-BASED COMPENSATION:

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 interpretation. 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 stock at the date of the grant over the amount an employee must pay to acquire the stock (See Note 15).

DERIVATIVE FINANCIAL INSTRUMENTS:

Derivative financial instruments are utilized from time to time by the Company to reduce interest rate and foreign exchange risks. The Company maintains a control environment, which includes policies and procedures for risk assessment and the approval, reporting and monitoring of derivative financial instrument activities. The Company does not hold or issue derivative financial instruments for trading purposes.

The differentials to be received or paid under interest rate contracts designated as hedges are recognized in income over the life of the contracts as adjustments to interest expense. Gains and losses on terminations of interest rate contracts designated as hedges are deferred and amortized into interest expense over the remaining life of the original contracts or until repayment of the hedged indebtedness. Unrealized gains and losses on outstanding contracts designated as hedges are not recognized.

To qualify for hedge accounting, a contract must meet defined correlation and effectiveness criteria, be designated as a hedge and result in cash flows and financial statement effects that substantially offset those of the position being hedged. Derivative financial instruments that the Company temporarily continues to hold after the early termination of a hedged position, or that otherwise no longer qualify for hedge accounting, are marked-to-market, with gains and losses recognized in the Company's Statements of Operations after the termination or disqualification. Gains and losses on contracts designated to hedge identifiable foreign currency commitments are deferred and accounted for as part of the related foreign currency transaction. Transaction gains and losses have not been material.

In June 1998, the Financial Accounting Standards Board (the "FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," which establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. In June 1999, the FASB issued SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of SFAS No. 133, an Amendment of SFAS No. 133," which has delayed the required implementation of SFAS No. 133 such that the Company must adopt this new standard no later than January 1, 2001. The effect of adopting the new standard by the Company has not yet been determined. The Company plans to adopt the new standard on January 1, 2001.

ADVERTISING AND PROMOTION

Costs associated with advertising and promotion are expensed in the year incurred. Advertising and promotion expenses were $411.8, $422.9 and $397.4 for 1999, 1998 and 1997, respectively.

2. DISCONTINUED OPERATIONS

During 1998, the Company completed the disposition of its approximately 85% equity interest in The Cosmetic Center, Inc. (the "Cosmetic Center"), along with certain amounts due from Cosmetic Center to the Company for working capital and inventory, to a newly formed limited partnership controlled by an unrelated third party. The Company received a minority limited partnership interest in the limited partnership as consideration for the disposition. Based upon the Company's expectation that it would receive no future cash flows from the limited partnership, as well as other factors, the Company assigned no value to such interest. As a result, the Company recorded a loss on disposal of $47.7 during 1998. All prior periods were restated to reflect the results of operations of Cosmetic Center as discontinued operations.

3. EXTRAORDINARY ITEMS

The extraordinary loss of $51.7 in 1998 resulted primarily from the write-off of deferred financing costs and payment of call premiums associated with the redemption of the Senior Notes (as hereinafter defined) and the Senior Subordinated Notes (as hereinafter defined). The extraordinary loss in 1997 resulted from the write-off in the second quarter of 1997 of deferred financing costs associated with the early extinguishment of borrowings under a prior credit agreement and costs of approximately $6.3 in connection with the redemption of Products Corporation's 10 7/8% Sinking Fund Debentures due 2010 (the "Sinking Fund Debentures"). The early extinguishment of borrowings under a prior credit agreement and the redemption of the Sinking Fund Debentures were financed by the proceeds from a new credit agreement, which became effective in May 1997 (the "Credit Agreement").

4. BUSINESS CONSOLIDATION COSTS AND OTHER, NET

In the fourth quarter of 1998, the Company committed to a restructuring plan to realign and reduce personnel, exit excess leased real estate, realign and consolidate regional activities, reconfigure certain manufacturing operations and exit certain product lines. During 1999, the Company continued to implement such restructuring for which it recorded a charge of $20.5 for employee severance and other personnel benefits, costs associated with the exit from leased facilities as well as other costs. Also in 1999, the Company consummated an exit from a non-core business, resulting in a charge of $1.6, which is included in the table below. Of the 720 and the 493 sales, marketing, administrative, factory and distribution employees worldwide for whom severance and other personnel benefits were included in the charges for the fourth quarter 1998 and during 1999, respectively, the Company had terminated 1,146 employees by December 31, 1999.

During the fourth quarter of 1999, the Company continued to re-evaluate its organizational structure and implemented a new restructuring plan principally at its New York headquarters and New Jersey locations resulting in a charge of $18.1 principally for employee severance. As a part of this restructuring plan, the Company reduced personnel and consolidated excess leased real estate. Of the 208 sales, marketing and administrative employees for whom severance and other personnel benefits were included in the charge for the fourth quarter 1999, the Company had terminated 159 of these employees by December 31, 1999.

In 1998 the Company recognized a gain of approximately $7.1 for the sale of the wigs and hairpieces portion of its business in the United States and included the amount in business consolidation costs and other, net.

The cash and noncash elements of the restructuring charges recorded in 1999 approximate $38.8 and $1.4, respectively and in 1998 approximated $37.2 and $5.7, respectively.

In 1997 the Company incurred business consolidation costs of $20.6 in connection with the implementation of its business strategy to rationalize factory operations. These costs primarily included severance for 415 factory and administrative employees and other costs related to the rationalization of certain factory and warehouse operations worldwide. Such costs were partially offset by an approximately $12.7 settlement of a claim and related gains of approximately $4.3 on the sales of certain factory operations outside the United States. As of December 31, 1998 and 1997 the Company had terminated 415 and 200 employees, respectively, relating to the 1997 charge.

Details of the charges are as follows:

	BALANCE BEGINNING OF YEAR	EXPENSE (INCOME)	(UTILIZED) RECEIVED CASH	NONCASH	BALANCE END OF YEAR
1999					
Employee severance and other personnel benefits	$ 24.9	$ 35.3	$ (35.6)	$ -	$ 24.6
Factory, warehouse, office and other costs	12.1	4.9	(6.2)	(1.4)	9.4
	$ 37.0	$ 40.2	$ (41.8)	$ (1.4)	$ 34.0
1998					
Employee severance and other personnel benefits	$ 7.8	$ 26.6	$ (9.5)	$ -	$ 24.9
Factory, warehouse, office and other costs	3.2	14.9	(2.4)	(3.6)	12.1
Sale of assets	-	(8.4)	8.4	-	-
Other (expense included in cost of sales)	-	2.7	-	(2.7)	-
	$ 11.0	$ 35.8	$ (3.5)	$ (6.3)	$ 37.0
1997					
Employee severance and other personnel benefits	$ -	$ 14.2	$ (6.4)	$ -	$ 7.8
Factory, warehouse, office and other costs	-	6.4	(1.2)	(2.0)	3.2
Sale of assets	-	(4.3)	4.3	-	-
Settlement of claim	-	(12.7)	12.7	-	-
	$ -	$ 3.6	$ 9.4	$ (2.0)	$ 11.0

As of December 31, 1999 and 1998, the unpaid balance of the business consolidation costs are included in accrued expenses and other in the Company's Consolidated Balance Sheets.

5. ACQUISITIONS

In 1998 and 1997 the Company consummated acquisitions for a combined purchase price of $62.6 and $51.6 (excluding the acquisition of Cosmetic Center), respectively, with resulting goodwill of $63.7 and $35.8, respectively. These acquisitions were not significant to the Company's results of operations. There were no acquisitions made by the Company in 1999.

6. INVENTORIES

	DECEMBER 31,	
	1999	1998
Raw materials and supplies	$ 74.1	$ 78.2
Work-in-process	19.7	14.4
Finished goods	184.5	171.5
	$278.3	$264.1

7. PREPAID EXPENSES AND OTHER

	DECEMBER 31,	
	1999	1998
Prepaid expenses	$ 36.7	$ 42.4
Other	14.6	27.5
	$ 51.3	$ 69.9

8. PROPERTY, PLANT AND EQUIPMENT, NET

	DECEMBER 31,	
	1999	1998
Land and improvements	$ 41.3	$ 33.8
Buildings and improvements	174.1	197.3
Machinery and equipment	222.9	216.8
Office furniture and fixtures and capitalized software	112.5	88.5
Leasehold improvements	28.1	37.2
Construction-in-progress	16.0	36.9
	594.9	610.5
Accumulated depreciation	(258.5)	(231.6)
	$ 336.4	$ 378.9

Depreciation expense for the years ended December 31, 1999, 1998 and 1997 was $45.9, $40.5 and $38.4, respectively.

9. ACCRUED EXPENSES AND OTHER

	DECEMBER 31,	
	1999	1998
Advertising and promotional costs and accrual for sales returns	$ 183.5	$ 158.3
Compensation and related benefits	83.9	68.6
Interest	38.1	39.4
Taxes, other than federal income taxes	16.6	27.5
Restructuring and business consolidation costs	31.4	27.1
Other	56.2	68.8
	$ 409.7	$ 389.7

10. SHORT-TERM BORROWINGS

Products Corporation maintained uncommitted short-term bank lines of credit, that may be borrowed against at any time at December 31, 1999 and 1998 aggregating approximately $65.6 and $88.3, respectively, of which approximately $37.6 and $27.9 were outstanding at December 31, 1999 and 1998, respectively. Interest rates on amounts borrowed under such short-term lines at December 31, 1999 and 1998 ranged from 3.1% to 6.8% and from 2.9% to 8.6%, respectively, excluding Latin American countries in which the Company had outstanding borrowings of approximately $8.3 and $3.5 at December 31, 1999 and 1998, respectively. Compensating balances at December 31, 1999 and 1998 were approximately $14.2 and $10.3, respectively. Interest rates on compensating balances at December 31, 1999 and 1998 ranged from 4.0% to 4.7% and 1.9% to 5.8%, respectively.

11. LONG-TERM DEBT

	DECEMBER 31,	
	1999	1998
Working capital lines (a)	$ 588.2	$ 272.2
Bank mortgage loan agreement due 2000 (b)	9.9	13.6
9 1/2% Senior Notes due 1999 (c)	-	200.0
8 1/8% Senior Notes due 2006 (d)	249.4	249.3
9% Senior Notes due 2006 (e)	250.0	250.0
8 5/8% Senior Subordinated Notes due 2008 (f)	649.8	649.8
Advances from Holdings (g)	24.1	24.1
Notes payable due through 2004	0.7	1.0
	1,772.1	1,660.0
Less current portion	(10.2)	(6.0)
	$1,761.9	$1,654.0

(a) In May 1997, Products Corporation entered into the Credit Agreement with a syndicate of lenders, whose individual members change from time to time. The proceeds of loans made under the Credit Agreement were used to repay the loans outstanding under the credit agreement in effect at that time and to redeem the Sinking Fund Debentures. On November 10, 1999, the Credit Agreement was amended as described below.

The Credit Agreement provides up to $723.0 at December 31, 1999 and consists of five senior secured facilities: $198.0 in two term loan facilities (the "Term Loan Facilities"), a $300.0 multi-currency facility (the "Multi-Currency Facility"), a $175.0 revolving acquisition facility, which may be increased to $375.0 under certain circumstances with the consent of a majority of the lenders (the "Acquisition Facility"), and a $50.0 special standby letter of credit facility (the "Special LC Facility" and together with the Term Loan Facilities, the Multi-Currency Facility and the Acquisition Facility, the "Credit Facilities"). The Multi-Currency Facility is available (i) to Products Corporation in revolving credit loans denominated in U.S. dollars (the "Revolving Credit Loans"), (ii) to Products Corporation in standby and commercial letters of credit denominated in U.S. dollars (the "Operating Letters of Credit") and (iii) to Products Corporation and certain of its international subsidiaries designated from time to time in revolving credit loans and bankers' acceptances denominated in U.S. dollars and other currencies (the "Local Loans"). At December 31, 1999 and 1998, Products Corporation had approximately $198.0 and $199.0, respectively, outstanding under the Term Loan Facilities, $235.2 and $9.7, respectively, outstanding under the Multi-Currency Facility, $155.0 and $63.5, respectively, outstanding under the Acquisition Facility and $29.8 and $29.0, respectively, of issued but undrawn letters of credit under the Special LC Facility.

The Credit Facilities (other than loans in foreign currencies) bear interest as of December 31, 1999 at a rate equal to, at Products Corporation's option, either (A) the Alternate Base Rate plus 2.50% (or 3.50% for Local Loans); or (B) the Eurodollar Rate plus 3.50%. Loans in foreign currencies bear interest as of December 31, 1999 at a rate equal to the Eurocurrency Rate or, in the case of Local Loans, the local lender rate, in each case plus 3.50%. The applicable margin is reduced in the event Products Corporation attains certain leverage ratios. Products Corporation pays the lender a commitment fee as of December 31, 1999 of 1/2 of 1% of the unused portion of the Credit Facilities. Under the Multi-Currency Facility, the Company pays the lenders an administrative fee of 1/4% per annum on the aggregate principal

amount of specified Local Loans. Products Corporation also paid certain facility and other fees to the lenders and agents upon closing of the Credit Agreement. Prior to its termination date, the commitments under the Credit Facilities will be reduced by: (i) the net proceeds in excess of $10.0 each year received during such year from sales of assets by Holdings (or certain of its subsidiaries), Products Corporation or any of its subsidiaries (and $25.0 in the aggregate during the term with respect to certain specified dispositions), subject to certain limited exceptions, (ii) certain proceeds from the sales of collateral security granted to the lenders, (iii) the net proceeds from the issuance by Products Corporation or any of its subsidiaries of certain additional debt, (iv) 50% of the excess cash flow of Products Corporation and its subsidiaries (unless certain leverage ratios are attained) and (v) certain scheduled reductions in the case of the Term Loan Facilities, which commenced on May 31, 1998 in the aggregate amount of $1.0 annually over the remaining life of the Credit Agreement, and in the case of the Acquisition Facility, which commenced on December 31, 1999 in the amount of $25.0 and, as of December 31, 1999, in the amounts of $60.0 during 2000, $90.0 during 2001 and $25.0 during 2002 (which reductions will be proportionately increased if the Acquisition Facility is increased). As described below, as a result of the reduction in commitment resulting from the sale of the Company's worldwide professional products line, the originally scheduled reductions in 2000 and 2001 have decreased. The Credit Agreement will terminate on May 30, 2002. The weighted average interest rates on the Term Loan Facilities, the Multi-Currency Facility and the Acquisition Facility were 9.9%, 8.1% and 9.8% at December 31, 1999, respectively, and 8.1%, 9.2% and 8.7% at December 31, 1998, respectively.

The Credit Facilities, subject to certain exceptions and limitations, are supported by guarantees from Holdings and certain of its subsidiaries, Revlon, Inc., Products Corporation and the domestic subsidiaries of Products Corporation. The obligations of Products Corporation under the Credit Facilities and the obligations under the aforementioned guarantees are secured, subject to certain limitations, by (i) a mortgage on Products Corporation's Phoenix, Arizona facility; (ii) the capital stock of Products Corporation and its domestic subsidiaries, 66% of the capital stock of its first tier foreign subsidiaries and the capital stock of certain subsidiaries of Holdings; (iii) domestic intellectual property and certain other domestic intangibles of (x) Products Corporation and its domestic subsidiaries and (y) certain subsidiaries of Holdings; (iv) domestic inventory and accounts receivable of (x) Products Corporation and its domestic subsidiaries and (y) certain subsidiaries of Holdings; and (v) the assets of certain foreign subsidiary borrowers under the Multi-Currency Facility (to support their borrowings only). The Credit Agreement provides that the liens on the stock and personal property referred to above may be shared from time to time with specified types of other obligations incurred or guaranteed by Products Corporation, such as interest rate hedging obligations, working capital lines and a subsidiary of Products Corporation's yen-denominated credit agreement.

The Credit Agreement contains various material restrictive covenants prohibiting Products Corporation from (i) incurring additional indebtedness or guarantees, with certain exceptions, (ii) making dividend, tax sharing and other payments or loans to Revlon, Inc. or other affiliates, with certain exceptions, including among others, permitting Products Corporation 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, regulatory fees such as Securities and Exchange Commission ("Commission") filing fees and other miscellaneous expenses related to being a public holding company, and to pay dividends or make distributions in certain circumstances to finance the purchase by Revlon, Inc. of its common stock in connection with the delivery of such common stock to grantees under any stock option plan, provided that the aggregate amount of such dividends and distributions taken together with any purchases of Revlon, Inc. common stock on the market to satisfy matching obligations under an excess savings plan may not exceed $6.0 per annum, (iii) creating liens or other encumbrances on their assets or revenues, granting negative pledges or selling or transferring any of their assets except in the ordinary course of business, all subject to certain limited exceptions, (iv) with certain exceptions, engaging in merger or acquisition transactions, (v) prepaying indebtedness, subject to certain limited exceptions, (vi) making investments, subject to certain limited exceptions, and as described below and (vii) entering into transactions with affiliates of Products Corporation other than upon terms no less favorable to Products Corporation or its subsidiaries than it would obtain in an arms'-length transaction. In addition to the foregoing, the Credit Agreement contains financial covenants requiring Products Corporation to maintain minimum interest coverage in 2001 and 2002, covenants that limit the leverage ratio of Products Corporation in 2001 and 2002, and covenants that limit the amount of capital expenditures.

The events of default under the Credit Agreement include a Change of Control (as defined in the Credit Agreement) of Products Corporation, the acceleration of, or certain payment defaults under, indebtedness of REV

Holdings in excess of $0.5 (which was eliminated by amendment in March 2000), and other customary events of default for such types of agreements.

The Credit Agreement contained financial covenants requiring Products Corporation to maintain minimum interest coverage and to limit its leverage ratio, among other things. As a result of the loss from continuing operations before taxes incurred by Products Corporation in the third quarter of 1999, the interest coverage and leverage ratios specified in the Credit Agreement were not achieved at September 30, 1999. On November 10, 1999 the Credit Agreement was amended to (i) eliminate the interest coverage ratio and leverage ratio covenants from the quarter ended September 30, 1999 through the year 2000 and to modify those covenants for the years 2001 and 2002; (ii) add a minimum EBITDA covenant for each quarter end during the year 2000; (iii) limit the amount that Products Corporation may spend for capital expenditures and investments including acquisitions; (iv) permit the sale of Products Corporation's worldwide professional products line and its non-core Latin American brands Colorama, Juvena, Bozzano and Plusbelle (such sales, the "Asset Sales"); (v) change the reduction of the aggregate commitment that is required upon consummation of any Asset Sale to an amount equal to 60% of the Net Proceeds (as defined in the Credit Agreement) from such Asset Sale as opposed to 100% of such Net Proceeds as provided under the Credit Agreement prior to the amendment; (vi) increase the "applicable margin" by 3/4 of 1% and (vii) permit the amendment of a yen-denominated credit agreement (the "Yen Credit Agreement"). On March 30, 2000, approximately 60% of the $250.5 in Net Proceeds (as that term is defined in the Credit Agreement) from the sale of its worldwide professional products line was used to permanently reduce the aggregate commitment under the Credit Agreement to $572.7. As a result of such commitment reduction, as of March 30, 2000, the aggregate amount outstanding under the Term Loan Facilities was reduced by $79.8 to $118.2, and the aggregate commitments under the Acquisition Facility was reduced by $70.5 to $104.5. The scheduled reductions of the Acquisition Facility will also be reduced such that the total amount of such reductions is equal to the reduced aggregate Acquisition Facility commitment. The scheduled reductions of the Acquisition Facility changed from $60.0 to $35.8 during 2000, from $90.0 to $53.8 during 2001 and from $25.0 to $14.9 during 2002.

(b) The Pacific Finance & Development Corp., a wholly owned subsidiary of Products Corporation, is the borrower under the Yen Credit Agreement, which had a principal balance of approximately (Yen)1.0 billion as of December 31, 1999 (approximately $9.9 U.S. dollar equivalent as of December 31, 1999) after giving effect to the payment of approximately (Yen)539 million (approximately $4.6 U.S. dollar equivalent) in March 1999. On November 12, 1999, the borrower under the Yen Credit Agreement executed an amendment to the Yen Credit Agreement to eliminate the amortization payment due in March 2000 and to provide that the final maturity date of the Yen Credit Agreement will be the earlier of (i) the closing date of the sale of Products Corporation's professional products line and (ii) December 31, 2000. The applicable interest rate at December 31, 1999 under the Yen Credit Agreement was the Euro-Yen rate plus 2.75%, which approximated 3.6%. The interest rate at December 31, 1998 was the Euro-Yen rate plus 2.75%, which approximated 3.5%. In March 2000, the outstanding balance under the Yen Credit Agreement was repaid in accordance with its terms.

(c) During 1999 Products Corporation redeemed the 9 1/2% Senior Notes due 1999 (the "1999 Notes") with proceeds from the sale of the 9% Senior Notes due 2006 (the "9% Notes").

(d) The 8 1/8% Notes due 2006 (the "8 1/8% Notes") are senior unsecured obligations of Products Corporation and rank pari passu in right of payment with all existing and future Senior Debt (as defined in the indenture relating to the 8 1/8% Notes (the "8 1/8% Notes Indenture")) of Products Corporation, including the 1999 Notes until the maturity or earlier retirement thereof, the 9% Notes and the indebtedness under the Credit Agreement, and are senior to the 8 5/8% Notes and to all future subordinated indebtedness of Products Corporation. The 8 1/8% Notes are effectively subordinated to the outstanding indebtedness and other liabilities of Products Corporation's subsidiaries. Interest is payable on February 1 and August 1.

The 8 1/8% Notes may be redeemed at the option of Products Corporation in whole or from time to time in part at any time on or after February 1, 2002 at the redemption prices set forth in the 8 1/8% Notes Indenture plus accrued and unpaid interest, if any, to the date of redemption. In addition, at any time prior to February 1, 2001, Products Corporation may redeem up to 35% of the aggregate principal amount of the 8 1/8% Notes originally issued at a redemption price of 108 1/8% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the date fixed for redemption, with, and to the extent Products Corporation receives, the net cash proceeds of one or more Public Equity Offerings (as defined in the 8 1/8% Notes Indenture), provided that at least $162.5

aggregate principal amount of the 8 1/8% Notes remains outstanding immediately after the occurrence of each such redemption.

Upon a Change of Control (as defined in the 8 1/8% Notes Indenture), Products Corporation will have the option to redeem the 8 1/8% Notes in whole at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the date of redemption plus the Applicable Premium (as defined in the 8 1/8% Notes Indenture) and, subject to certain conditions, each holder of the 8 1/8% Notes will have the right to require Products Corporation to repurchase all or a portion of such holder's 8 1/8% Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the date of repurchase.

The 8 1/8% Notes Indenture contains covenants that, among other things, limit (i) the issuance of additional debt and redeemable stock by Products Corporation, (ii) the incurrence of liens, (iii) the issuance of debt and preferred stock by Products Corporation's subsidiaries, (iv) the payment of dividends on capital stock of Products Corporation and its subsidiaries and the redemption of capital stock of Products Corporation and certain subordinated obligations, (v) the sale of assets and subsidiary stock, (vi) transactions with affiliates and (vii) consolidations, mergers and transfers of all or substantially all Products Corporation's assets. The 8 1/8% Notes Indenture also prohibits certain restrictions on distributions from subsidiaries. All of these limitations and prohibitions, however, are subject to a number of important qualifications.

(e) The 9% Notes are senior unsecured obligations of Products Corporation and rank pari passu in right of payment with all existing and future Senior Debt (as defined in the indenture relating to the 9% Notes (the "9% Notes Indenture")) of Products Corporation, including the 1999 Notes until the maturity or earlier retirement thereof, the 8 1/8% Notes and the indebtedness under the Credit Agreement, and are senior to the 8 5/8% Notes and to all future subordinated indebtedness of Products Corporation. The 9% Notes are effectively subordinated to outstanding indebtedness and other liabilities of Products Corporation's subsidiaries. Interest is payable on May 1 and November 1.

The 9% Notes may be redeemed at the option of Products Corporation in whole or from time to time in part at any time on or after November 1, 2002 at the redemption prices set forth in the 9% Notes Indenture plus accrued and unpaid interest, if any, to the date of redemption. In addition, at any time prior to November 1, 2001, Products Corporation may redeem up to 35% of the aggregate principal amount of the 9% Notes originally issued at a redemption price of 109% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the date fixed for redemption, with, and to the extent Products Corporation receives, the net cash proceeds of one or more Public Equity Offerings (as defined in the 9% Notes Indenture), provided that at least $162.5 aggregate principal amount of the 9% Notes remains outstanding immediately after the occurrence of each such redemption.

Upon a Change in Control (as defined in the 9% Notes Indenture), Products Corporation will have the option to redeem the 9% Notes in whole at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the date of redemption plus the Applicable Premium (as defined in the 9% Notes Indenture) and, subject to certain conditions, each holder of the 9% Notes will have the right to require Products Corporation to repurchase all or a portion of such holder's 9% Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the date of repurchase.

The 9% Notes Indenture contains covenants that, among other things, limit (i) the issuance of additional debt and redeemable stock by Products Corporation, (ii) the incurrence of liens, (iii) the issuance of debt and preferred stock by Products Corporation's subsidiaries, (iv) the payment of dividends on capital stock of Products Corporation and its subsidiaries and the redemption of capital stock of Products Corporation and certain subordinated obligations, (v) the sale of assets and subsidiary stock, (vi) transactions with affiliates and (vii) consolidations, mergers and transfers of all or substantially all Products Corporation's assets. The 9% Notes Indenture also prohibits certain restrictions on distributions from subsidiaries. All of these limitations and prohibitions, however, are subject to a number of important qualifications.

(f) The 8 5/8% Notes due 2008 (the "8 5/8% Notes") are general unsecured obligations of Products Corporation and are (i) subordinate in right of payment to all existing and future Senior Debt (as defined in the indenture relating to the 8 5/8% Notes (the "8 5/8% Notes Indenture")) of Products Corporation, including the 1999 Notes until the maturity or earlier retirement thereof, the 9% Notes, the 8 1/8% Notes and the indebtedness under the

Credit Agreement, (ii) pari passu in right of payment with all future senior subordinated debt, if any, of Products Corporation and (iii) senior in right of payment to all future subordinated debt, if any, of Products Corporation. The 8 5/8% Notes are effectively subordinated to the outstanding indebtedness and other liabilities of Products Corporation's subsidiaries. Interest is payable on February 1 and August 1.

The 8 5/8% Notes may be redeemed at the option of Products Corporation in whole or from time to time in part at any time on or after February 1, 2003 at the redemption prices set forth in the 8 5/8% Notes Indenture plus accrued and unpaid interest, if any, to the date of redemption. In addition, at any time prior to February 1, 2001, Products Corporation may redeem up to 35% of the aggregate principal amount of the 8 5/8% Notes originally issued at a redemption price of 108 5/8% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the date fixed for redemption, with, and to the extent Products Corporation receives, the net cash proceeds of one or more Public Equity Offerings (as defined in the 8 5/8% Notes Indenture), provided that at least $422.5 aggregate principal amount of the 8 5/8% Notes remains outstanding immediately after the occurrence of each such redemption.

Upon a Change of Control (as defined in the 8 5/8% Notes Indenture), Products Corporation will have the option to redeem the 8 5/8% Notes in whole at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the date of redemption plus the Applicable Premium (as defined in the 8 5/8% Notes Indenture) and, subject to certain conditions, each holder of the 8 5/8% Notes will have the right to require Products Corporation to repurchase all or a portion of such holder's 8 5/8% Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the date of repurchase.

The 8 5/8% Notes Indenture contains covenants that, among other things, limit (i) the issuance of additional debt and redeemable stock by Products Corporation, (ii) the incurrence of liens, (iii) the issuance of debt and preferred stock by Products Corporation's subsidiaries, (iv) the payment of dividends on capital stock of Products Corporation and its subsidiaries and the redemption of capital stock of Products Corporation, (v) the sale of assets and subsidiary stock, (vi) transactions with affiliates, (vii) consolidations, mergers and transfers of all or substantially all of Products Corporation's assets and (viii) the issuance of additional subordinated debt that is senior in right of payment to the 8 5/8% Notes. The 8 5/8% Notes Indenture also prohibits certain restrictions on distributions from subsidiaries. All of these limitations and prohibitions, however, are subject to a number of important qualifications.

The 1999 Notes Indenture, the 8 1/8% Notes Indenture, the 8 5/8% Notes Indenture and the 9% Notes Indenture contain customary events of default for debt instruments of such type.

(g) During 1992, Revlon Holdings Inc., the indirect parent of the Company ("Holdings"), made an advance of $25.0 to Products Corporation, evidenced by subordinated noninterest-bearing demand notes. The notes were subsequently adjusted by offsets and additional amounts loaned by Holdings to Products Corporation. In June 1997, Products Corporation borrowed from Holdings approximately $0.5, representing certain amounts received by Holdings from the sale of a brand and the inventory relating thereto. In 1998, approximately $6.8 due to Products Corporation from Holdings was offset against the notes payable to Holdings. At December 31, 1999 the balance of $24.1 is evidenced by noninterest-bearing promissory notes payable to Holdings that are subordinated to Products Corporation's obligations under the Credit Agreement.

(h) Products Corporation borrows funds from its affiliates from time to time to supplement its working capital borrowings. No such borrowings were outstanding as of December 31, 1999 or 1998. The interest rates for such borrowings are more favorable to Products Corporation than interest rates under the Credit Agreement and, for borrowings occurring prior to the execution of the Credit Agreement, the credit facilities in effect at the time of such borrowing. The amount of interest paid by Products Corporation for such borrowings for 1999, 1998 and 1997 was $0.5, $0.8 and $0.6, respectively.

The aggregate amounts of long-term debt maturities (at December 31, 1999), in the years 2000 through 2004 are $10.2, $67.5, $545.1, $0 and $0.1, respectively, and $1,149.2 thereafter.

The Company expects that cash flows from operations and funds from currently available credit facilities and renewals of short-term borrowings will be sufficient to enable the Company to meet its anticipated cash requirements during 2000 on a consolidated basis, including for debt service. However, there can be no assurance that the

combination of cash flow from operations, funds from existing credit facilities and renewals of short-term borrowings will be sufficient to meet the Company's cash requirements on a consolidated basis. If the Company is unable to satisfy such cash requirements, the Company could be required to adopt one or more alternatives, such as reducing or delaying capital expenditures, restructuring indebtedness, selling other assets or operations, or seeking capital contributions or loans from affiliates of the Company or issuing additional shares of capital stock of Revlon, Inc. Products Corporation has had discussions with an affiliate that is prepared to provide financial support to Products Corporation of up to $40 on appropriate terms through December 31, 2000.

12. FINANCIAL INSTRUMENTS

As of December 31, 1997, Products Corporation was party to a series of interest rate swap agreements totaling a notional amount of $225.0 in which Products Corporation agreed to pay on such notional amount a variable interest rate equal to the six month LIBOR to its counterparties and the counterparties agreed to pay on such notional amounts fixed interest rates averaging approximately 6.03% per annum. Products Corporation entered into these agreements in 1993 and 1994 (and in the first quarter of 1996 extended a portion equal to a notional amount of $125.0 through December 2001) to convert the interest rate on $225.0 of fixed-rate indebtedness to a variable rate. Products Corporation terminated these agreements in January 1998 and realized a gain of approximately $1.6, which was recognized upon repayment of the hedged indebtedness and is included in the extraordinary item for the early extinguishment of debt. Certain other swap agreements were terminated in 1993 for a gain of $14.0 that was amortized over the original lives of the agreements through 1997. The amortization of the 1993 realized gain in 1997 was approximately $3.1.

Products Corporation enters into forward foreign exchange contracts and option contracts from time to time to hedge certain cash flows denominated in foreign currencies. At December 31, 1998, Products Corporation had outstanding forward foreign exchange contracts denominated in various currencies of approximately $197.5 and outstanding option contracts of approximately $51.0. Such contracts are entered into to hedge transactions predominantly occurring within twelve months. If Products Corporation had terminated these contracts on December 31, 1998 or the contracts then outstanding on December 31, 1997, no material gain or loss would have been realized. There were no forward foreign exchange or option contracts outstanding on December 31, 1999.

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same issues or on the current rates offered to the Company for debt of the same remaining maturities. The estimated fair value of long-term debt at December 31, 1999 and 1998 was approximately $444.2 and $63.1 less than the carrying values of $1,772.1 and $1,660.0, respectively. Because considerable judgment is required in interpreting market data to develop estimates of fair value, the estimates are not necessarily indicative of the amounts that could be realized or would be paid in a current market exchange. The effect of using different market assumptions or estimation methodologies may be material to the estimated fair value amounts.

Products Corporation also maintains standby and trade letters of credit with certain banks for various corporate purposes under which Products Corporation is obligated, of which approximately $30.5 and $30.7 (including amounts available under credit agreements in effect at that time) were maintained at December 31, 1999 and 1998, respectively. Included in these amounts are $25.7 and $26.9, respectively, in standby letters of credit, which support Products Corporation's self-insurance programs. The estimated liability under such programs is accrued by Products Corporation.

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

13. INCOME TAXES

In June 1992, Holdings, Revlon, Inc. and certain of its subsidiaries, and Mafco Holdings entered into a tax sharing agreement (as subsequently amended, the "Tax Sharing Agreement"), pursuant to which Mafco Holdings has agreed to indemnify Revlon, Inc. against federal, state or local income tax liabilities of the consolidated or combined group of which Mafco Holdings (or a subsidiary of Mafco Holdings other than Revlon, Inc. or its subsidiaries) is the common parent for taxable periods beginning on or after January 1, 1992 during which Revlon, Inc. or a subsidiary of Revlon, Inc. is a member of such group. Pursuant to the Tax Sharing Agreement, for all taxable periods beginning on or

after January 1, 1992, Revlon, Inc. will pay to Holdings amounts equal to the taxes that Revlon, Inc. would otherwise have to pay if it were to file separate federal, state or local income tax returns (including any amounts determined to be due as a result of a redetermination arising from an audit or otherwise of the consolidated or combined tax liability relating to any such period which is attributable to Revlon, Inc.), except that Revlon, Inc. will not be entitled to carry back any losses to taxable periods ended prior to January 1, 1992. 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. Since the payments to be made by Revlon, Inc. under the Tax Sharing Agreement will be determined by the amount of taxes that Revlon, Inc. would otherwise have to pay if it were to file separate federal, state or local income tax returns, the Tax Sharing Agreement will benefit Mafco Holdings to the extent Mafco Holdings can offset the taxable income generated by Revlon, Inc. against losses and tax credits generated by Mafco Holdings and its other subsidiaries. As a result of net operating tax losses and prohibitions under the Credit Agreement there were no federal tax payments or payments in lieu of taxes pursuant to the Tax Sharing Agreement for 1999, 1998 or 1997. The Company has a liability of $0.9 to Holdings in respect of federal taxes for 1997 under the Tax Sharing Agreement.

Pursuant to the asset transfer agreement referred to in Note 16, Products Corporation assumed all tax liabilities of Holdings other than (i) certain income tax liabilities arising prior to January 1, 1992 to the extent such liabilities exceeded reserves on Holdings' books as of January 1, 1992 or were not of the nature reserved for and (ii) other tax liabilities to the extent such liabilities are related to the business and assets retained by Holdings.

The Company's (loss) income from continuing operations before income taxes and the applicable provision (benefit) for income taxes are as follows:

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
(Loss) income from continuing operations before income taxes:			
Domestic	$ (289.7)	$ 15.3	$ 82.6
Foreign	(72.7)	(37.6)	(15.5)
	$ (362.4)	$(22.3)	$ 67.1
Provision (benefit) for income taxes:			
Federal	$ -	$ -	$ 0.9
State and local	0.4	0.6	1.1
Foreign	8.7	4.4	7.3
	$ 9.1	$ 5.0	$ 9.3
Current	$ 14.7	$ 12.1	$ 31.9
Deferred	3.3	(0.3)	10.4
Benefits of operating loss carryforwards	(8.8)	(7.7)	(34.1)
Carryforward utilization applied to goodwill	-	0.5	1.1
Effect of enacted change of tax rates	(0.1)	0.4	-
	$ 9.1	$ 5.0	$ 9.3

The effective tax rate on (loss) income from continuing operations before income taxes is reconciled to the applicable statutory federal income tax rate as follows:

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
Statutory federal income tax rate	(35.0)%	(35.0)%	35.0%
State and local taxes, net of federal income tax benefit	0.1	1.7	1.1
Foreign and U.S. tax effects attributable to operations outside the U.S.	10.5	75.1	13.4
Tax write-off of U.S. investment in foreign subsidiary	-	(232.9)	-
Nondeductible amortization expense	0.8	13.5	4.5
Change in domestic valuation allowance	27.3	200.3	(43.5)
Other	(1.2)	(0.3)	3.4
Effective rate	2.5%	22.4%	13.9%

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 1999 and 1998 are presented below:

	DECEMBER 31,	
Deferred tax assets:	1999	1998
Accounts receivable, principally due to doubtful accounts	$ 5.0	$ 4.2
Inventories	16.8	12.1
Net operating loss carryforwards - domestic	221.9	190.3
Net operating loss carryforwards - foreign	122.2	111.0
Accruals and related reserves	16.1	22.6
Employee benefits	43.0	32.5
State and local taxes	12.7	13.1
Self-insurance	1.8	2.2
Advertising, sales discounts and returns and coupon redemptions	36.4	30.5
Other	29.3	27.5
Total gross deferred tax assets	505.2	446.0
Less valuation allowance	(443.8)	(383.0)
Net deferred tax assets	61.4	63.0
Deferred tax liabilities:		
Plant, equipment and other assets	(51.8)	(58.4)
Other	(4.5)	(8.2)
Total gross deferred tax liabilities	(56.3)	(66.6)
Net deferred tax assets (liability)	$ 5.1	$ (3.6)

In assessing the reliability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income for certain international markets and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of certain deductible differences existing at December 31, 1999.

The valuation allowance increased by $60.8 and $102.9 during 1999 and 1998, respectively and decreased by $54.0 during 1997.

During 1999, 1998, and 1997, certain of the Company's foreign subsidiaries used operating loss carryforwards to credit the current provision for income taxes by $8.8, $2.4, and $4.0, respectively. Certain other foreign operations generated losses during 1999, 1998 and 1997 for which the potential tax benefit was reduced by a valuation allowance. During 1998 and 1997, the Company used domestic operating loss carryforwards to credit the deferred provision for income taxes by $5.3 and $12.0, respectively. During 1997, the Company applied domestic operating loss carryforwards to credit the current provision for income taxes by $18.1. At December 31, 1999, the Company had tax loss carryforwards of approximately $975.1 that expire in future years as follows: 2000-$9.2; 2001-$19.9; 2002-$40.0; 2003-$22.1; 2004 and beyond-$699.5; unlimited-$184.4. The Company could receive the benefit of such tax loss carryforwards only to the extent it has taxable income during the carryforward periods in the applicable jurisdictions. In addition, based upon certain factors, including the amount and nature of gains or losses recognized by Mafco Holdings and its other subsidiaries included in the consolidated federal income tax return, the amount of net operating loss carryforwards attributable to Mafco Holdings and such other subsidiaries and the amounts of alternative minimum tax liability of Mafco Holdings and such other subsidiaries, pursuant to the terms of the Tax Sharing Agreement, all or a portion of the domestic operating loss carryforwards may not be available to the Company should the Company cease being a member of the Mafco Holdings consolidated federal income tax return.

Appropriate United States and foreign income taxes have been accrued on foreign earnings that have been, or are expected to be remitted in the near future. Unremitted earnings of foreign subsidiaries which have been, or are

currently intended to be, permanently reinvested in the future growth of the business aggregated approximately $13.3 at December 31, 1999, excluding those amounts which, if remitted in the near future, would not result in significant additional taxes under tax statutes currently in effect.

14. POSTRETIREMENT BENEFITS

Pension:

A substantial portion of the Company's employees in the United States are covered by defined benefit pension plans. The Company uses September 30 as its measurement date for plan obligations and assets.

Other Postretirement Benefits:

The Company also has sponsored an unfunded retiree benefit plan, which provides death benefits payable to beneficiaries of certain key employees and former employees. Participation in this plan is limited to participants enrolled as of December 31, 1993. The Company also administers a medical insurance plan on behalf of Holdings, the cost of which has been apportioned to Holdings. The Company uses September 30 as its measurement date for plan obligations.

Information regarding the Company's significant pension and other postretirement plans at the dates indicated is as follows:

	PENSION PLANS		OTHER POSTRETIREMENT BENEFITS	
	DECEMBER 31,			
Change in Benefit Obligation:	1999	1998	1999	1998
Benefit obligation - September 30 of prior year	$ (438.6)	$(364.8)	$(9.3)	$(8.7)
Service cost	(16.0)	(12.8)	(0.1)	(0.1)
Interest cost	(28.7)	(27.0)	(0.7)	(0.7)
Plan amendments	-	0.2	-	-
Actuarial (loss) gain	46.8	(51.6)	0.3	(0.3)
Curtailments	-	0.6	-	-
Benefits paid	19.1	17.6	0.6	0.5
Foreign exchange	-	(0.1)	-	-
Plan participant contributions	(0.8)	(0.7)	-	-
Benefit obligation - September 30 of current year	(418.2)	(438.6)	(9.2)	(9.3)
Change in Plan Assets:				
Fair value of plan assets - September 30 of prior year	286.0	306.9	-	-
Actual return (loss) on plan assets	52.1	(6.5)	-	-
Employer contributions	4.5	3.5	0.6	0.5
Plan participant contributions	0.8	0.7	-	-
Benefits paid	(19.1)	(17.6)	(0.6)	(0.5)
Foreign exchange	(0.6)	(1.0)	-	-
Fair value of plan assets - September 30 of current year	323.7	286.0	-	-
Funded status of plans	(94.5)	(152.6)	(9.2)	(9.3)
Amounts contributed to plans during fourth quarter	1.2	1.0	0.1	0.1
Unrecognized net loss (gain)	19.0	96.6	(1.6)	(1.4)
Unrecognized prior service cost	5.5	7.3	-	-
Unrecognized net (asset) obligation	(0.7)	(0.9)	-	-
Accrued benefit cost	$ (69.5)	$ (48.6)	$(10.7)	$(10.6)
Amounts recognized in the Consolidated Balance Sheets consist of:				
Prepaid expenses	$ 6.3	$8.7	$ -	$ -
Other long-term liabilities	(81.4)	(98.6)	(10.7)	(10.6)
Intangible asset	-	7.8	-	-
Accumulated other comprehensive loss	4.9	32.5	-	-
Due from affiliate	0.7	1.0	1.6	1.7
	$ (69.5)	$ (48.6)	$ (9.1)	$(8.9)

The following weighted-average assumptions were used in accounting for the plans:

	U.S. PLANS			INTERNATIONAL PLANS		
	1999	1998	1997	1999	1998	1997
Discount rate	7.50%	6.75%	7.75%	6.5%	6.2%	7.1%
Expected return on plan assets	9.5	9.0	9.0	9.2	9.6	10.1
Rate of future compensation increases	5.3	5.3	5.3	4.5	4.9	5.3

The components of net periodic benefit cost for the plans are as follows:

	PENSION PLANS			OTHER POSTRETIREMENT BENEFITS		
	YEAR ENDED DECEMBER 31,					
	1999	1998	1997	1999	1998	1997
Service cost	$ 16.0	$ 12.8	$ 11.7	$ 0.1	$ 0.1	$ 0.1
Interest cost	28.7	27.0	26.0	0.7	0.7	0.7
Expected return on plan assets	(26.6)	(27.4)	(23.0)	-	-	-
Amortization of prior service cost	1.7	1.8	1.8	-	-	-
Amortization of net transition asset	(0.2)	(0.2)	(0.2)	-	-	-
Amortization of actuarial loss (gain)	5.0	1.0	1.2	(0.3)	(0.3)	(0.2)
Settlement loss	-	-	0.2	-	-	-
Curtailment loss	-	0.3	0.1	-	-	-
	24.6	15.3	17.8	0.5	0.5	0.6
Portion allocated to Holdings	(0.3)	(0.3)	(0.3)	0.1	0.1	0.1
	$ 24.3	$ 15.0	$ 17.5	$ 0.6	$ 0.6	$ 0.7

Where the accumulated benefit obligation exceeded the related fair value of plan assets, the projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the Company's pension plans are as follows:

	DECEMBER 31,		
	1999	1998	1997
Projected benefit obligation	$ 61.2	$ 428.2	$ 55.5
Accumulated benefit obligation	53.0	370.5	45.2
Fair value of plan assets	0.7	276.3	1.9

15. STOCK COMPENSATION PLAN

Since March 5, 1996, Revlon, Inc. has had a stock-based compensation plan as amended and restated as of February 12, 1999 (the "Plan"), which is described below. Revlon, Inc. applies APB Opinion No. 25 and its related interpretations in accounting for the Plan. Under APB Opinion No. 25, because the exercise price of Revlon, Inc.'s employee stock options equals the market price of the underlying stock on the date of grant, no compensation cost has been recognized. Had compensation cost for the Plan been determined consistent with SFAS No. 123, Revlon, Inc.'s net (loss) income and net (loss) income per diluted share of $(371.5) and $(7.25), respectively, for 1999, $(143.2) and $(2.80), respectively, for 1998, and $43.6 and $0.85, respectively, for 1997 would have been changed to the pro forma amounts of $(397.2) and $(7.75) for 1999, respectively, $(166.8) and $(3.25) for 1998, respectively, and $31.3 and $0.61, respectively, for 1997. The fair value of each option grant is estimated on the date of the grant using the Black-Scholes option-pricing model assuming no dividend yield, expected volatility of approximately 68% in 1999, 56% in 1998, and 39% in 1997; weighted average risk-free interest rate of 5.48% in 1999, 5.37% in 1998, and 6.54% in 1997; and a seven year expected average life for the Plan's options issued in 1999, 1998 and 1997. The effects of applying SFAS No. 123 in this pro forma disclosure are not necessarily indicative of future amounts.

Under the Plan, Revlon, Inc. may grant options to its Revlon, Inc. employees for up to an aggregate of 7.0 million shares of Class A Common Stock. Non-qualified options granted under the Plan have a term of 10 years during which the holder can purchase shares of Class A Common Stock at an exercise price which must be not less than the market price on the date of the grant. Option grants vest over service periods that range from one to five years, except as disclosed below. Options granted in February 1999 with an original four year vesting term were modified in May 1999 to allow the options to become fully vested on the first anniversary date of the grant. During each of 1999, 1998 and 1997, the Company granted to Mr. Perelman, Chairman of the Board, options to purchase 300,000 shares of Class A Common Stock, which grants will vest in full on the fifth anniversary of the grant dates as to the 1998 and 1997 grants and which vested 100% on the date of grant as to the 1999 grant. At December 31, 1999, 1998 and 1997 there were 1,850,050, 403,950 and 98,450 options exercisable under the Plan, respectively.

A summary of the status of the Plan as of December 31, 1999, 1998 and 1997 and changes during the years then ended is presented below:

	SHARES (000)	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at December 31, 1996.....	891.1	$24.37
Granted.....	1,485.5	32.64
Exercised.....	(12.1)	24.00
Forfeited.....	(85.1)	29.33
Outstanding at December 31, 1997.....	2,279.4	29.57
Granted.....	1,707.8	36.65
Exercised.....	(55.9)	26.83
Forfeited.....	(166.8)	32.14
Outstanding at December 31, 1998.....	3,764.5	32.71
Granted.....	2,456.7	16.89
Exercised.....	(5.8)	27.94
Forfeited.....	(444.2)	27.03
Outstanding at December 31, 1999.....	5,771.2	26.42

The weighted average fair value of options granted during 1999, 1998 and 1997 approximated $10.65, $22.26, and $16.42, respectively.

The following table summarizes information about the Plan's options outstanding at December 31, 1999:

	OUTSTANDING			EXERCISABLE	
RANGE OF EXERCISE PRICES	NUMBER OF OPTIONS	WEIGHTED AVERAGE YEARS REMAINING	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
$9.31 to $17.13	1,698.7	9.21	$14.07	371.8	$ 15.11
18.50 to 29.88	1,374.3	7.25	24.03	667.9	24.04
31.38 to 33.88	946.8	6.56	31.40	482.1	31.41
34.00 to 53.56	1,751.4	7.53	37.59	328.3	35.19
9.31 to 53.56	5,771.2			1,850.1	

16. RELATED PARTY TRANSACTIONS

TRANSFER AGREEMENTS

In June 1992, Revlon, Inc. and Products Corporation entered into an asset transfer agreement with Holdings, which is an indirect parent of the Company and certain of its wholly owned subsidiaries (the "Asset Transfer Agreement"), and Revlon, Inc. and Products Corporation entered into a real property asset transfer agreement with Holdings (the "Real Property Transfer Agreement" and, together with the Asset Transfer Agreement, the "Transfer Agreements"), and pursuant to such agreements, on June 24, 1992 Holdings transferred assets to Products Corporation and Products Corporation assumed all the liabilities of Holdings, other than certain specifically excluded assets and liabilities (the liabilities excluded are referred to as the "Excluded Liabilities"). Certain consumer products lines sold in demonstrator-assisted distribution channels considered not integral to the Company's business and which historically had not been profitable (the "Retained Brands") and certain of the assets and liabilities were retained by Holdings. Holdings agreed to indemnify Revlon, Inc. and Products Corporation against losses arising from the Excluded Liabilities, and Revlon, Inc. and Products Corporation agreed to indemnify Holdings against losses arising from the liabilities assumed by Products Corporation. The amounts reimbursed by Holdings to Products Corporation for the Excluded Liabilities for 1999, 1998 and 1997 were $0.5, $0.6 and $0.4, respectively.

Certain assets and liabilities relating to divested businesses were transferred to Products Corporation on the transfer date and any remaining balances as of December 31 of the applicable year have been reflected in the Company's Consolidated Balance Sheets as of such dates. At December 31, 1999 and 1998, the amounts reflected in the Company's Consolidated Balance Sheets aggregated a net liability of $23.6, of which $5.2 is included in accrued expenses and other and $18.4 is included in other long-term liabilities as of both dates.

OPERATING SERVICES AGREEMENT

In June 1992, Revlon, Inc., Products Corporation and Holdings entered into an operating services agreement (as amended and restated, and as subsequently amended, the "Operating Services Agreement") pursuant to which Products Corporation has manufactured, marketed, distributed, warehoused and administered, including the collection of accounts receivable, the Retained Brands for Holdings. Pursuant to the Operating Services Agreement, Products Corporation was reimbursed an amount equal to all of its and Revlon, Inc.'s direct and indirect costs incurred in connection with furnishing such services, net of the amounts collected by Products Corporation with respect to the Retained Brands, payable quarterly. The net amounts due from Holdings to Products Corporation for such direct and indirect costs plus a fee equal to 5% of the net sales of the Retained Brands for 1998 and 1997 were $0.9 (which amount was offset against certain notes payable to Holdings) and $1.7, respectively.

REIMBURSEMENT AGREEMENTS

Revlon, Inc., Products Corporation and MacAndrews Holdings have entered into reimbursement agreements (the "Reimbursement Agreements") pursuant to which (i) MacAndrews Holdings is obligated to provide (directly or through affiliates) certain professional and administrative services, including employees, to Revlon, Inc. and its subsidiaries, including Products Corporation, and purchase services from third party providers, such as insurance and legal and accounting services, on behalf of Revlon, Inc. and its subsidiaries, including Products Corporation, to the extent requested by Products Corporation, and (ii) Products Corporation is obligated to provide certain professional and administrative services, including employees, to MacAndrews Holdings (and its affiliates) and purchase services from third party providers, such as insurance and legal and accounting services, on behalf of MacAndrews Holdings (and its affiliates) to the extent requested by MacAndrews Holdings, provided that in each case the performance of such services does not cause an unreasonable burden to MacAndrews Holdings or Products Corporation, as the case may be. The Company reimburses MacAndrews Holdings for the allocable costs of the services purchased for or provided to the Company and its subsidiaries and for reasonable out-of-pocket expenses incurred in connection with the provision of such services. MacAndrews Holdings (or such affiliates) reimburses the Company for the allocable costs of the services purchased for or provided to MacAndrews Holdings (or such affiliates) and for the reasonable out-of-pocket expenses incurred in connection with the purchase or provision of such services. The net amounts reimbursed by MacAndrews Holdings to the Company for the services provided under the Reimbursement Agreements for 1999, 1998 and 1997 were $0.5, $3.1 ($0.2 of which was offset against certain notes payable to Holdings), and $4.0, respectively. Each of Revlon, Inc. and Products Corporation, on the one hand, and MacAndrews Holdings, on the other, has agreed to indemnify the other party for losses arising out of the provision of services by it under the Reimbursement Agreements other than losses resulting from its willful misconduct or gross negligence. The Reimbursement Agreements may be terminated by either party on 90 days' notice. The Company does not intend to request services under the Reimbursement Agreements unless their costs would be at least as favorable to the Company as could be obtained from unaffiliated third parties.

TAX SHARING AGREEMENT

Holdings, Revlon, Inc., Products Corporation and certain of its subsidiaries and Mafco Holdings are parties to the Tax Sharing Agreement, which is described in Note 13. Since payments to be made under the Tax Sharing Agreement will be determined by the amount of taxes that Revlon, Inc. would otherwise have to pay if it were to file separate federal, state or local income tax returns, the Tax Sharing Agreement will benefit Mafco Holdings to the extent Mafco Holdings can offset the taxable income generated by Revlon, Inc. against losses and tax credits generated by Mafco Holdings and its other subsidiaries.

REGISTRATION RIGHTS AGREEMENT

Prior to the consummation of the Company's initial public equity offering on March 5, 1996, Revlon, Inc. and Revlon Worldwide Corporation (subsequently merged into REV Holdings), the then direct parent of Revlon, Inc., entered into the Registration Rights Agreement pursuant to which REV Holdings and certain transferees of Revlon, Inc.'s Common Stock held by REV Holdings (the "Holders") have the right to require Revlon, Inc. to register all or part of the Class A Common Stock owned by such Holders and the Class A Common Stock issuable upon conversion of Revlon, Inc.'s Class B Common Stock owned by such Holders under the Securities Act of 1933, as amended (a "Demand Registration"); provided that Revlon, Inc. may postpone giving effect to a Demand Registration up to a period of 30 days if Revlon, Inc. believes such registration might have a material adverse effect on any plan or proposal by Revlon, Inc. with respect to any financing, acquisition, recapitalization, reorganization or other material transaction, or if Revlon, Inc. is in possession of material non-public information that, if publicly disclosed, could result in a material disruption of a major corporate development or transaction then pending or in progress or in other material adverse consequences to Revlon, Inc. In addition, the Holders have the right to participate in registrations by Revlon, Inc. of its Class A Common Stock (a "Piggyback Registration"). The Holders will pay all out-of-pocket expenses incurred in connection with any Demand Registration. Revlon, Inc. will pay any expenses incurred in connection with a Piggyback Registration, except for underwriting discounts, commissions and expenses attributable to the shares of Class A Common Stock sold by such Holders.

OTHER

Pursuant to a lease dated April 2, 1993 (the "Edison Lease"), Holdings leased to Products Corporation the Edison research and development facility for a term of up to 10 years with an annual rent of $1.4 and certain shared operating expenses payable by Products Corporation, which, together with the annual rent, were not to exceed $2.0 per year. Pursuant to an assumption agreement dated February 18, 1993, Holdings agreed to assume all costs and expenses of the ownership and operation of the Edison facility as of January 1, 1993, other than (i) the operating expenses for which Products Corporation was responsible under the Edison Lease and (ii) environmental claims and compliance costs relating to matters that occurred prior to January 1, 1993 up to an amount not to exceed $8.0 (the amount of such claims and costs for which Products Corporation is responsible, the "Environmental Limit"). In addition, pursuant to such assumption agreement, Products Corporation agreed to indemnify Holdings for environmental claims and compliance costs relating to matters that occurred prior to January 1, 1993 up to an amount not to exceed the Environmental Limit and Holdings agreed to indemnify Products Corporation for environmental claims and compliance costs relating to matters that occurred prior to January 1, 1993 in excess of the Environmental Limit and all such claims and costs relating to matters occurring on or after January 1, 1993. Pursuant to an occupancy agreement, during 1998 and 1997 Products Corporation rented from Holdings a portion of the administration building located at the Edison facility and space for a retail store of Products Corporation's now discontinued retail operation. Products Corporation provided certain administrative services, including accounting, for Holdings with respect to the Edison facility pursuant to which Products Corporation paid on behalf of Holdings costs associated with the Edison facility and was reimbursed by Holdings for such costs, less the amount owed by Products Corporation to Holdings pursuant to the Edison Lease and the occupancy agreement. In August 1998, Holdings sold the Edison facility to an unrelated third party, which assumed substantially all liability for environmental claims and compliance costs relating to the Edison facility, and in connection with the sale, Products Corporation terminated the Edison Lease and entered into a new lease with the new owner. Holdings agreed to indemnify Products Corporation to the extent rent under the new lease exceeds rent that would have been payable under the terminated Edison Lease had it not been terminated. The net amount reimbursed by Holdings to Products Corporation with respect to the Edison facility for 1999, 1998 and 1997 was $0.2, $0.5, and $0.7, respectively.

During 1997, a subsidiary of Products Corporation sold an inactive subsidiary to a company that was its affiliate during 1997 and part of 1998 for approximately $1.0.

Effective July 1, 1997, Holdings contributed to Products Corporation substantially all of the assets and liabilities of the Bill Blass business not already owned by Products Corporation. The contributed assets approximated the contributed liabilities and were accounted for at historical cost in a manner similar to that of a pooling of interests and, accordingly, prior period financial statements were restated as if the contribution took place prior to the beginning of the earliest period presented.

On February 2, 1998, Revlon Escrow Corp., an affiliate of Products Corporation, issued and sold in a private placement $650.0 aggregate principal amount of 8 5/8% Notes and $250.0 aggregate principal amount of 8 1/8% Notes, with the net proceeds deposited into escrow. The proceeds from the sale of the 8 5/8% and 8 1/8% Notes were used to finance the redemption of Products Corporation's $555.0 aggregate principal amount of 10 1/2% Senior Subordinated Notes due 2003 (the "Senior Subordinated Notes") and $260.0 aggregate principal amount of 9 3/8% Senior Notes due 2001 (the "Senior Notes" and, together with the Senior Subordinated Notes, the "Old Notes"). Products Corporation delivered a redemption notice to the holders of the Senior Subordinated Notes for the redemption of the Senior Subordinated Notes on March 4, 1998, at which time Products Corporation assumed the obligations under the 8 5/8% Notes and the related indenture (the "8 5/8% Notes Assumption"), and to the holders of the Senior Notes for the redemption of the Senior Notes on April 1, 1998, at which time Products Corporation assumed the obligations under the 8 1/8% Notes and the related indenture (the "8 1/8% Notes Assumption" and, together with the 8 5/8% Notes Assumption, the "Assumption"). A nationally recognized investment banking firm rendered its written opinion that the Assumption, upon consummation of the redemptions of the Old Notes, and the subsequent release from escrow to Products Corporation of any remaining net proceeds from the sale of the 8 5/8% and 8 1/8% Notes are fair from a financial standpoint to Products Corporation under the 1999 Notes Indenture.

Products Corporation leases certain facilities to MacAndrews & Forbes or its affiliates pursuant to occupancy agreements and leases. These included space at Products Corporation's New York headquarters and at Products Corporation's offices in London during 1999, 1998 and 1997 and in Hong Kong during 1997 and the first half of 1998. The rent paid to Products Corporation for 1999, 1998 and 1997 was $1.1, $2.9 and $3.8, respectively.

Products Corporation's Credit Agreement is supported by, among other things, guarantees from Holdings and certain of its subsidiaries. The obligations under such guarantees are secured by, among other things, the capital stock and certain assets of certain subsidiaries of Holdings.

During 1998, the Company made advances of $0.25, $0.3 and $0.4 to Mr. Fellows, Ms. Dwyer and Mr. Levin, respectively, which advances were repaid in 1999.

During 1999, the Company made an advance of $0.4 to Mr. Nugent.

During 1997, Products Corporation used an airplane owned by a corporation of which Messrs. Gittis and Drapkin were the sole stockholders, for which Products Corporation paid approximately $0.2 in 1997.

During 1998 and 1997, Products Corporation purchased products from a company that was its affiliate during part of 1998 and all of 1997, for which it paid approximately $0.4 and $0.9, respectively.

During 1997, Products Corporation provided licensing services to a company that was its affiliate during 1997 and part of 1998, for which Products Corporation was paid approximately $0.7 in 1997. In connection with the termination of the licensing arrangement and its agreement to provide consulting services during 1998, Products Corporation received payments of $2.0 in 1998 and an additional $1.0 in 1999.

A company that was an affiliate of the Company during part of 1999, and during 1998 and 1997 assembled lipstick cases for Products Corporation. Products Corporation paid approximately $0.1, $1.1, and $0.9 for such services for 1999, 1998 and 1997, respectively.

During 1999, Products Corporation made payments of $0.1 to a fitness center, an interest in which is owned by members of Mr. Drapkin's immediate family, for discounted health club dues for an executive health program of Products Corporation.

17. COMMITMENTS AND CONTINGENCIES

The Company currently leases manufacturing, executive, including research and development, and sales facilities and various types of equipment under operating lease agreements. Rental expense was $42.8, $43.7 and $46.1 for the years ended December 31, 1999, 1998 and 1997, respectively. Minimum rental commitments under all noncancelable leases, including those pertaining to idled facilities, with remaining lease terms in excess of one year from December 31, 1999 aggregated $126.9; such commitments for each of the five years subsequent to December 31, 1999 are $31.2, $28.2, $25.1, $12.5 and $5.4, respectively. Such amounts exclude the minimum rentals to be received by the Company in the future under noncancelable subleases of $17.4.

The Company and its subsidiaries are defendants in litigation and proceedings involving various matters. In the opinion of the Company's management, based upon advice of its counsel handling such litigation and proceedings, adverse outcomes, if any, will not result in a material effect on the Company's consolidated financial condition or results of operations.

In October and November 1999 six purported class actions were filed by each of Thomas Comport, Boaz Spitz, Felix Ezeir and Amy Hoffman, Ted Parris, Jerry Krim and Dan Gavish individually and on behalf of others similarly situated to them, in the United States District Court for the Southern District of New York, against the Company and certain of its present and former officers and directors, alleging, among other things, violations of Rule 10b-5 under the Securities Exchange Act of 1934, as amended, through the alleged use of deceptive accounting practices during the period from October 29, 1997 through October 2, 1998, inclusive, in the Comport and Hoffman/Parris cases and October 30, 1997 through October 1, 1999, inclusive, in the Spitz, Ezeir, Krim and Gavish cases. Each of the actions seeks a declaration that it is properly brought as a class action, and unspecified damages, attorney fees and other costs. In January 2000, the court consolidated the six cases. The Company believes the allegations contained in these suits to be without merit and intends to vigorously defend against them.

18. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The following is a summary of the unaudited quarterly results of operations:

	YEAR ENDED DECEMBER 31, 1999			
	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
Net sales	$ 441.1	$ 553.4	$ 452.4	$ 414.4
Gross profit	285.4	368.5	282.4	238.9
Loss from continuing operations	(34.2)(a)	(3.9)(a)	(164.7)(a)	(168.7)(a)
Net loss	(34.2)	(3.9)	(164.7)	(168.7)
Basic loss per common share:				
Loss from continuing operations	$ (0.67)	$ (0.08)	$ (3.21)	$ (3.29)
Net loss per common share	$ (0.67)	$ (0.08)	$ (3.21)	$ (3.29)
Diluted loss per common share:				
Loss from continuing operations	$ (0.67)	$ (0.08)	$ (3.21)	$ (3.29)
Net loss per common share	$ (0.67)	$ (0.08)	$ (3.21)	$ (3.29)

	YEAR ENDED DECEMBER 31, 1998			
	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
Net sales	$ 497.8	$ 575.3	$ 548.6	$ 630.5
Gross profit	334.5	381.3	362.5	408.2
(Loss) income from continuing operations	(15.3)	11.7	12.7(b)	(36.4)(b)
Loss from discontinued operations	(4.6)	(26.9)	-	(32.7)
Extraordinary items-early extinguishments of debt	(38.2)	(13.5)	-	-
Net (loss) income	(58.1)	(28.7)	12.7	(69.1)
Basic (loss) income per common share:				
(Loss) income from continuing operations	$ (0.30)	$ 0.23	$ 0.25	$ (0.71)
Loss from discontinued operations	(0.09)	(0.53)	-	(0.64)
Extraordinary items	(0.75)	(0.26)	-	-
Net (loss) income per common share	$ (1.14)	$ (0.56)	$ 0.25	$ (1.35)
Diluted (loss) income per common share:				
(Loss) income from continuing operations	$ (0.30)	$ 0.22	$ 0.24	$ (0.71)
Loss from discontinued operations	(0.09)	(0.51)	-	(0.64)
Extraordinary items	(0.75)	(0.26)	-	-
Net (loss) income per common share	$ (1.14)	$ (0.55)	$ 0.24	$ (1.35)

(a) Includes business consolidation costs of $8.2, $9.5, $4.4 and $18.1 in the first, second, third and fourth quarters, respectively. (See Note 4). Additionally the fourth quarter includes $22.0 of executive separation costs.

(b) Includes a non-recurring gain of $7.1 in the third quarter and business consolidation costs of $42.9 in the fourth quarter (See Note 4).

19. GEOGRAPHIC INFORMATION

The Company manages its business on the basis of one reportable operating segment. See Note 1 for a brief description of the Company's business. As of December 31, 1999, the Company had operations established in 28 countries outside of the United States and its products are sold throughout the world. The Company is exposed to the risk of changes in social, political and economic conditions inherent in foreign operations and the Company's results of operations and the value of its foreign assets are affected by fluctuations in foreign currency exchange rates. The Company's operations in Brazil have accounted for approximately 4.1%, 5.4% and 5.8% of the Company's net sales for 1999, 1998 and 1997, respectively. Net sales by geographic area are presented by attributing revenues from external customers on the basis of where the products are sold. During 1999, 1998 and 1997, Wal-Mart and its affiliates accounted for approximately 13.1%, 10.1% and 10.3% of the Company's consolidated net sales, respectively. Although the loss of Wal-Mart as a customer could have an adverse effect on the Company, the Company believes that its relationship with Wal-Mart is satisfactory and the Company has no reason to believe that Wal-Mart will not continue as a customer.

GEOGRAPHIC AREAS:	YEAR ENDED DECEMBER 31,		
Net sales:	1999	1998	1997
United States.....	$ 1,046.2	$ 1,343.7	$ 1,304.9
International.....	815.1	908.5	933.7
	$ 1,861.3	$ 2,252.2	$ 2,238.6

	DECEMBER 31,	
Long-lived assets:	1999	1998
United States.....	$ 611.3	$637.9
International.....	259.4	287.4
	$ 870.7	$925.3

CLASSES OF SIMILAR PRODUCTS:	YEAR ENDED DECEMBER 31,		
Net sales:	1999	1998	1997
Cosmetics, skin care and fragrances.....	$ 1,001.8	$ 1,309.7	$1,319.6
Personal care and professional	859.5	942.5	919.0
	$ 1,861.3	$ 2,252.2	$2,238.6

20. SUBSEQUENT EVENT

On March 30, 2000, the Company completed the disposition of its worldwide professional products line, including professional hair care for use in and resale by professional salons, ethnic hair and personal care products, Natural Honey skin care and certain regional toiletries brands, for $315 in cash, before adjustments, plus $10 in purchase price payable in the future, contingent upon the purchasers' achievement of certain rates of return on their investment. The disposition involved the sale of certain of the Company's subsidiaries throughout the world devoted to the professional products line, as well as assets dedicated exclusively or primarily to the lines being disposed. The worldwide professional products line was purchased by a company formed by CVC Capital Partners, the Colomer family and other investors, led by Carlos Colomer, a former manager of the line that was sold, following arms'-length negotiation of the terms of the purchase agreement therefor, including the determination of the amount of the consideration.

SCHEDULE II

REVLON, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997
(DOLLARS IN MILLIONS)

	BALANCE AT BEGINNING OF YEAR	CHARGED TO COST AND EXPENSES	OTHER DEDUCTIONS	BALANCE AT END OF YEAR
YEAR ENDED DECEMBER 31, 1999:				
Applied against asset accounts:				
Allowance for doubtful accounts.....	$ 14.0	$ 7.7	$ (7.1) (1)	$ 14.6
Allowance for volume and early payment discounts.....	$ 14.5	$ 42.5	$ (44.4) (2)	$ 12.6
YEAR ENDED DECEMBER 31, 1998:				
Applied against asset accounts:				
Allowance for doubtful accounts.....	$ 12.0	$ 4.5	$ (2.5) (1)	$ 14.0
Allowance for volume and early payment..... discounts	$ 13.9	$ 44.8	$ (44.2) (2)	$ 14.5
YEAR ENDED DECEMBER 31, 1997:				
Applied against asset accounts:				
Allowance for doubtful accounts.....	$ 12.9	$ 3.6	$ (4.5) (1)	$ 12.0
Allowance for volume and early payment..... discounts	$ 12.0	$ 46.8	$ (44.9) (2)	$ 13.9

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Notes:

(1) Doubtful accounts written off, less recoveries, reclassifications and foreign currency translation adjustments.

(2) Discounts taken, reclassifications and foreign currency translation adjustments.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Revlon, Inc.
(Registrant)

By: /s/ Jeffrey M. Nugent
Jeffrey M. Nugent
President,
Chief Executive Officer
and Director

By: /s/ Frank J. Gehrmann
Frank J. Gehrmann
Executive Vice
President and
Chief Financial Officer

By: /s/ Laurence Winoker
Laurence Winoker
Senior Vice President
Corporate Controller and
Treasurer

Dated: March 30, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant on March 30, 2000 and in the capacities indicated.

Signature	Title
*	Chairman of the Board and Director
(Ronald O. Perelman)	
*	Director
(Howard Gittis)	
/s/ Jeffrey M. Nugent	President, Chief Executive Officer and Director
(Jeffrey M. Nugent)	
*	Director
(Donald G. Drapkin)	
*	Director
(Meyer Feldberg)	
*	Director
(Morton L. Janklow)	

*	Director
(Vernon E. Jordan)	
*	Director
(Edward J. Landau)	
*	Director
(Jerry W. Levin)	
*	Director
(Linda Gosden Robinson)	
*	Director
(Terry Semel)	
*	Director
(Martha Stewart)	

* Robert K. Kretzman, by signing his name hereto, does hereby sign this report on behalf of the directors of the registrant after whose typed names asterisks appear, pursuant to powers of attorney duly executed by such directors and filed with the Securities and Exchange Commission.

By: /s/ Robert K. Kretzman

Robert K. Kretzman
Attorney-in-fact

EXHIBIT 10.8

AMENDMENT TO EMPLOYMENT AGREEMENT

AMENDMENT TO EMPLOYMENT AGREEMENT as amended and restated as of May 10, 1999 (the "Agreement"), made as of the 1st day of January 2000, between REVLON CONSUMER PRODUCTS CORPORATION, a Delaware corporation, and WADE H. NICHOLS, capitalized terms used herein without definition being used as defined in the Agreement.

WHEREAS 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 this Agreement.

NOW THEREFORE RCPC and the Executive agree as follows:

1. Section 1.1 of the Agreement is revised to read in its entirety as follows:

"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 chief administrative officer of the Revlon group of companies or in such other executive position of at least an equivalent level consistent with the Executive's business experience and background as may be assigned to the Executive by the Chief Executive Officer of Revlon, Inc., and to perform such other duties consistent with such position (including service as a director or officer of any affiliate of the Company, if elected) as may be assigned to the Executive by the Chief Executive Officer of Revlon, Inc. The Executive's title shall be Executive Vice President and Chief Administrative Officer 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 Chief Executive Officer of Revlon, Inc."

2. Section 3.1 of the Agreement is amended by changing the figure "$600,000" appearing therein to the figure "$650,000".

3. Except as amended hereby, the Agreement shall not be deemed to have been modified or affected in any way, and as amended hereby the Agreement shall remain in full force and effect upon all of its terms and conditions.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the effective date set forth above.

REVLON CONSUMER PRODUCTS CORPORATION.

By: /s/ JEFFREY M. NUGENT

Jeffrey M. Nugent

/s/ WADE H. NICHOLS

Wade H. Nichols

Exhibit 10.9

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of May 10, 1999, between REVLON CONSUMER PRODUCTS CORPORATION, a Delaware corporation ("RCPC" and, together with its parent Revlon, Inc. and its subsidiaries, the "Company"), and FRANK GEHRMANN (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 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 Executive's present capacity as chief financial officer of Revlon, Inc. and to perform such other duties of at least an equivalent level as may be assigned by the Chief Executive Officer of Revlon, Inc. or his delegate. The Executive's title shall be Executive Vice President and Chief Financial Officer 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 Chief Executive Officer of Revlon, Inc.

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

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

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

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

2.2 End-of-Term Provisions. At any time after the Effective Date RCPC shall have the right to give written notice of non-extension of the Term. In the event the Company gives such notice of non-extension, the Term automatically shall be extended so that it ends on the third anniversary of

the date on which RCPC gives such notice. The giving of such notice shall not be deemed to be a breach of this Agreement by RCPC for purposes of Section 4.4. During any period that the Executive's employment shall continue following termination of the Term, the Executive shall be eligible for severance on terms no less favorable than those of the Revlon Executive Severance Policy as in effect on the date of this Agreement, other than the provision in Paragraph III C(ii) establishing a limit of six months on the lump sum provided for therein, which shall not apply to the Executive, upon the Executive's compliance with the terms thereof, and the Executive shall be deemed to be an employee at will.

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

3. Compensation; Benefits.

3.1 Salary. As compensation for all services to be rendered pursuant to this Agreement, RCPC agrees to pay the Executive during the Term a base salary, payable bi-weekly in arrears, 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. 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.

3.2 Bonus. In addition to the amounts to be paid to the Executive pursuant to Section 3.1, the Executive shall receive with respect to calendar year 1999 a bonus equal to 75% of the Executive's Base Salary at the rate in effect during such calendar year, and commencing January 1, 2000, in lieu of annual payments of bonus the Executive shall receive equal bi-weekly installments of bonus in an annual amount equal to 75% of the Executive's Base Salary in effect on the date hereof.

3.3 Stock Options. The Executive shall be recommended to the Compensation Committee or other committee of the Board administering the Revlon, Inc. Second Amended and Restated 1996 Stock Plan or any plan that may replace it, as from time to time in effect, to receive an option not later than February 28 of each year of the Term, commencing in 1999, each such option to cover a minimum of 40,000 shares of Revlon Common Stock, to have a term of 10 years, to have an option exercise price equal to the market price of Revlon Common Stock on the date of grant, and otherwise to be on terms substantially the same as other senior executives of the Executive's level, provided that if the Term is to end pursuant to Section 2.2 otherwise than at a calendar year end, RCPC shall not be required to recommend that the stock option to be granted to the Executive with respect to such final year of the Term cover more than that number of shares that is the product of multiplying the annual grant provided for above by a fraction of which the numerator is the number of days of the Term during such final year and the denominator is 365, and provided further that if the Term is to end pursuant to Section 4.4 on or before June 30, 2000, RCPC shall not be required to recommend that the stock option to be granted to the Executive with respect to the year 2000 cover more than 20,000 shares and if the Term so ends subsequent to the grant of options with respect to the year 2000, the Executive agrees to forfeit and surrender to the Company such portion of the stock option granted with respect to such year as covers more than 20,000 shares, and provided finally that this Section 3.3 shall not apply following a Triggering Event. In connection with any termination of

the Executive's employment pursuant to Section 4.4, RCPC shall recommend to the Compensation Committee (or other committee of the Board of Directors at the time administering the Stock Plan) that all stock options then held by the Executive become immediately exercisable and remain so exercisable for a period of two years from the date of termination, whereupon any stock options still remaining outstanding and unexercised shall automatically terminate, provided that if the Executive violates Section 5.2 of this Agreement, in addition to all other rights and remedies of the Company the Executive agrees to forfeit and surrender to the Company all then outstanding stock options granted to the Executive in May 1999 covering 25,000 shares of Revlon Common Stock and to pay over to the Company all after tax gain realized by the Executive upon any exercise of such May 1999 stock options.

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 of four weeks taken in accordance with the vacation policy of the Company as in effect from time to time.

3.6 Fringe Benefits.

(i) During the Term, the Executive shall be entitled to participate in those qualified and non-qualified defined benefit, defined contribution, group insurance, medical, dental, disability and other benefit plans of the Company as from time to time in effect made available to senior executives of the Company generally and in the Company's Executive Medical and Dental Plan as the same may be in effect from time to time. In addition, during the Term the Executive shall be entitled to the use of a Company-provided automobile in accordance with the Company's executive automobile policy and guidelines, of a class at least comparable to the automobile currently assigned to the Executive.

(ii) During the Term RCPC shall maintain an individual policy of disability insurance, naming the Executive as the insured and the Executive or a designee as the beneficiary, with a benefit equal to (A) fifty percent of the sum of the Executive's Base Salary in effect on the date of disability plus the Executive's most recent annual bonus pursuant to Section 3.2 less (B) the long-term disability benefit payable under the Company's group disability program as in effect from time to time (irrespective of whether the Executive has elected to participate in such long-term disability program).

4. Termination.

4.1 Death. If the Executive shall die during the Term, the Term shall terminate with the same effect as if the Executive had terminated the Term pursuant to Section 4.4.

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, except that the Executive shall be entitled to receive until the first to occur of (x) the Executive ceasing to be disabled or (y) the Executive's attaining the age of 65, continued coverage for the Executive under the Company's group life insurance plan and for the Executive and his spouse and children, if any, under the Company's group medical plan, to the extent permitted by such plans and to the extent such benefits continue to be provided to the Company's senior executives generally.

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 as required by law. As used herein the term "Cause" shall mean (i) the conviction of the Executive of any felony involving the property of the Company or directed against any director, officer, employee or agent of the Company, (ii) willful misconduct by the Executive in connection with the performance of the Executive's duties hereunder, or (iii) willful refusal by the Executive to comply with proper instructions of the Chief Executive Officer of RCPC, provided in the case of clause (ii) or (iii) that the Executive shall fail to correct such misconduct or disobedience within 10 days after notice thereof from RCPC.

4.4 Company Breach; Other Termination.

4.4.1 In the event of the breach of any material provision of this Agreement by RCPC or the failure of the Compensation Committee (or other appropriate Committee of the Company's Board of Directors) to fully implement RCPC's recommendation pursuant to Section 3.3, the Executive shall be entitled to terminate the Term and the Executive's employment upon 60 days' prior written notice to the Company. In addition, at any time following a Triggering Event (as hereinafter defined), the Executive shall be entitled to terminate the Term and the Executive's employment upon 60 days' prior written notice to the Company for Good Reason (as hereinafter defined) or upon six months' prior written notice to the Company without Good Reason, and whether or not there shall have occurred a Triggering Event, either the Company or the Executive shall be entitled to terminate the Term and the Executive's employment upon not less than 30 days' prior written to the other effective June 30, 2000. As used herein:

"Triggering Event" shall mean the first to occur of any of the following:

(i) a merger of or combination involving Revlon, Inc. or RCPC or any parent thereof other than a merger or combination in which more than 50% in voting power of the voting securities of the surviving or resulting corporation or other entity outstanding immediately after such transaction is beneficially owned (as such term is defined in Section 13(d) of the Securities Exchange Act of 1934, as amended) by persons who beneficially owned outstanding voting securities of Revlon, Inc. immediately prior to such transaction, or the execution of a definitive agreement for such a merger or combination, provided the same is in fact consummated;

(ii) the adoption of a Plan contemplating the liquidation of all or substantially all of the business and assets of the Company;

(iii) a sale or other disposition of all or substantially all of the assets of the Company or of the business unit to which the Executive's services are at the time dedicated, if any, whether for cash, securities or other property, other than to a corporation or other entity in which more than 50% in voting power of the outstanding voting securities outstanding immediately after such transaction is beneficially owned by persons who beneficially owned outstanding voting securities of Revlon, Inc. immediately prior to such transaction, or the execution of a definitive agreement for such a sale or other disposition, provided the same is in fact consummated; or

(iv) more than 50% of the voting power of the outstanding voting securities of Revlon, Inc. becomes beneficially owned, directly or indirectly, by one person or more than one person acting as a group other than the current beneficial owner of the ultimate parent company of Revlon, Inc., and

"Good Reason" shall mean any of the following occurring following a Triggering Event which is not agreed to in writing by the Executive:

(i) a substantial adverse change in the Executive's assigned responsibilities,

(ii) a relocation of the Executive's principal place of business to a location which increases the Executive's round-trip commutation by more than 50 miles,

(iii) failure of the Executive to continue participation in bonus, salary review and equity incentive (or equivalent cash incentive) plans and programs at least substantially equivalent to those provided to the Executive prior to the Triggering Event, or

(iv) the failure of the Executive to participate in all material employee benefit plans and fringe benefit arrangements on substantially the same basis as like executives of the major business unit of which the Executive is a part,

provided however that none of the foregoing events shall constitute "Good Reason" unless within 30 days after obtaining actual knowledge of such event the Executive gives written notice to the Company of the Executive's intention to resign, specifically identifying the event constituting Good Reason therefor, and the Company shall fail to cure such event within 30 days after such notice.

4.4.2 In consideration of the Executive's covenant in Section 5.2, upon the Executive's death or upon termination under Section 4.4.1 by the Executive or the Company, RCPC agrees, and the Company's sole obligation arising from such termination (except as otherwise provided in Sections 3.2, 3.3 and 3.6) shall be for RCPC to make the bi-weekly installment payments of target bonus in the amounts prescribed by Section 3.2 and bi-weekly installment payments in lieu of Base Salary in the amounts prescribed by Section 3.1, and to continue the Executive's participation in the group life insurance and in the medical and dental 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 the date on which the Term would otherwise have expired if RCPC had given notice of non-extension of the Term pursuant to Section 2.2 on the date of termination, such payments to be made and such benefits to be provided to the Executive or, in the event of his death prior to end of such period, to the Executive's estate, provided that such benefit continuation is subject to the terms of such plans,

provided further that such group life insurance continuation is subject to a limit of two years pursuant to the terms thereof, provided further that the Executive and his immediate family 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, and provided finally that the Executive (or his legal representative) shall, as a condition, execute such release and confidentiality covenants as would be required in order for the Executive to receive payments and benefits under the Executive Severance Policy of the Company as at the time in effect. Whether or not such termination of employment pursuant to Section 4.1 or 4.4.1 shall occur following a Triggering Event, the Executive (or his estate) shall have no duty to mitigate by seeking other employment or otherwise and no compensation earned by the Executive from other employment or a consultancy shall reduce the payments provided for by clause (i) or (ii).

4.5 Section 280G.

4.5.1 If it shall be determined by the firm of Ernst & Young (or if such firm shall be unable to serve, by another so-called Big 5 accounting firm selected by such firm) ("E&Y") that there is not substantial authority to support the deductibility for federal income tax purposes of one or more payments or benefits due to the Executive, pursuant to this Agreement or otherwise, by reason of section 280G of the Internal Revenue Code as amended (the "Code") or any successor provisions, then RCPC shall reduce the payments in lieu of target bonus and then the payments in lieu of Base Salary provided for in Section 4.4 (said reductions to be applied in inverse order against the last payments otherwise due) to the extent necessary to avoid or, if full avoidance is not possible by such reductions, to minimize, the loss of deductions described above, but only if and to the extent that E&Y determines that on an after-tax basis such reduction is more favorable to the Executive than foregoing such reduction. The parties agree that all income tax returns filed for the periods affected by the foregoing shall be filed on a basis consistent with the determinations of E&Y pursuant hereto, and that the determinations of E&Y with respect to the foregoing shall be final and binding and not subject to judicial or other review (except by E&Y at its own instance before or after any filing). RCPC shall pay all fees and charges of E&Y in connection with this Section 4.5.

4.5.2 The parties acknowledge that as a result of uncertainty in the application of Section 280G of the Code at the time of any determination by E&Y pursuant to Section 4.5.1, it is possible that amounts will be paid or distributed by RCPC to or for the benefit of the Executive which the parties intended under Section 4.5.1 not to have been paid or distributed (an "Overpayment") or that amounts will not be paid or distributed by RCPC to or for the benefit of the Executive that the parties intended under Section 4.5.1 to have been paid or distributed (an "Underpayment"). In the event that E&Y (based upon the assertion of a deficiency by the Internal Revenue Service against RCPC or its affiliates or against the Executive or at E&Y's own instance before or after any filing or deficiency) determines that an Overpayment or an Underpayment has been made, such amount shall be treated for all purposes as a loan by RCPC (in the case of an Overpayment) or by the Executive (in the case of an Underpayment) to the other party which shall, promptly following notice of such determination by E&Y, be repaid together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code, provided that no loan shall be deemed to have been made and no amount shall be required to be repaid pursuant to this Section 4.5.2 to the extent that in the opinion of counsel to the Company such loan and repayment would not either reduce the amount on which the Executive is subject to excise tax or increase the amount of payments that are deductible by the Company in relation to Section 280G of the Code.

4.6 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, then if and to the extent that a final 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. Such costs shall be paid to the Executive promptly upon presentation of expense statements or other supporting information evidencing the incurrence of such expenses.

5. Protection of Confidential Information; Non-Competition.

5.1 The Executive acknowledges that the Executive's 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 has given and 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. 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 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.

5.2 In consideration of RCPC's covenant in Section 4.4, the Executive agrees that during a period of 18 months commencing on the date of termination of the Executive's employment by the Executive or by the Company, whether pursuant to Section 4.4 or otherwise, the Executive in all respects fully shall comply with the terms of the Employee Agreement as to Confidentiality and Non-Competition referred to in the Revlon Executive Severance Policy (the "Non-Competition Agreement"), which is incorporated herein by reference with the same effect as if the same were set forth herein in full, subject only to the Company continuing during such period to make payments in accordance with Section 4.4, in the case of a termination of employment covered by Section 4.4, or equal to the Executive's bi-weekly installments of Base Salary, in case of a termination of employment not covered by Section 4.4, provided however that the term "Restricted Entity" as used in the Non-Competition Agreement shall not be deemed to include any entity that does not conduct a color cosmetics business. In the case of inconsistencies between the Non-Competition Agreement and this Agreement, the parties agree that this Agreement shall control.

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 (including the forfeiture provisions of Section 3.3) 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 within the geographical scope of such covenants. In the event that the courts of any one or more of such states shall hold such covenants wholly unenforceable by reason of the breadth of 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 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 him during the Term shall belong to the Company, provided that such Inventions grew out of the Executive's work with the Company or any of its subsidiaries or affiliates, are related in any manner to the business (commercial or experimental) of the Company or any of its subsidiaries or affiliates or are conceived or made on the Company's time or with the use of the Company's facilities or materials. The Executive shall further: (a) promptly disclose such Inventions to the Company; (b) assign to the Company, without additional compensation, all patent and other rights to such Inventions for the United States and foreign countries; (c) sign all papers necessary to carry out the foregoing; and (d) give testimony in support of the Executive's inventorship.

6.2 If any Invention is described in a patent application or is disclosed to third parties, directly or indirectly, by the Executive within two years after the termination of the Executive's employment 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. Indemnification.

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

9. Notices.

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

If to the Company, to:

Revlon Consumer Products Corporation
625 Madison Avenue
New York, New York 10022
Attention: General Counsel

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

10. General.

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

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

10.3 This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. No representation, promise or

inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.

10.4 This Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, 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.

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

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

11. Subsidiaries and Affiliates. 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/ GEORGE FELLOWS

GEORGE FELLOWS

/s/ FRANK GEHRMANN

FRANK GEHRMANN

Exhibit 10.10

November 2, 1999

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT effective as of November 2, 1999, between REVLON CONSUMER PRODUCTS CORPORATION, a Delaware corporation ("RCPC" and, together with its parent Revlon, Inc. and its subsidiaries the "Company"), and Jeffrey M. Nugent (the "Executive").

RCPC wishes to employ the Executive with the Company, 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:

1. 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 executive officer of Revlon, Inc. and to perform such other duties consistent with such position (including service as a director or officer of any affiliate of Revlon, Inc. if elected) as may be assigned by the Board of Directors of Revlon, Inc. The Executive's title shall be President and Chief Executive Officer, or such other titles of at least equivalent level consistent with the Executive's duties from time to time as may be assigned to the Executive by the Board of Directors of Revlon, Inc. RCPC agrees to use its best efforts to cause the Executive to be elected to the Board of Directors of Revlon, Inc. and of RCPC, so that the Executive may serve as a member of both Boards throughout the Term.

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

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

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

2.1 The Term. The term of the Executive's employment under this Agreement (the "Term") shall commence on December 5, 1999 (the "Effective Date") and shall end on such date as provided pursuant to Section 2.2.

2.2 End-of-Term Provisions. At any time on or after December 31, 2002 RCPC shall have the right to give written notice of non-renewal of the Term. In the event RCPC gives such notice of non-renewal, the Term automatically shall be extended so that it ends twenty-four months after the last day of the month in which RCPC gives such notice. If RCPC shall not theretofore have given such notice, from and after December 31, 2002 unless and until RCPC gives written notice of non-renewal as provided in this Section 2.2, the Term automatically shall be extended day-by-day; upon the giving of such notice by RCPC, the Term automatically shall be extended so that it ends twenty-four months after the last day of the month in which RCPC gives such notice. Non-extension of the Term shall not be deemed to be a breach of this Agreement by RCPC for purposes of Section 4.4, provided, however, that during any period that the Executive's employment shall continue following termination of the Term, the Executive shall be eligible for severance on terms no less favorable than those of the Revlon Executive Severance Policy as in effect on the date of this Agreement upon the Executive's compliance with the terms thereof, and the Executive shall be deemed to be an employee at will.

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

3. Compensation; Benefits.

3.1 Salary. As compensation for all services to be rendered pursuant to this Agreement, RCPC agrees to pay the Executive during the Term a base salary, payable biweekly in arrears, at the annual rate of not less than $1,000,000 during 1999 and during the year ending December 31, 2000, and not less than $1,150,000 during the year ending December 31, 2001, and not less than $1,300,000 during the year ending December 31, 2002 (the "Base Salary"). All payments of Base Salary or other compensation hereunder shall be less such deductions or withholdings as are required by applicable law and regulations. In the event that 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.

3.2 Bonus. In addition to the amounts to be paid to the Executive pursuant to Section 3.1, the Executive shall receive an annual bonus of 100% of the Executive's Base Salary at the rate in effect during the calendar year in which the bonus is earned, based upon achievement of 100% of the objectives set annually not later than March 31 of such year by the Compensation Committee of the Board of Directors of Revlon, Inc. in its sole discretion (but after consultation with the Executive); provided, that the annual bonus amount shall be 150% of the Executive's Base Salary if the achievement is 120% (or more) of such objectives; and provided, further, that no bonus or bonus opportunity shall be required for 1999, and the Executive's annual bonus for the year ending December 31, 2000 shall not be less than $500,000, regardless of the attainment of such objectives. In the event that the Executive's employment shall terminate otherwise than as of a calendar year end, the Executive's bonus with respect to the calendar year in which employment terminates shall be prorated for the actual number

of days of employment during such year, and such bonus, if any, shall be payable on the date that executive bonuses are paid generally, whether or not the Executive remains employed on such date.

3.3 Stock Options. The Executive shall be recommended to the Compensation Committee or other committee of the Board administering the Revlon Inc. Amended and Restated 1996 Stock Plan or any plan that may replace it, as from time to time in effect, to receive on December 5, 1999 an option to purchase 300,000 shares of Revlon common stock, on December 5, 2000, an option to purchase 100,000 shares of Revlon common stock, and on December 5, 2001, an option to purchase 100,000 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 exercisable as follows: options granted on December 5, 1999 shall become 100% exercisable on December 5, 2002; options granted on December 5, 2000 shall become 25% exercisable on each December 5th thereafter; and options granted on December 5, 2001 shall become 25% exercisable on each December 5th thereafter. Notwithstanding the foregoing, if prior to December 5, 2002 the Executive shall terminate his employment pursuant to Section 4.4 or the Company shall terminate the Executive's employment other than for Cause pursuant to Section 4.3, a portion of the options granted on December 5, 1999 shall be exercisable for a period of one year following such termination of employment, such portion to be determined as follows: 33% if such termination occurs on or after December 5, 2000 and before December 5, 2001; and 66% if on or after December 5, 2001 and before December 5, 2002. In addition, the Executive shall be recommended to the Compensation Committee or other committee of the Board administering the Revlon Inc. Amended and Restated 1996 Stock Plan or any plan that may replace it, as from time to time in effect, to receive, under that Plan or otherwise, an award intended to reasonably recognize any enhanced value that the recommended December 5, 1999 option grant would enjoy if it were priced on November 1 rather than December 5, 1999; which recommended award may, but need not, take the form of increasing the number of options otherwise recommended to be granted on December 5, 1999; and in all events, such recommended additional award, whatever its form, may be made subject to restrictions on vesting and exercisability (if applicable) with purpose similar to the restrictions pertaining to the contemplated December 5, 1999 option grant, and may be designed to minimize accounting impact and maximize tax deductibility.

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 applicable expense reimbursement and related policies and procedures as in effect from time to time.

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

3.6 Fringe Benefits.

(i) During the Term, the Executive shall be entitled to participate in those qualified and non-qualified defined benefit, defined contribution, group insurance, medical, dental, disability and other benefit plans of the Company as from time to time in effect made available to senior executives of the Company generally and in the Company's Executive Medical Plan providing for reimbursement of medical and dental benefits not payable under plans generally available. In addition, in accordance with the directives of the Compensation Committee of the Board of Directors, during the Term the Executive shall be assigned the use of a Company-provided chauffeured automobile (a late model top of the line BMW or equivalent vehicle) during the business week for personal and business use and at other times as required for business purposes. Further, during the Term the Executive shall be entitled to the use of a Company-provided automobile in accordance with the Company's executive automobile policy and guidelines as from time to time in effect, and the Executive shall be reimbursed for the initiation fees, dues, assessments and like fees for membership in one city club of the Executive's choice.

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

(iii) During the Term, RCPC shall maintain an individual policy of disability insurance, naming the Executive as the insured and the Executive or a designee as the beneficiary, with a benefit equal to (A) fifty percent of the sum of the Executive's Base Salary in effect on the date of disability plus the Executive's most recent annual bonus pursuant to Section 3.2 less (B) the long-term disability benefit payable under the Company's group disability program as in effect from time to time (irrespective of whether the Executive has elected to participate in such long-term disability program).

(iv) On the Effective Date, or at such time or times thereafter as may be agreed upon by RCPC and the Executive, RCPC shall loan to the Executive up to $500,000 to assist him in purchasing a new principal residence in the New York metropolitan area and/or a Manhattan apartment and to defray unreimbursed expenses associated with the relocation of his household to commence employment hereunder. Such loan shall be due and payable, together with interest at the

applicable federal rate, upon the earlier of (x) termination of the Executive's employment for any reason or (y) five years from the making of the first portion of any such loan. Such loan shall be evidenced by a note secured by a mortgage on the purchased premises (or by such other collateral as may be acceptable to RCPC), second only to any mortgage in favor of the seller of such premises or any bank making a loan for the purchase thereof.

(v) During the Term, RCPC shall pay to the Executive as additional compensation on a monthly basis an amount equal to the sum of (A) the payment actually payable by the Executive for the preceding month in respect of (i) regularly scheduled interest and amortization of principal on any bank loan that the Executive shall obtain to purchase a principal residence in the New York metropolitan area and/or a Manhattan apartment (calculated on the basis of a standard fixed payment commercial mortgage table with interest adjustable seven years after initial borrowing and principal amortized over 30 years after initial borrowing, but excluding any prepayment of principal) (the "Mortgage Loan") and (ii) any loan origination "points" with respect to the closing of the Mortgage Loan, in each case limited to $1,500,000 principal amount of Mortgage Loan (together, the "Home Loan Payments") plus (B) the amount of any increase in federal, state and local income taxes actually payable by the Executive as a result of RCPC's payment of the Home Loan Payments and amounts payable under this clause (B); provided, however, that if during or after the Term (x) the Executive terminates his employment otherwise than for reasons constituting "Good Reason" as defined in Section 4.4 or (y) the Executive materially breaches any of his obligations hereunder (including under Sections 5, 6 and 7) or (z) RCPC terminates the Executive's employment for reasons constituting "Cause" as defined in Section 4.3, the Executive shall remit and repay to RCPC an amount equal to (a) the total amount of interest that would have been paid by RCPC as Home Loan Payments if the Mortgage had borne interest at the applicable federal rate from time to time, plus (b) the payments made by RCPC pursuant to clause (B) above (plus interest thereon at the applicable federal rate) with respect to the amount to be remitted by the Executive pursuant to the foregoing clause (a).

(vi) In furtherance of the Executive's retirement benefit expectations, and without limiting the Company's ability to modify, in any way, any or all of its defined benefit plans, RCPC agrees to guarantee to the Executive a minimum monthly pension as set forth below:

(a) Commencing with retirement on or after October 1, 2008, RCPC shall pay or provide a monthly straight life annuity pension amount of $41,667, reduced by the actuarial equivalent of all benefits paid or payable (calculated on a straight life annuity basis) to or in respect of the Executive under (i) the Revlon Employees Retirement Plan, the Revlon Pension Equalization Plan, and any predecessors or successors to either of them, (ii) all other defined benefit retirement and defined contribution plans, whether or not tax qualified, maintained at any time by RCPC, Revlon, Inc., any past employer of the Executive, or the affiliate of any of them, in all cases without regard to

whether the plan has previously terminated, is being currently maintained or is established and maintained in the future. Such offset for benefits under other plans shall be determined as of the day this pension starts; shall not be subsequently adjusted on account of any subsequent benefit accruals or change in benefit amounts expected under such other plans, whether on account of the Executive's death or otherwise; and shall disregard benefits derived from employee contributions and from employer matching contributions under any 401(k) plan. Only a percentage (the "Accrued Percentage") of the amount otherwise payable pursuant to this Section 3.6(v)(a) shall be paid if the Executive's employment shall terminate prior to October 1, 2008, as follows: for termination prior to September 30, 2000, the Accrued Percentage shall be 0%; for termination on or after September 30, 2000 and prior to September 30, 2001, 11.1%; and thereafter, 11.1% additional to accrue as of each September 30th on which the Executive is still employed, with the result that the benefit shall be 100% accrued on and after September 30, 2008.

(b) The Executive may elect to have the pension determined pursuant to subsection (a) above paid as an actuarially equivalent joint and 50% survivor annuity with his spouse as beneficiary if she shall survive the Executive and be legally married to the Executive at the time of his death. Such election shall be made by the Executive not later than 90 days before the pension benefit is to start and shall take effect only if the Executive and his spouse are alive and married to each other on the day the pension starts. If the Executive's spouse dies after the pension starts and before the Executive, no adjustment shall be made to the amount of annual pension payable to the Executive.

(c) If the Executive dies before October 1, 2008, a lifetime pension shall be payable to the spouse, if any, to whom the Executive was legally married on the date of his death, commencing on October 1, 2008, in a monthly amount determined as if the Executive had survived to that date and had then elected to have his benefit paid as an actuarially equivalent joint and 50% survivor annuity with his spouse as beneficiary; provided, that the amount otherwise determined in accordance with the foregoing shall be multiplied by the Accrued Percentage calculated pursuant to the last sentence of Section 3.6(v)(a) as of the date of the Executive's death (or, if earlier, the date as of which Executive's employment terminated), and only that accrued amount shall be due to the surviving spouse.

(d) For purposes of determining actuarial equivalence, the following assumptions shall be used: an interest rate equal to the AA corporate bond long-term rate in effect on the first day of the month preceding the month in which the benefit is to start, the 1983 Group Annuity Mortality Table, and otherwise the reasonable actuarial assumptions and methods selected by RCPC's primary actuary.

(e) Notwithstanding any other provision of this Agreement, no benefit shall be payable pursuant to this subsection 3.6(v), and any

amounts then being paid shall cease and the Executive shall immediately reimburse the Company for amounts theretofore paid, in the event that (x) prior to January 1, 2003 the Executive terminates his employment during the Term otherwise than as provided in Section 4.4, (y) the Executive materially breaches this Agreement (including Section 5, 6 or 7) or (z) RCPC terminates the Executive's employment (under this Agreement or otherwise) for "Cause" as set forth in Section 4.3 of this Agreement.

(f) Payments pursuant to this subsection 3.6(v) shall be made quarterly or at such more frequent intervals as RCPC may elect. RCPC's obligation under this subsection 3.6(v) shall be an unsecured, unfunded and unaccrued contingent general obligation of RCPC to be satisfied from its unsegregated general funds, provided that RCPC shall have the right, if it so elects, to defease its obligation hereunder by the purchase and delivery to the Executive of an annuity on his life in the amount provided for above or to fund its obligation hereunder through the purchase of insurance or other instruments, and the Executive agrees to comply with the reasonable requests of RCPC should RCPC elect to do so, including by submitting to medical examination required in connection with the purchase of any such insurance.

3.7 Special Bonus. As an additional inducement to the Executive to enter into and remain in RCPC's employ, RCPC agrees to pay to the Executive a special bonus on January 15 of the year next following the year in which his employment terminates, in an amount equal to the product of multiplying (A) $1,500,000 less the amount of Home Loan Payments made by RCPC in respect of the principal of the Mortgage, by (B) the following applicable percentages: for termination in 2000, 0%; for termination in 2001, 20%; for termination in 2002, 40%; for termination in 2003, 60%; for termination in 2004, 80%; and for termination in 2005 or thereafter, 100%; provided, however, that if during or after the Term (x) the Executive terminates his employment otherwise than for reasons constituting "Good Reason" as defined in Section 4.4 or (y) the Executive materially breaches any of his obligations hereunder (including under Sections 5, 6 and 7) or (z) RCPC terminates the Executive's employment for reasons constituting "Cause" as defined in Section 4.3, no bonus shall be payable under this Section 3.7 and (in the case of a material breach of Section 5, 6 or 7 following termination of employment) any bonus theretofore paid under this Section 3.7 shall be forfeited and repaid to RCPC.

4. Termination.

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

4.2 Disability. If during the Term the Executive shall become physically or mentally disabled, whether totally or partially, such that the Executive is unable to perform the Executive's services hereunder for (i) a period of six consecutive

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

4.3 Cause. In the event of gross neglect by the Executive of the Executive's duties hereunder, conviction of the Executive of any felony, conviction of the Executive of any lesser crime or offense involving the property of the Company or any of its subsidiaries or affiliates, willful misconduct by the Executive in connection with the performance of the Executive's duties hereunder or other material breach by the Executive of this Agreement, or any other conduct on the part of the Executive which would make the Executive's continued employment by the Company materially prejudicial to the best interests of the Company, 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 as required by law. 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. In the event of the breach of any material provision of this Agreement by the Company or the failure of the Compensation Committee (or other appropriate Committee of the Board of Directors of Revlon, Inc.) to fully implement RCPC's recommendations pursuant to Section 3.3, the Executive shall be entitled to terminate the Executive's employment and the Term upon 60 days' prior written notice to the Company. Such termination of the Executive's employment and the Term 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 (except as otherwise provided in Sections 3.6 and 3.7) 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 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 a chauffeur-driven car) (in each case less amounts required by law to be withheld) through the date on which the Term would have expired pursuant to Section 2.2 if RCPC had given notice of non-renewal on or as promptly as permitted by Section 2.2 after the date of termination, 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 Revlon Executive Severance Policy as in effect on the date of this Agreement and (5) any compensation earned by the Executive from other employment or consultancy during such period shall reduce the payments provided for herein, 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 in 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.

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, then if and to the extent that a final 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. Such costs shall be paid to the Executive promptly upon presentation of expense statements or other supporting information evidencing the incurrence of such expenses.

5. Protection of Confidential Information; Non-Competition.

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

5.2 In consideration of RCPC's covenant in Section 4.4, the Executive shall (i) in all respects fully to comply with the terms of the Employee Agreement as to Confidentiality and Non-Competition referred to in Revlon 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 earliest date on which the Term would have expired pursuant to Section 2.2 if RCPC had given notice of non-renewal on or as promptly as permitted by Section 2.2 after the date of termination, 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 Section 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 Section 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 Section 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 Section 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 Section 5.1 or 5.2, or any part thereof, are held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court making such determination shall have the power to reduce the duration and/or area of such provision so as to be enforceable to the maximum extent permitted by applicable law and, in its reduced form, said provision shall then be enforceable.

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

5.8 Pursuant to Sections 4.4 and 5.2, the Executive is subject to certain non-competition covenants set forth in the Non-Competition Agreement referred to in the Revlon Executive Severance Policy, which covenants extend beyond the Executive's termination of employment. If prior to January 1, 2003 the Executive shall terminate his employment pursuant to Section 4.4. or the Company shall terminate the Executive's employment other than for Cause pursuant to Section 4.3, then the restrictions on entering competitive employment otherwise applicable shall not survive more than 12 months following any such termination of employment (but all other covenants shall remain applicable in accordance with their terms).

6. Inventions and Patents.

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

6.2 If any Invention is described in a patent application or is disclosed to third parties, directly or indirectly, by the Executive within two years after the termination of the Executive's employment 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 limiting the provisions 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. Indemnification.

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

9. Notices.

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

If to the Company, to:

Revlon Consumer Products Corporation
625 Madison Avenue
New York, NY 10022
Attention: General Counsel

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

10. General.

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

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

10.3 This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject

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

10.4 This Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, 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.

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

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

11. 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: WADE H. NICHOLS

/s/ JEFFREY M. NUGENT

Jeffrey M. Nugent, the Executive

PURCHASE AGREEMENT

BY AND AMONG

REVLON, INC.
REVLON CONSUMER PRODUCTS CORPORATION
REMEA 2 B.V.
REVLON EUROPE, MIDDLE EAST AND AFRICA, LTD.
REVLON INTERNATIONAL CORPORATION
EUROPEENNE DE PRODUITS DE BEAUTE S.A.
DEUTSCHE REVLON GmbH & CO. K.G.
REVLON CANADA, INC.
REVLON DE ARGENTINA, S.A.I.C.
REVLON SOUTH AFRICA (PROPRIETARY) LIMITED
REVLON (SUISSE) S.A.
REVLON OVERSEAS CORPORATION C.A.
CEIL - COMERCIAL, EXPORTADORA, INDUSTRIAL LTDA.
REVLON MANUFACTURING LTD.
REVLON BELGIUM N.V.
REVLON (CHILE) S.A.
REVLON (HONG KONG) LIMITED
REVLON, S.A.
REVLON NEDERLAND B.V.
REVLON NEW ZEALAND LIMITED
EUROPEAN BEAUTY PRODUCTS S.p.A.

AND

BEAUTY CARE PROFESSIONAL PRODUCTS LUXEMBOURG, S.a.r.l.

DATED AS OF FEBRUARY 18, 2000

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PURCHASE AGREEMENT

PURCHASE AGREEMENT, dated as of February 18, 2000 (the "Agreement"), by and among Revlon, Inc., a Delaware corporation ("Revlon"), Revlon Consumer Products Corporation, a Delaware corporation and a wholly owned subsidiary of Revlon ("RCPC"), REMEA, 2 B.V., a Dutch corporation and an indirect wholly owned subsidiary of Revlon ("REMEA"), Revlon Europe, Middle East and Africa, Ltd., a corporation organized under the laws of Bermuda ("REMEA LTD"), Revlon International Corporation, a Delaware corporation and an indirect wholly owned subsidiary of Revlon ("RIC"), Europeenne de Produits de Beaute S.A., a corporation organized under the laws of France and an indirect wholly owned subsidiary of Revlon ("EPB"), Deutsche Revlon GmbH & Co. K.G., a corporation organized under the laws of Germany and an indirect wholly owned subsidiary of Revlon ("Deutsche Revlon"), Revlon Canada, Inc., a corporation organized under the laws of Canada and an indirect wholly owned subsidiary of Revlon ("Revlon Canada"), Revlon de Argentina, S.A.I.C., a corporation organized under the laws of Argentina and an indirect wholly owned subsidiary of Revlon ("Revlon Argentina"), Revlon South Africa (Proprietary) Limited, a corporation organized under the laws of South Africa and an indirect wholly owned subsidiary of Revlon ("Revlon South Africa"), Revlon (Suisse) S.A., a corporation organized under the laws of Switzerland and an indirect wholly owned subsidiary of Revlon ("Revlon Suisse"), Revlon Overseas Corporation C.A., a corporation organized under the laws of Venezuela and an indirect wholly owned subsidiary of Revlon ("Revlon Venezuela"), CEIL - Comercial, Exportadora, Industrial Ltda., a corporation organized under the laws of Brazil and an indirect wholly owned subsidiary of Revlon ("CEIL"), Revlon Manufacturing Ltd., a corporation organized under the laws of Bermuda and an indirect wholly owned subsidiary of Revlon ("Revlon Manufacturing"), Revlon Belgium, N.V., a corporation organized under the laws of Belgium and an indirect wholly owned subsidiary of Revlon ("Revlon Belgium"), Revlon (Chile) S.A., a corporation organized under the laws of Chile and an indirect wholly owned subsidiary of Revlon ("Revlon Chile"), Revlon (Hong Kong) Limited, a corporation organized under the laws of Hong Kong and an indirect wholly owned subsidiary of Revlon ("Revlon Hong Kong"), Revlon, S.A., a corporation organized under the laws of Mexico and an indirect wholly owned subsidiary of Revlon ("Revlon Mexico"), Revlon Nederland B.V., a corporation organized under the laws of the Netherlands and an indirect wholly owned subsidiary of Revlon ("Revlon Nederland"), European Beauty Products S.p.A, a corporation organized under the laws of Italy ("EBP Italy"), Revlon New Zealand Limited, a corporation organized under the laws of New Zealand ("Revlon New Zealand," and together with Revlon, RCPC, REMEA, REMEA LTD, RIC, EPB,

Deutsche Revlon, Revlon Canada, Revlon Argentina, Revlon South Africa, Revlon Suisse, CEIL, Revlon Manufacturing, Revlon Belgium, Revlon Chile, Revlon Hong Kong, Revlon Mexico, Revlon Nederland, Revlon Venezuela and EBP Italy, the "Sellers"), and Beauty Care Professional Products Luxembourg, S.a.r.l., a Luxembourg corporation (the "Buyer").

WHEREAS, the Sellers desire to sell, and the Buyer desires to purchase, the business as conducted by Sellers and their Affiliates, including the Acquired Companies and the Subsidiaries on or prior to the Closing Date, of manufacturing, distributing, advertising, promoting, marketing and selling (i) worldwide professional and salon hair care and other professional and salon personal care products (including professional cosmetics, skin care, body care, nail care, hard goods, implements and sundries) and professional and salon services (including schools and academies), (ii) worldwide ethnic hair care and other ethnic personal care products (including retail and professional channels), and (iii) retail branded hair care and other personal care products, in the case of subsection (iii) under those brands set forth on Annex A attached hereto and/or set forth on Sections 1.4(a) or 1.6(a) of the Disclosure Letter attached hereto (the "Disclosure Letter") which are used in retail channels on the date hereof (other than any business conducted under the brands "Bain de Soleil" and "Milk Plus 6") (the "Business"). Products referred to in clauses (i), (ii) and (iii) above shall be collectively referred to herein as the "Products."

WHEREAS, the Business (i) is presently conducted primarily by (a) Roux Laboratories, Inc., a New York corporation and a wholly owned subsidiary of RCPC ("Roux"), and Fermodyl Professionals Inc., a Delaware corporation and a wholly owned subsidiary of RCPC ("Fermodyl"), (b) Revlon Coiffure SNC, a company organized under the laws of France ("Revlon Coiffure"), (c) Revlon S.L., a corporation organized under the laws of Spain ("Revlon S.L.") (it being understood that the business conducted by Revlon S.L. will be restructured (the "Restructuring") as set forth in Section 4.11 of the Disclosure Letter; the companies conducting the Business upon completion of the Restructuring, together with their respective subsidiaries, and together with Roux, Fermodyl and Revlon Coiffure, which are identified in Section 4.3 of the Disclosure Letter, the "Acquired Companies"), and (d) the Sellers in the United Kingdom, Canada, Argentina, South Africa, Venezuela, Brazil, Mexico, Australia, New Zealand, Hong Kong, Chile, Indonesia, France, Italy, Belgium, the Netherlands, Luxembourg, Germany, Austria, Switzerland, and various African and other European countries in conjunction with their respective businesses other than the Business and (ii) includes certain other assets to be acquired and licensed, and certain other liabilities to be assumed, pursuant hereto; and

WHEREAS, pursuant to the terms and conditions of this Agreement, (i) Sellers desire to sell, and Buyer desires to purchase (a) all of the outstanding shares of common stock of each of the Acquired Companies and, indirectly, each subsidiary of the Acquired Companies (the "Subsidiaries") owned, directly or indirectly, by Sellers (the "Shares") and (b) the Acquired Assets; and (ii) the Sellers desire to transfer, and the Buyer desires to assume, the Assumed Liabilities.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions hereinafter set forth, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

CERTAIN DEFINED TERMS

As used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires, each of the following terms shall have the meanings listed below. Singulars shall include plurals and vice versa, as appropriate.

Section 1.1 "A.P. Products Agreement" means the stock purchase agreement dated as of May 13, 1998, as amended as of July 15, 1999, by and among Roux, a buyer, RCPC, as guarantor, and Brian K. Marks, as seller, in connection with the purchase by Roux of A.P. Products Ltd.

Section 1.2 "Acquired Assets" means, to the extent not owned by the Acquired Companies or the Subsidiaries, all of the right, title and interest that the Sellers and their Affiliates possess in and to all of the assets, rights or property held for use or used exclusively or primarily in the Business (other than Excluded Assets) or, without duplication, as reflected on the Final Statement of Net Assets, including, without limitation, all of the following:

(a) the Acquired Intellectual Property;

(b) the Acquired Contracts;

(c) the Acquired Leases and the Acquired Real Property Leases;

(d) the Acquired Books and Records;

(e) all finished goods, work-in-process, samples, displays, components, bulks, raw materials, and other inventories dedicated for use in the Business (or otherwise reflected in the Final Statement of Net Assets) and that portion of Common bulks, raw materials, components and other non-finished inventories of the Sellers allocable to the Business (to the extent reflected in the Final Statement of Net Assets), if any;

(f) all warranties or claims against third parties to the extent arising out of the operation of the Business related exclusively or primarily to the Business, other than rights and claims, whether now existing or arising hereafter, for credits or refunds of (x) Income Taxes (with respect to pre-Closing periods) and (y) Non-Income Taxes (but only to the extent that the credits or refunds relate to a Non-Income Tax that is an Excluded Liability) and other than any such claims or warranties to the extent relating to Excluded Assets or Excluded Liabilities;

(g) all permits, certificates, licenses, orders, registrations, approvals, concessions, franchises, and other authorizations of, and applications to, all Governmental Entities to the extent transferable and related exclusively or primarily to the ownership or use of any Acquired Assets or maintenance and operation of the Business;

(h) all customers' files, correspondence, files, notes, invoices, price lists, distributor lists, supplier lists, parts lists and vendor lists and all Common items to the extent they relate to the Business, in each case, to the extent related exclusively or primarily to the Business;

(i) all research and development equipment exclusively dedicated to the Business and projects (i) conducted at any of the facilities of the Acquired Companies or Subsidiaries and (ii) conducted at the Sellers' Edison, New Jersey property and exclusively dedicated to the Business as set forth in Section 1.2(i) of the Disclosure Letter (collectively, the "R&D Projects");

(j) all marketing, advertising and promotional materials, point-of-sale and point-of-purchase materials, brochures and advertising copy relating exclusively or primarily to the Business subject, with respect to the use of the trademarks and copyrights therein not included in the Acquired Intellectual Property or the Acquired Companies' Intellectual Property, to the licenses contemplated under Section 6.11 and 6.12 hereof;

(k) all receivables from third parties to the extent arising from the Business and all "Due From Sellers - - Receivable", to the extent reflected on the Final Statement of Net Assets, which items shall be dealt with in accordance with Section 2.7(d) hereof;

(l) the Acquired Manufacturing Equipment and all office equipment and furniture located at the Sellers' 625 Madison Avenue offices and used primarily or exclusively by the Affected Employees; and

(m) the Acquired Personal Property.

Section 1.3 "Acquired Books and Records" means all of the Sellers' and their Affiliates' books and records to the extent related to the ownership or use of the Acquired Assets or operations of the Business (or copies of relevant portions thereof with respect to Common books and records used in the Sellers' other businesses), including without limitation, all books and records related to Affected Employees, the purchase of materials, supplies and services, the R&D Projects, Proprietary Information, advertising and media, manufacture, distribution and sale of Products and dealings with customers of the Business, and all stock books, stock ledgers and minute books of the Acquired Companies and the Subsidiaries. As used herein, books and records shall include without limitation all computerized books and records and other computerized storage media and the use of software used in connection therewith (to the extent such rights to use software are transferable under any related software license) except such books, records and software provided pursuant to the Transitional Services Agreements or is otherwise an Excluded Asset. To the extent that software relating to the Acquired Books and Records is not transferable or is otherwise an Excluded Asset, Sellers shall make reasonable best efforts to provide the relevant Acquired Books and Records in another format reasonably acceptable to Buyer.

Section 1.4 "Acquired Companies' Intellectual Property" means all of the right, title and interest that the Acquired Companies and each of the Subsidiaries possess in, to and under the following rights, assets and properties of the Business, together with all income, royalties, damages and payments due or payable (including damages and payments for past, present and future infringements or misappropriations thereof and the right to sue and recover damages for past, present and future infringements or misappropriations thereof):

(a) all trademarks, service marks, names, source identifiers, trade dress, corporate names, business names, fictional names or "d/b/a's", trade names, Internet domain names, logos, slogans and stylized renderings of any of the foregoing

and any and all registrations and applications relating thereto (collectively, "Trademark Rights"), exclusively or primarily used or held for use in the Business, including those registrations and applications listed in Section 1.4(a) of the Disclosure Letter (taking into account the footnotes thereon), together with the goodwill of the Business symbolized thereby (in all cases, excluding the Revlon Marks, but including any portion of the Revlon Marks that is other than the word "REVLON" and/or the initial "R" (other than as part of an actual word that begins with "R"), any derivative thereof, such as "REVLONISSMO" or "RMEN", or any contractions, abbreviations, translations, or variations thereof);

(b) all patents, patent applications and registrations, invention disclosures, utility models, inventors certificates, reissues, continuations, re-examinations, divisions, continuations-in-part, provisional applications, design registrations and applications for such property (collectively, "Patent Rights") exclusively or primarily used or held for use in the Business, including those listed in Section 1.4(b) of the Disclosure Letter;

(c) all copyrights, copyrightable works, and registrations and applications for copyrights and all extensions and renewals thereof (collectively, "Copyrights") exclusively or primarily used or held for use in the Business, including those listed in Section 1.4(c) of the Disclosure Letter; provided, however, that the inclusion of a copyrighted work in the Acquired Companies' Intellectual Property does not transfer or license any rights to the Trademark Rights contained therein or imply any rights to use such work, to the extent it contains Trademark Rights, unless such Trademark Rights are otherwise included in the Business Intellectual Property or licensed pursuant to any other license agreements between the parties, including those license agreements set forth herein; and

(d) except as to research and development material which is covered solely by Section 1.2(i), the intangible rights in all existing trade secrets and proprietary information (whether or not patentable) or whether or not to be reduced to practice, including but not limited to know-how, product formulas and formulations, product testing and manufacturing processes and procedures, material safety data sheets, testing specifications, and finished product specifications, and all books, records, drawings or other indicia of each of the foregoing in whatever form or medium ("Proprietary Information"), in each case relating exclusively to the Products or relating exclusively to the current manufacture of the Products (collectively, the "Acquired Companies' Proprietary Information").

Section 1.5 "Acquired Contracts" means all contracts, agreements and commitments of the Sellers and their Affiliates to the extent related exclusively or primarily to the Business (except as otherwise noted in Section 4.16 of the Disclosure Letter or except as otherwise provided herein), including without limitation:

(a) the Acquired Leases and the Acquired Real Property Leases;

(b) the Acquired Intellectual Property Contracts;

(c) all sales contracts, customer orders, supplier contracts, promotional commitments, advertising, media and customer commitments, service agreements, purchase orders, dealer and distributorship agreements, leases, licenses or other agreements; and

(d) the contracts, agreements and commitments either listed in Section 4.16 of the Disclosure Letter or of a similar nature to those listed in Section of the Disclosure Letter, but not listed therein because they do not meet the dollar limits or other standards set forth in Section 4.16 (Certain Contracts) of this Agreement but not including the employment contract of any Person who is not an Affected Employee.

(e) Notwithstanding the foregoing, all contracts, agreements and commitments (i) for Common bulks, Common raw materials, Common componentry, other Common inventories and other Common assets shall be allocated in accordance with the Final Statement of Net Assets, (ii) which relate to the Business or the Acquired Assets and Sellers' other businesses shall be Acquired Contracts to the extent allocable to the Business or the Acquired Assets and (iii) set forth in Section 1.5(e) of the Disclosure Letter shall be allocated as set forth in such Letter.

Section 1.6 "Acquired Intellectual Property" means all of the right, title and interest of the Sellers and Sellers' Affiliates in, to and under the following rights, assets and properties of the Business, together with all income, royalties, damages and payments due or payable thereon (including damages and payments for past, present or future infringements or misappropriations thereof, and the right to sue and recover for past, present and future infringements or misappropriations thereof):

(a) all Trademark Rights exclusively or primarily used or held for use in the Business, including those registrations and applications listed in Section 1.6(a) of the Disclosure Letter (taking into account the footnotes thereon), together with the goodwill of the Business symbolized thereby, (in all cases, excluding the Revlon

Marks, but including any portion of the Revlon Marks that is other than the word "REVLON" and/or the initial "R" (other than as part of an actual word that begins with "R"), any derivative thereof, such as "REVLONISSMO" or "RMEN", or any contractions, abbreviations, translations, or variations thereof);

(b) all Patent Rights exclusively or primarily used or held for use in the Business, as listed in Section 1.6(b) of the Disclosure Letter (taking into account the footnotes thereon);

(c) all Copyrights exclusively or primarily used or held for use in the Business, including those listed in Section 1.6(c) of the Disclosure Letter provided, however, that the inclusion of a copyrighted work in the Acquired Intellectual Property does not transfer or license any rights to the Trademark Rights contained therein or imply any rights to use such work, to the extent it contains Trademark Rights, unless such Trademark Rights are otherwise included in the Business Intellectual Property or licensed pursuant to any other license agreements between the parties, including those license agreements set forth herein; and

(d) Except as to research and development material which is covered solely by Section 1.2(i), the Proprietary Information relating exclusively to the Products or relating exclusively to the current manufacture of the Products (the "Acquired Proprietary Information").

Section 1.7 "Acquired Intellectual Property Contracts" means all (i) licenses to third parties of the Acquired Intellectual Property or the Acquired Companies' Intellectual Property, including the license agreements as listed in Section 1.7 of the Disclosure Letter, (ii) licenses to Sellers or their Affiliates or to the Acquired Companies of Intellectual Property owned by third parties which is exclusively or primarily used in or held for use in the Business, as listed in Section 1.7 of the Disclosure Letter, and (iii) other agreements to which any of the Sellers or their Affiliates or any of the Acquired Companies or Subsidiaries are parties, either as licensor or licensee, exclusively or primarily relating to the use of Acquired Intellectual Property or Acquired Companies' Intellectual Property, as listed in Section 1.7 of the Disclosure Letter.

Section 1.8 "Acquired Leases" means the personal property leases listed in Section 1.8 of the Disclosure Letter.

Section 1.9 "Acquired Manufacturing Equipment" means all production lines and equipment ("Equipment") which is used exclusively or primarily

in the production of Products or which is set forth in Section 1.9 of the Disclosure Letter.

Section 1.10 "Acquired Personal Property" means all right, title and interest of Sellers or their Affiliates in or to tools, dyes, molds and other personal property used exclusively or primarily in the Business or listed in Section 1.10 of the Disclosure Letter.

Section 1.11 "Adjusted U.S. GAAP" means the accounting principles set forth in (i) Section 1.11(a) of the Disclosure Letter with respect to the September 30, 1999 Statement of Net Assets, and (ii) Section 1.11(b) of the Disclosure Letter with respect to the Stub Period Operating Income Statement.

Section 1.12 "American Crew Agreement" means the stock purchase agreement dated as of April 17, 1996 and among RCPC, as buyer, and the shareholders of American Crew, Inc. and Frank Gironda, as sellers, in connection with the purchase of American Crew, Inc. by RCPC.

Section 1.13 "Assumed Liabilities" consist, without duplication, of:

(a) (i) any Liability (other than Income Taxes) to the extent set forth on the September 30, 1999 Statement of Net Assets, (ii) any Liability (other than Income Taxes and other than interest and penalties in respect of Non-Income Taxes) set forth on the Final Statement of Net Assets, but only to the extent such Liability was accrued on such Final Statement of Net Assets and arose during the periods between October 1, 1999 and the Closing Date, and (iii) any Liability (other than Income Taxes, and for all periods prior to October 1, 1999, Non-Income Taxes, and for the periods between October 1, 1999 and the Closing Date, interest and penalties in respect of Non-Income Taxes) relating to the ownership, use or operation of the Business, the Acquired Companies, the Subsidiaries or the Acquired Assets prior to the Closing Date which (A) is not otherwise an Excluded Liability and (B) does not relate to, or arise out of, employees or employee benefits to the extent covered by Section 6.8 herein (other than those items which are accrued on the September 30, 1999 Statement of Net Assets and the Final Statement of Net Assets in the ordinary course of business consistent with past practices) and (C) is less than U.S. $150,000 individually or with respect to a series of related events and (D) is either (1) not set forth on the September 30, 1999 Statement of Net Assets or the Final Statement of Net Assets because it is not required by Adjusted U.S. GAAP to be so set forth or (2) under-accrued on either such Statements of Net Assets, to the extent of such under-accrual; provided that, the Liabilities assumed by Buyer under this clause (iii) shall not in the aggregate exceed the

lesser of (x) U.S. $3,000,000 and (y) the amount of general reserves set forth on the Final Statement of Net Assets; and provided further that, all Liabilities assumed by Buyer under this Section 1.13(a)(iii)(x) for employee severance shall not, in the aggregate, exceed U.S. $150,000 and (y) shall not include Liabilities in respect of Funded Debt (as defined herein).

(b) any Liability (other than Income Taxes) accruing or arising on or after October 1, 1999 and paid on or prior to the Closing Date;

(c) except for Liabilities arising out of or relating to breach of any of the Sellers' representations, warranties or covenants under this Agreement or Ancillary Agreements, and except as otherwise expressly provided herein, any Liability arising from the ownership, use or operation of the Business, the Acquired Companies, the Subsidiaries or the Acquired Assets on or after, the Closing Date, other than any earnouts or indemnification obligations under the following agreements: (1) the American Crew Agreement, (2) the A.P. Products Agreement, (3) the Creative Nail Agreement, (4) Pan-African J.V. Agreement, (5) Stock Purchase Agreement dated as of September 5, 1998 and amended as of September 28, 1998 by and among Aderans Co., Ltd., as Buyer, Roux, as Seller, and RCPC, as Seller Guarantor, in connection with the sale by Roux of General Wig Manufacturers, Inc., (6) the Huber Agreement and (7) the Intercosmo Agreement; and

(d) any Liability explicitly assumed by the Buyer hereunder or under any of the Ancillary Agreements.

The assumption by the Buyer of the Assumed Liabilities shall not create any third party beneficiary rights.

Section 1.14 "Business Intellectual Property" means (i) Acquired Intellectual Property, (ii) Acquired Companies' Intellectual Property and (iii) Licensed Intellectual Property.

Section 1.15 "Common" means used or intended for use both in the Business and the Sellers' and their Affiliates' other businesses.

Section 1.16 "Creative Nail Agreement" means the stock purchase agreement dated as of November 1, 1995 by and among RCPC, as buyer, and the shareholders of Creative Nail Design, Inc. and A. Nordstrom, Janet Nordstrom, Arnold Nordstrom and Thomas Nordstrom, as sellers, in connection with the purchase by RCPC of Creative Nail Design, Inc.

Section 1.17 "Excluded Assets" means the assets and rights set forth in Section 1.17 of the Disclosure Letter or, to the extent not owned by one or more of the Acquired Companies or the Subsidiaries as of the Closing Date or not reflected on the Final Statement of Net Assets:

(a) any asset or right, tangible or intangible, of Sellers not used exclusively or primarily in the Business;

(b) all rights and claims, whether now existing or arising hereafter, for credits or refunds of (x) Income Taxes (with respect to pre-Closing periods) and (y) Non-Income Taxes (but only to the extent that the credits or refunds relate to a Non-Income Tax that is an Excluded Liability);

(c) all claims or warranties to the extent relating to Excluded Assets, as set forth in the other subclauses of this Section 1.17, or Excluded Liabilities;

(d) cash and cash equivalents;

(e) the Revlon Marks ((regardless of the record owner thereof), except for (i) the portion thereof that is other than the word "Revlon" and/or the initial "R" (other than as part of an actual word that begins with "R") assigned hereunder as set forth in Section 1.4(a) or Section 1.6(a), and (ii) the rights granted to Buyer under the License Agreement (Revlon Marks)), the Licensed Intellectual Property owned by Sellers or their Affiliates other than the Acquired Companies or the Subsidiaries (except for the rights granted to Buyer under the license agreements contemplated in Section 6.11), and all other Intellectual Property, other than, in each case, the Acquired Intellectual Property, the Acquired Companies' Intellectual Property and the Acquired Intellectual Property Contracts; and

(f) the right to use any and all materials, including but not limited to advertisements, promotional materials, and packaging (regardless of their form and media) which embody or make reference to the names, likenesses, images, photographs, voices, signatures or biographical information of spokespersons and models under exclusive contracts with Sellers and their Affiliates, as follows: Halle Berry, Cindy Crawford, Kim Delaney, Karen Duffy, Emme Aronson, Melanie Griffith, Salma Hayek, Sarah O'Hare, Cybill Shepherd, Courtney Thorne-Smith, Vendela Thomesson, and Shania Twain.

Section 1.18 "Excluded Liabilities" means (a) any Liability set forth in Section 1.18 of the Disclosure Letter and (b) any other Liability, whenever asserted, arising from the ownership, operations or use of the Acquired Assets, the Acquired Companies, the Subsidiaries or Sellers' operations of the Business prior to the Closing which is not expressly identified as an Assumed Liability hereunder, (c) any Liability explicitly assumed by Sellers hereunder or under any of the Ancillary Agreements or (d) any Liability to any employee who is not an Affected Employee except to the extent accrued on the September 30, 1999 Statement of Net Assets or the Final Statement of Net Assets.

Section 1.19 "Funded Debt" means, without duplication, all obligations under indebtedness for borrowed money (including, without limitation, principal, interest, overdrafts, penalties, premiums, fees, expenses, indemnities and breakage costs), all obligations under capital leases, notes payable, guarantees, mortgages and drafts accepted representing extensions of credit, discounted receivables, any obligations under any security agreement, mortgage, pledge or similar arrangement in respect of indebtedness of the type described above.

Section 1.20 "General Wig Agreement" means the stock purchase agreement dated as of September 5, 1998, as amended as of September 28, 1998, by and among Aderans Co., Ltd., as buyer, Roux, as seller, and RCPC, as seller guarantor, in connection with the sale of General Wig Manufacturers, Inc.

Section 1.21 "Governmental Entity" means any public body or authority, including courts of competent jurisdiction, domestic or foreign.

Section 1.22 "Huber Agreement" means the transfer and assignment agreement dated as of December 29, 1995, by and among Deutsche Revlon, as buyer, and Mr. B. Huber, as seller, in connection with the purchase by Deutsche Revlon of the Huber cosmetic distribution business.

Section 1.23 "Income Taxes" means any and all Taxes based on or measured by income, net income, receipts, earnings or profits.

Section 1.24 "Non-Income Taxes" means any and all Taxes other than Income Taxes.

Section 1.25 "Intercosmo Agreement" means the stock purchase agreement dated as of May 26, 1993, by and among Revlon S.p.A. (changed to Europeenne de Produits de Beaute, S.A.), as buyer, and Fabio Venturi, Maria Luisa

Venturi and Ri. Fin. It, S.r.l., as seller, in connection with the purchase of Intercosmo S.p.A.

Section 1.26 "Liability" means any and all claims, demands, Liens, charges, agreements, contracts, covenants, actions, suits, causes of action, obligations, controversies, debts, costs, expenses, damages, judgments, orders and liabilities whatsoever, of whatever kind or nature, in law or equity, by contract, statute or otherwise, accrued, absolute or contingent, whether now known or unknown, vested or contingent, suspected or unsuspected, whether due or to become due, whether or not concealed or hidden and regardless of when and by whom asserted, which have existed or may have existed, which exist or which in the future may exist.

Section 1.27 "Licensed Intellectual Property" means (a) the Intellectual Property listed in Section 1.27 of the Disclosure Letter that is owned by Sellers or their Affiliates (or by the Acquired Companies or the Subsidiaries that is to be assigned to Sellers or their Affiliates) that will be licensed to the Buyer, the Acquired Companies and/or the Subsidiaries by Sellers or their Affiliates, in each case pursuant to the license agreements contemplated by Section 6.11(a), and (b) the Licensed Revlon Marks.

Section 1.28 "Licensed Revlon Marks" means the Currently Used Marks, as that term is defined in the License Agreement (Revlon Marks) and other Revlon Marks that are being licensed to Buyer pursuant to such license.

Section 1.29 "Pan-African JV Agreement" means the joint venture agreement dated as of November 27, 1995 by and among RCPC, United Pan-African Beauty Establishment and Alan Wolowicz.

Section 1.30 "Revlon Marks" means any and all trademarks, service marks, names, source identifiers, corporate names, business names, fictional names or d/b/a's, trade names, Internet domain names, logos, and stylized renderings of any of the foregoing and any and all registrations or applications therefor, whether now in existence, or hereinafter filed or issued, which include the word "REVLON" and/or the initial "R" (other than as part of an actual word that begins with an "R"), whether in block print or in logo form and whether alone, as part of a phrase or design, or in a derivative form such as "REVLONISSIMO", and any contractions, abbreviations, translations or variations thereof, together with the goodwill of the business symbolized thereby.

Section 1.31 "Other Definitions": Other terms defined herein include:

60-Day Objection Period..... (Section)2.9(b)
Accountant's Engagement Letter .....(Section)2.9(i)
Acquired Assets.....(Section) 1.2
Acquired Books and Records.....(Section) 1.3
Acquired Companies..... recitals
Acquired Companies' Intellectual Property.....(Section) 1.4
Acquired Companies' Proprietary Information.....(Section) 1.4(d)
Acquired Contracts.....(Section) 1.5
Acquired Intellectual Property.....(Section) 1.6
Acquired Intellectual Property Contracts.....(Section) 1.7
Acquired Leases.....(Section) 1.8
Acquired Manufacturing Equipment.....(Section) 1.9
Acquired Personal Property.....(Section) 1.10
Acquired Proprietary Information.....(Section) 1.6(d)
Acquired Real Property Leases.....(Section) 4.12(d)(iii)
Act.....(Section) 5.8
Actual Statement of Net Assets.....(Section) 2.9(a)
Actual Stub Period Operating Income Statement.....(Section) 2.9(a)
Adjusted U.S. GAAP.....(Section) 1.11
Affected Employees.....(Section) 6.8(a)
Affiliate .....(Section) 4.22
Affiliate Agreements.....(Section) 4.22
affiliated group.....(Section) 6.9(a)(ii)
affiliation.....(Section) 6.17(f)
Agreement.....recitals
American Crew Agreement.....(Section) 1.12
Ancillary Agreements.....(Section) 2.5(j)
A.P. Products Agreement.....(Section) 1.1
Assumed Liabilities.....(Section) 1.13
Auditor.....(Section) 2.9(c)
Balance Sheet Intercompany Liabilities.....(Section) 2.7(d)
Benefit Plans.....(Section) 4.17(a)
Bill of Sale.....(Section) 2.5(b)
Business.....recitals
Business Day.....(Section) 2.4(a)
Business Intellectual Property.....(Section) 1.14
Business Material Adverse Effect.....(Section) 4.1(e)
Business Materials.....(Section) 6.12(b)
Buyer.....recitals
Buyer Accountant.....(Section) 2.9(a)

Buyer Competitive Activity.....(Section) 6.17(b)
Buyer Covered Taxes.....(Section) 6.9(b)(i)
Buyer Damages.....(Section) 9.2(a)
Buyer Indemnitees.....(Section) 9.2(a)
Buyer Material Adverse Effect.....(Section) 5.1(d)
Buyer Plans.....(Section) 6.8(a)
Buyer Savings Plan.....(Section) 6.8(c)
Buyer UAW DB Plan.....(Section) 6.8(d)
Buyer UAW DC Plan.....(Section) 6.8(d)
Canada Plan.....(Section) 6.8(h)
CEIL.....recitals
CERCLA.....(Section) 4.19(a)(iii)
Charlie Agreement.....(Section) 2.5(e)(viii)
Claim.....(Section) 9.4
claims made.....(Section) 6.13
Closing.....(Section) 2.1
closing agreement.....(Section) 4.18(j)
Closing Date.....(Section) 2.4(b)
COBRA.....(Section) 4.17(b)(vii)
Code.....(Section) 6.9(a)(ii)
Commitment Letters.....(Section) 5.4
Common.....(Section) 1.15
Company Permits.....(Section) 4.24
Company Transaction.....(Section) 6.16
Competition Laws.....(Section) 6.4(a)
Confidential Information.....(Section) 6.18(a)
Confidentiality Agreement.....(Section) 6.3
Continuation Period.....(Section) 6.8(g)
control.....(Section) 4.22
controlled by.....(Section) 4.22
Conveyance Taxes.....(Section) 6.9(j)
Copyrights.....(Section) 1.4(c)
Cosmetics Agreement.....(Section) 2.5(e)(vi)
Creative Nail Agreement.....(Section) 1.16
Current Skin Care Products.....(Section) 6.17(a)(v)
Cut-off Date.....(Section) 6.9(a)(i)
CVC.....(Section) 2.8
Deficiency Amount.....(Section) 2.9(e)(i)
Deutsche Revlon.....recitals
Disclosure Letter.....recitals

Due From Sellers-Receivable.....(Section) 1.2(k)
Due From Sellers-Receivables.....(Section) 2.7(d)
Due To Sellers-Inventories.....(Section) 2.7(d)
Due To Sellers-Receivables.....(Section) 2.7(d)
EBP Italy.....recitals
Election.....(Section) 6.9(l)(i)
employee benefit plans.....(Section) 6.8(a)
Environmental Law.....(Section) 4.19(b)
EPB.....recitals
Equipment.....(Section) 1.9
ERISA.....(Section) 4.17(a)
ERISA Affiliate.....(Section) 4.17(a)
Estimated Cash Deficieny.....(Section) 2.9(f)(i)(y)
Estimated Purchase Price.....(Section) 2.7(a)
Estimated Statement of Net Assets.....(Section) 2.7(e)
Estimated Stub Period Operating Income Statement.....(Section) 2.7(e)
Estoppel Certificate.....(Section) 6.21
Estoppel Certificates.....(Section) 6.21
Excess Amount.....(Section) 2.9(e)(ii)
Excluded Assets.....(Section) 1.17
Excluded Liabilities.....(Section) 1.18
Fermodyl.....recitals
Final Cash Deficiency..... (Section) 2.9(f)(i)(y)
Final Statement of Net Assets.....(Section) 2.9(d)
Final Net Assets.....(Section) 2.9(d)
Final Stub Period Operating Income Statement.....(Section) 2.9(d)
Final Stub Period Operating Income.....(Section) 2.9(d)
Funded Debt.....(Section) 1.19
General Wig Agreement.....(Section) 1.20
good reason.....(Section) 6.8(f)
Governmental Entity.....(Section) 1.21
Group Pension Plan.....(Section) 6.8(k)
Guaranty.....(Section) 6.15(a)
Guarantees.....(Section) 6.15(a)
HSR Act.....(Section) 2.4(a)
Historical and Budgeted Financial Information.....(Section) 4.6(b)
Huber Agreement.....(Section) 1.22
Hypermarket Receivables.....(Section) 2.7(d)
Improvements.....(Section) 4.12(e)
including.....(Section) 10.7

Incremental Tax Liability of Sellers and M&F.....(Section) 6.9(l)(ii)
Indemnified Party.....(Section) 9.4
Indemnifying Party.....(Section) 9.4
Indemnity Period.....(Section) 9.1(a)
Instruments of Assumption.....(Section) 2.6(b)
Intellectual Property.....(Section) 4.13(b)
Intercompany Liability Statement.....(Section) 2.9(a)
Intercosmo Agreement.....(Section) 1.25
Internal rate of return.....(Section) 2.8
IRS.....4.17(b)(i)
Judgment.....(Section) 6.22
Leased Real Property.....(Section) 4.12(d)(i)
Lessee.....(Section) 4.12(d)(iv)
Liability.....(Section) 1.26
License Agreement (COLORLOCK).....(Section) 2.5(e)(i)
License Agreement (INTERACTIVES).....(Section) 2.5(e)(iv)
License Agreement (Revlon Marks).....(Section) 2.5(e)(iii)
Licensed Intellectual Property.....(Section) 1.27
Licensed Revlon Marks.....(Section) 1.28
Liens.....(Section) 4.4(b)
Losses and Damages.....(Section) 9.2(a)
M&F.....(Section) 6.9(a)(ii)
Material Adverse Effect.....(Section) 7.2(a)
Material Agreements.....(Section) 4.5
materiality.....(Section) 7.2(a)
MIS..... (Section) 6.37
MIS Agreement.....(Section) 6.37
Monthly Fees.....(Section) 6.8(g)
multiemployer pension plan.....(Section) 4.17(b)(iii)
Net Assets.....(Section) 2.7(b)
Natural Honey Agreement.....(Section) 2.5(e)(ix)
Nederlanden Plan.....(Section) 6.8 (j)
Noncompete Period.....(Section) 6.17(a)

Objection Notice.....(Section) 2.9(b)
Off-Balance Sheet Intercompany Liabilities.....(Section) 2.10
Off-Balance Sheet Intercompany Liability Settlement.....(Section) 2.10
Offset Right.....(Section) 6.22
Offsetting Party.....(Section) 6.22
Organizational Documents.....(Section) 2.1

Other Definitions .....(Section) 1.31
Owned Real Property.....(Section) 4.12(b)
Pan-African JV Agreement.....(Section) 1.29
Patent Formula and Know-How License Agreement (Revlon to Buyer).....(Section) 2.5(e)(ii)
Patent Rights.....(Section) 1.4(b)
PBO.....(Section)6.8(d)
pension.....(Section) 4.17(a)
Permitted Encumbrances.....(Section) 4.12(c)
Person.....(Section) 4.1(e)
Products..... recitals
Proprietary Information.....(Section) 1.4(d)
Public Company.....(Section) 6.17(d)
Purchase Price.....(Section) 2.7(a)
qualified.....(Section) 4.17(b)(iv)
R&D Projects.....(Section) 1.2(i)
RCPC.....recitals
Real Property.....(Section) 4.12(e)
Real Property Leases.....(Section) 4.12(d)(ii)
REMEA.....recitals
REMEA LTD.....recitals
Restructuring.....recitals
retiree treatment.....(Section) 6.8(n)
Revlon.....recitals
Revlon Argentina.....recitals
Revlon Belgium.....recitals
Revlon Canada.....recitals
Revlon Chile.....recitals
Revlon Coiffure.....recitals
Revlon Hong Kong.....recitals
Revlon Manufacturing.....recitals
Revlon Marks.....(Section) 1.30
Revlon Mexico.....recitals
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ARTICLE II

PURCHASE AND SALE

Section 2.1 Purchase and Sale of Shares. Upon the terms and subject to the conditions of this Agreement, at the Closing provided for in Section 2.4 hereof (the "Closing"), the Sellers shall, directly or indirectly, sell, transfer and deliver to Buyer or its Affiliates, and Buyer or its Affiliates shall, directly or indirectly, purchase, acquire and accept from the Sellers, the Shares free and clear of all Liens and restrictions on transfer (other than such restrictions as set forth in the relevant certificate of incorporation, by-laws, or other organizational or analogous documents, excluding any shareholder agreement (the "Organizational Documents"). Notwithstanding the prior sentence, Buyer and Sellers intend that part of the purchase of Shares of Roux by Buyer or its Affiliates from Sellers shall actually occur as the result of a redemption transaction in which Roux and each of A.P. Products Ltd., Creative Nail Design, Inc., and American Crew, Inc. shall enter into loans with Buyer or its Affiliates in amounts to be mutually agreed to by Buyer and Sellers, and the proceeds of such loans shall be used at the Closing by Roux to redeem from Sellers an amount of shares held by Sellers in Roux.

Section 2.2 Purchase and Sale of Certain Assets. Upon the terms and subject to the conditions of this Agreement, at the Closing (a) the Sellers or their Affiliates shall sell, transfer and deliver to the Buyer or its Affiliates all of the Sellers' or their Affiliates' right, title and interest in and to the Acquired Assets free and clear of all Liens and restrictions on transfer (other than such restrictions as set forth in the Sellers' Organizational Documents and other than Permitted Encumbrances); and (b) the Buyer or its Affiliates shall purchase, acquire and accept from the Sellers or their Affiliates the Acquired Assets free and clear of all Liens and restrictions on transfer (other than such restrictions as set forth in the Sellers' Organizational Documents and other than Permitted Encumbrances) and shall assume the Assumed Liabilities.

Section 2.3 Consideration. Upon the terms and subject to the conditions of this Agreement, in consideration of the aforesaid sale, transfer and

delivery of the Shares contemplated by Section 2.1 (Purchase and Sale of Shares), the sale and transfer of Acquired Assets contemplated by Section 2.2 (Purchase and Sale of Certain Assets), and the rights and obligations of the parties under this Agreement and the Ancillary Agreements, at the Closing Buyer shall, by wire transfer of immediately available funds to the bank accounts set forth on Section 2.3 of the Disclosure Letter, paid in accordance with applicable law and allocated in a manner based in all material respects on the Purchase Price allocation set forth in Section 6.9(i) herein, pay the Estimated Purchase Price (as defined in Section 2.7 (Determination of Estimated Purchase Price) below) and shall assume the Assumed Liabilities.

Section 2.4 Closing.

(a) Subject to the satisfaction or waiver of the conditions set forth in Article VII, the Closing will take place at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York and at the other locations provided for in the Ancillary Agreements, as soon as practicable, but not later than three Business Days, following the expiration or termination of any required waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and any consents, approvals or filings under other Competition Laws, provided that, the Buyer has had at least three Business Days to review any consents to be delivered pursuant to Section 2.5 (Deliveries by Sellers) and all bills of sale, Intellectual Property instruments of assignment, releases of all Liens on Acquired Assets (other than Permitted Encumbrances) and the Shares, deeds, consents to the assignment of contracts and leases, Acquired Companies and Subsidiaries stock powers, copies of Acquired Companies and Subsidiaries stock certificates, assignments of accounts receivable and any other material instruments or documents to be delivered at the Closing pursuant to Section 2.5 (Deliveries by Sellers) or at such other place or time or both as the parties may agree in writing. "Business Day" shall mean any day excluding (i) Saturday and Sunday, (ii) any day which shall be in New York State, England or Spain a legal holiday, or (iii) a day on which banking institutions in New York State, England or Spain are authorized or required by law or other government action to close.

(b) Each of the parties hereto shall cause each of their respective Affiliates which is a party to any Ancillary Agreement in which Acquired Assets on the Closing Date are being transferred to the Buyer or its designated Affiliates, to consummate the closing contemplated under such Ancillary Agreement on the Closing Date, except as otherwise set forth therein. The date of the Closing is sometimes referred to herein as the "Closing Date."

Section 2.5 Deliveries by the Sellers. At the Closing, Sellers shall deliver or cause to be delivered to Buyer (unless delivered previously) the following:

(a) The stock certificates representing all of the Shares, accompanied by stock powers duly executed in blank or duly executed stock transfer forms or instruments of transfer, with any applicable transfer stamps affixed, which validly transfer title to the Shares to Buyer (or its designated Affiliates) free and clear of any Liens and restrictions on transfer other than such restrictions set forth in the relevant Organizational Documents;

(b) Duly executed bills of sale in a form to be agreed upon by Buyer and Sellers or pro forma purchase agreements and in the case of France and Argentina, such other purchase agreement as mutually agreed to by Buyer and RCPC (provided that, in no event shall such Argentinian and French agreements alter the Liability allocation of Buyer or Sellers under this Agreement), in each case modified or drafted as necessary to conform to local law (the "Bill of Sale") transferring to the Buyer or its designated Affiliates all of the assets which are included in the Acquired Assets;

(c) Duly executed instruments of assignment relating to the Acquired Contracts;

(d) A duly executed instrument of assignment relating to the Acquired Real Property Leases;

(e) Duly executed counterparts of the license agreements contemplated in Section 6.11 including:

(i) a License Agreement (COLORLOCK), having the material terms set forth on the term sheet attached hereto as Exhibit B (the "License Agreement (COLORLOCK)");

(ii) a Patent and Formula and Know-How License Agreement having the material terms set forth on the term sheet attached hereto as Exhibit C (the "Patent Formula and Know-How License Agreement (Revlon to Buyer)");

(iii) License Agreement (Revlon Marks), substantially in the form attached hereto as Exhibit D (collectively, the "License Agreement (Revlon Marks)");

(iv) A License Agreement (INTERACTIVES) having the material terms set forth on the term sheet attached hereto as Exhibit E (the "License Agreement (INTERACTIVES)");

(v) A Toiletries Manufacturing Distribution and License Agreement for Spain, Portugal and Andorra having the material terms set forth on the term sheet attached hereto as Exhibit F (the "Toiletries Agreement");

(vi) a Cosmetics Distribution Agreement for Spain, Portugal and Andorra having the material terms set forth on the term sheet attached hereto as Exhibit G (the "Cosmetics Agreement");

(vii) a Manufacturing and Distribution Services Agreement for South Africa having the material terms set forth on the term sheet attached hereto as Exhibit H (the "South Africa Agreement");

(viii) a Distribution Agreement for Charlie Cosmetics in Italy having the material terms set forth on the term sheet attached hereto as Exhibit I (the "Charlie Agreement"); and

(ix) a Manufacturing and Distribution License Agreement(s) for Natural Honey having the material terms set forth on the term sheet attached hereto as Exhibit J (the "Natural Honey Agreement").

(f) Duly executed instruments of assignment relating to the Acquired Intellectual Property as a whole and additional separate assignments each in a form suitable for recording in the United States Patent and Trademark Office for the Acquired Intellectual Property which is the subject of registrations or applications in the U.S. and in the applicable Intellectual Property registry offices in such other country or countries as are required by any secured lender to Buyer as a condition of providing financing (as provided to Sellers in writing no later than one week prior to Closing) (the remaining assignments in recordable terms shall be delivered to Buyer post-Closing pursuant to Section 3.2(b));

(g) The resignations, effective immediately prior to the Closing, of all officers and members of the Board of Directors of the Acquired Companies and the Subsidiaries other than those specified by Buyer at least five Business Days prior to the Closing Date;

(h) The officer's certificates referred to in Section 7.3(e) (Conditions to Obligations of Buyer) hereof and the consents, approvals, terminations, and certificates set forth in Section 2.5(h) of the Disclosure Letter;

(i) the documents, instruments and agreements contemplated by the RPHC Term Sheet (as defined herein);

(j) One or more agreements, to be effective as of the Closing Date, between the Sellers or one or more of their respective Affiliates on the one hand, and the Buyer or one or more of its Affiliates or the Acquired Companies or Subsidiaries or one or more of their respective Affiliates on the other hand, pursuant to which (A) the Sellers or their Affiliates would obtain certain transitional services from the Acquired Companies or the Subsidiaries, and (B) the Acquired Companies or one or more of the Subsidiaries or Buyer or one or more of its Affiliates would obtain certain transitional services from the Sellers or their Affiliates, substantially on the terms of the term sheets annexed as Exhibits K attached hereto (collectively, the "Transitional Services Agreements" and together with the agreements identified in Section 2.5(e), Section 2.5(i) and the MIS Agreement, the "Ancillary Agreements"), duly executed by the Sellers and/or their Affiliates; and

(k) All other documents, instruments and writings required or reasonably requested to be delivered by the Sellers at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith or therewith.

Section 2.6 Deliveries by Buyer. At the Closing, Buyer shall tender or cause to be tendered to the Sellers (unless previously delivered) the following:

(a) The Estimated Purchase Price;

(b) Instruments of assumption in a form to be agreed upon by Buyer and Sellers (the "Instruments of Assumption") under which the Buyer shall assume the Assumed Liabilities, duly executed by Buyer and one or more of the Acquired Companies or one or more of the Subsidiaries;

(c) The officer's certificate referred to in Section 7.2(c) (Conditions to Obligations of the Sellers) hereof;

(d) Duly executed counterparts of the license agreements contemplated in Section 6.11 including;

(i) the License Agreement (COLORLOCK);

(ii) the Patent Formula and Know-How License Agreement (Revlon to Buyer);

(iii) the License Agreement (Revlon Marks);

(iv) the License Agreement (INTERACTIVES);

(v) the Toiletries Agreement;

(vi) the Cosmetics Agreement;

(vii) the South Africa Agreement;

(viii) the Charlie Agreement; and

(ix) the Natural Honey Agreement.

(e) The Transitional Services Agreements, duly executed by Buyer or one or more of its Affiliates; and

(f) All other documents, instruments or writings required or reasonably requested to be delivered by the Buyer at or prior to the Closing pursuant to this Agreement or otherwise required in connection herewith or therewith.

Section 2.7 Determination of Estimated Purchase Price.

(a) The "Estimated Purchase Price" (and with respect to calculating the "Purchase Price" under Section 2.9 below, the "Purchase Price") shall be equal to: U.S. $315,000,000 minus the sum of (i) the amount, if any, by which the Net Assets as set forth on the Estimated Statement of Net Assets is less than the Target Net Assets; (ii) the aggregate "transfer amount" pursuant to Section 6.8(d); and (iii) the amount of Funded Debt set forth on the Estimated Statement of Net Assets (net of the amount of cash and cash equivalents other than statutory requirements, if any as set forth on the Estimated Statement of Net Assets).

(b) "Target Net Assets" means the sum of (A) U.S. $119,000,000, representing the Net Assets of the Business as set forth on the September 30, 1999 Statement of Net Assets plus (B) the Stub Period Operating Income for the

purposes of Section 2.7, set forth on the Estimated Stub Period Operating Income Statement and for the purposes of Section 2.9, the Final Stub Period Operating Income. "Net Assets" means, with respect to the Business, the excess of total assets over total liabilities, calculated in accordance with Adjusted U.S. GAAP. "Stub Period Operating Income" means, the operating income of the Business (but not loss) for the period from October 1, 1999 to the Closing Date as set forth on the Estimated Stub Period Operating Income Statement prepared in accordance with Adjusted U.S. GAAP.

(c) Sellers shall not allocate corporate overhead of the type reflected in Section 4.6(c) of the Disclosure Letter to the Business (as reflected on the Stub Period Operating Income Statement) on or prior to and including February 15, 2000; thereafter, Sellers shall allocate corporate overhead to the Business in an amount equal to U.S. $20,000 for each day from February 16, 2000 to and including the Closing Date.

(d) Netting Adjustment. If, and to the extent that, the items set forth in (A) below are greater than the items set forth in (B) below, the Sellers shall pay to the Buyer or its Affiliates, or the Buyer or its Affiliates shall pay to the Sellers if, and to the extent that, the items set forth in (B) are greater than the items set forth in (A), in either case, in four equal installments on the 30th, 60th, 90th and 120th day following the Closing; provided, that the amounts under this Section 2.7(d) shall be adjusted, as appropriate, in accordance with the determination of the Final Balance Sheet Intercompany Liabilities in accordance with Section 2.9 and, for purposes of payment, the conversion from the U.S. dollar to the local currency will be done based on the rate as of September 30, 1999 in accordance with Adjusted U.S. GAAP. The items set forth in (A) are "Due From Sellers-Receivables" and "Due From Sellers-Inventories" reflected on the Estimated Statement of Net Assets. The items set forth in (B) are "Due to Sellers-Receivables" (other than those receivables related to sales of cosmetics in Spain and Portugal to Hypermarket accounts (the "Hypermarket Receivables")) and "Due to Sellers-Inventories"(other than one-third of the cosmetics inventory in Spain and Portugal (the "Spain Cosmetics Inventory")) set forth on the Estimated Statement of Net Assets. The items set forth in (A) and (B) are referred to herein as the "Balance Sheet Intercompany Liabilities." All Hypermarket Receivables shall be paid in cash by the Buyer or its Affiliates to the Sellers within five business days of collection thereof. All Spain Cosmetics Inventory shall be paid in cash by the Buyer or its Affiliates to the Sellers on the 120th day following the Closing.

(e) Five days prior to the Closing Date, Revlon in good faith shall (and shall cause the other Sellers and the Acquired Companies to) prepare and deliver to the Buyer (i) an estimated unaudited statement setting forth an estimate of the

Net Assets as of the Closing Date, reflecting Net Assets of U.S. $117,300,000 (the "Estimated Statement of Net Assets") prepared in accordance with Adjusted U.S. GAAP and based on the Business' books and records and other information then available, (ii) an estimated unaudited operating income statement setting forth an estimate of the Stub Period Operating Income of not less than U.S. $7,500,000 (the "Estimated Stub Period Operating Income Statement") prepared in accordance with Adjusted U.S. GAAP and based on the Business' books and records and other information then available and (iii) a calculation of the Estimated Purchase Price.

Section 2.8 Contingent Consideration. In addition to the Purchase Price, the Buyer or its Affiliates shall pay to RCPC via wire transfer in immediately available funds, U.S. $10,000,000 in cash within thirty business days after the "internal rate of return" has been achieved or exceeded by CVC Capital Partners Limited ("CVC") on its investment in Buyer common stock. "Internal rate of return" shall mean (i) if calculated on or prior to the third anniversary of the Closing, a compound rate of return of 25% per annum; or (ii) if calculated thereafter, that compound rate of return per annum that is the weighted average of a compound rate of return of 25% per annum for 36 months and a compound rate of return of 20% per annum for that number of months (calculated to the nearest whole month) from the third anniversary of the Closing to the date of such calculation, in either case, calculated based upon monthly cash outflows and inflows with respect thereto from the date of the investment through the date upon which the internal rate of return is achieved or exceeded. Cash outflows to and inflows from CVC used in the internal rate of return calculations will be documented by CVC through bank statements, and, in the event that bank statements are not available, other supporting evidence. For purposes of the foregoing, CVC's investment in Buyer common stock shall be determined using the consideration paid by CVC to acquire, directly or indirectly, Buyer common stock at or prior to the Closing or, in the event CVC purchases, directly or indirectly, Buyer common stock in the future, the consideration paid by CVC for such Buyer common stock.

(a) In calculating CVC's internal rate of return, the following shall be taken into account as of the time of the occurrence of the specified event:

(i) All dividends or other distributions, whether or not in cash, received in respect of Buyer common stock; provided that, any stock dividend made prior to an initial public offering of Buyer's equity shall be excluded from this clause (i);

(ii) The fair market value of any securities of Buyer received as a result of the reclassification of, or in exchange for, Buyer common stock.

(iii) Any cash or other consideration received by holders of Buyer common stock in the event of sale or merger of Buyer; and

(iv) Any consideration received by CVC as a result of the sale of all or a portion of its shares of Buyer common stock. For purposes of the foregoing, in the event of an "initial public offering" of Buyer common stock and solely in order to calculate CVC's then internal rate of return, CVC shall be presumed to have sold all of its shares of Buyer Common Stock at the net offering price thereof and any other equity securities of the Buyer received in respect of the Buyer common stock and then held by CVC, at the fair market value thereof. An initial public offering shall mean the sale of at least 15% of Buyer common stock pursuant to a registration statement, or series of registration statements, filed under the Securities Act of 1933 with the Securities and Exchange Commission or any similar filings under applicable rules, laws or regulations of any foreign government or stock exchange.

(b) CVC's internal rate of return shall be calculated upon the occurrence of each event set forth in subclause (a) above until the earlier of the time a payment is made to RCPC pursuant to this Section 2.8 and CVC no longer holds any shares of Buyer common stock.

(c) Buyer and RCPC shall jointly determine in good faith the fair market value of any non-cash dividends or distributions of such securities or property and in the event of any disagreement in respect thereof, Buyer and RCPC shall engage an internationally recognized investment bank unaffiliated with either Buyer or RCPC for purposes of making such determination.

(d) Buyer will promptly advise RCPC of the occurrence of any event listed under subclause (a) above.

(e) Any amount paid pursuant to this Section 2.8 shall be treated as an adjustment to the Purchase Price for all Tax purposes.

Section 2.9 Post-Closing Adjustments.

(a) As promptly as practicable, but in no event later than 90 days after the Closing Date, the Sellers in good faith shall prepare and deliver to Buyer (i) an audited special purpose statement setting forth the Sellers' determination of the Net Assets as of the Closing Date prepared in accordance with Adjusted U.S. GAAP (the "Actual Statement of Net Assets") based on the Business' books and records and other information then available, (ii) the special purpose statement of operating income of the Business setting forth the Sellers' determination of Stub Period Operating Income accompanied by a review report (the "Actual Stub Period Operating Income Statement") prepared in accordance with Adjusted U.S. GAAP, (iii) a calculation of the Purchase Price and (iv) a statement of adjustments to the Balance Sheet Intercompany Liabilities, if any (the "Intercompany Liability Statement"). During the preparation of the Actual Statement of Net Assets and the Actual Stub Period Operating Income Statement and the Intercompany Liability Statement, and all activities in connection therewith, the Buyer shall be entitled to designate one or more representatives of Buyer's independent accounting firm (the "Buyer Accountant") to observe and comment on the preparation of the Actual Statement of Net Assets, the Actual Stub Period Operating Income Statement and the Intercompany Liability Statement and the calculation of the Purchase Price and procedures relating thereto.

(b) After the Sellers' delivery of their calculation of the Actual Statement of Net Assets, the Actual Stub Period Operating Income Statement and the Intercompany Liability Statement and the Purchase Price to Buyer, the Sellers shall permit the Buyer, Buyer Accountant and their representatives to have reasonable access to the books, records and other documents (including work papers of the Sellers) pertaining to or used in connection with the Sellers' calculation of the Actual Statement of Net Assets, the Actual Stub Period Operating Income Statement and the Purchase Price and the Intercompany Liability Statement. If Buyer disagrees with the Sellers' calculation of the Actual Statement of Net Assets or the Actual Stub Period Operating Income Statement, or any adjustment to the Balance Sheet Intercompany Liabilities or absence thereof Buyer will notify the Sellers in writing of such disagreement (the "Objection Notice") (such Objection Notice setting forth the basis for such disagreement in reasonable detail) within 60 days after Buyer's receipt of the Actual Statement of Net Assets and the Actual Stub Period Operating Income Statement (the "60-Day Objection Period"). The Sellers and Buyer thereafter shall negotiate in good faith to resolve any such disagreements with respect to the calculation of the Actual Statement of Net Assets, the Purchase Price and the Actual Stub Period Operating Income Statement and the Intercompany Liability Statement. If the Buyer fails to notify the Sellers of any such dispute within the 60-Day Objection Period, the Actual Statement of Net Assets, the Purchase Price and the Actual Stub Period Operating Income Statement and the Intercompany Liability Statement shall be deemed accepted and approved by the Buyer.

(c) If the Sellers and Buyer are unable to resolve any such disagreements within 15 days after Buyer's delivery of its Objection Notice to the Sellers, the Sellers and Buyer shall submit the dispute to a "Big Five" public accounting firm jointly selected by the Sellers and Buyer (the "Auditor") for resolution. If the Sellers and Buyer are unable to agree upon the Auditor, the Auditor shall be a "Big Five" accounting firm selected by lot (after the Sellers and the Buyer each exclude one such accounting firm).

(d) The Sellers and Buyer shall use their respective commercially reasonable best efforts to cause the Auditor to resolve all disagreements over the Actual Statement of Net Assets, the Actual Stub Period Operating Income Statement and the Purchase Price and the Intercompany Liability Statement as soon as practicable, but in any event shall direct the Auditor to render a determination within 30 days of its retention. The parties shall make available to the Auditor all work papers and all other information and material in their possession relating to the matters in any dispute. The Auditor shall consider only those items and amounts which are identified in the Objection Notice which the Sellers and Buyer are unable to resolve. In addition, the Auditor's determination must be, with respect to each disputed item, (1) within the range of values established for such item as determined by reference to the value assigned to such amount by the Sellers, on the one hand, and Buyer, on the other hand, in the Actual Statement of Net Assets, the Actual Stub Period Operating Income Statement and the Intercompany Liability Statement and Objection Notice, respectively, and (2) determined in accordance with Adjusted U.S. GAAP, this Section 2.9 and the other definitions in this Agreement. The determination of the Auditor shall be made promptly and, if made in accordance with the preceding sentence, shall be final, conclusive and binding upon the Sellers and the Buyer and shall be deemed a final arbitration award that is enforceable pursuant to all terms of the Federal Arbitration Act, 9 U.S.C. ss.ss. 1 et. seq. Any expenses relating to the engagement of the Auditor shall be shared equally by the Buyer and the Sellers. "Final Net Assets" means the Net Assets amount set forth on the Actual Statement of Net Assets where an Objection Notice has not been delivered in accordance with Section 2.9(b), or if such a notice has been so delivered, then "Final Net Assets" means the Net Assets amount (A) as determined by the Auditor in accordance with Section 2.9(d), or (B) as mutually agreed in writing between the Sellers and Buyer pursuant to Section 2.9(b), whereupon the Actual Statement of Net Assets as so adjusted shall become the "Final Statement of Net Assets." "Final Stub Period Operating Income" means the Stub Period Operating Income amount determined on the Actual Stub Period Operating Income Statement where an Objection Notice has not been delivered in accordance with Section 2.9(b), or if such a notice has been so delivered, then "Final Stub Period Operating Income"

means the Stub Period Operating Income amount (A) as determined by the Auditor in accordance with Section 2.9(d), or (B) as mutually agreed in writing between the Sellers and Buyer pursuant to Section 2.9(b), whereupon the Actual Stub Period Operating Income Statement shall become the "Final Stub Period Operating Income Statement" or the "Stub Period Operating Income Statement."

(e) Within five business days after the Final Net Assets and the Final Stub Period Operating Income are determined pursuant to this Section 2.9 then the Purchase Price shall be determined in accordance with Section 2.7(a) and the first sentence of Section 2.7(b) substituting (except for clause (A) of the first sentence of Section 2.7(b)) the Final Statement of Net Assets, Final Net Assets, Final Stub Period Operating Income and the Final Stub Period Operating Income Statement for the Estimated Statement of Net Assets, Net Assets, estimate of the Stub Period Operating Income and the Estimated Stub Period Operating Income Statement and shall be adjusted as follows:

(i) if the final Purchase Price as determined above is less than the Estimated Purchase Price (the difference, with interest at the rate of 9.5% per annum from the Closing Date until the date of payment, being defined as the "Deficiency Amount"), the Sellers shall pay to the Buyer an amount equal to the Deficiency Amount by wire transfer of immediately available funds to an account designated by the Buyer; or

(ii) if the final Purchase Price as determined above is greater than the Estimated Purchase Price (the difference, with interest at the rate of 9.5% per annum from the Closing Date until the date of payment, being defined as the "Excess Amount"), the Buyer shall pay to the Sellers an amount equal to the Excess Amount, by wire transfer of immediately available funds to an account designated by the Sellers.

Any amount paid pursuant to Sections 2.9(e) and 2.9(f) shall be treated as an adjustment to the Purchase Price for all Tax purposes.

(f) Within five business days after the Final Net Assets are determined pursuant to this Section 2.9:

(i) if Final Net Assets exceed Target Net Assets, then Buyer shall pay to Sellers the lesser of (A) the amount calculated pursuant to subclause (x) or (y), as applicable, and (B) the amount of the excess of the Final Net Assets over the Target Net Assets.

(x) If the amount of cash and cash equivalents set forth on the Final Statement of Net Assets is greater than the amount of Funded Debt set forth on the Final Statement of Net Assets, the sum of (i) the amount by which such cash and cash equivalents (other than statutory requirements, if any) exceeds Funded Debt plus (ii) the amount (if any) by which the Estimated Purchase Price was reduced pursuant to Section 2.7(a)(iii).

(y) If the amount of cash and cash equivalents (other than statutory requirements, if any) set forth on the Final Statement of Net Assets is less than the amount of Funded Debt set forth on the Final Statement of Net Assets (the amount of such deficiency, the "Final Cash Deficiency") and, the amount of cash and cash equivalents (other than statutory requirements, if any) set forth on the Estimated Statement of Net Assets is less than the amount of Funded Debt set forth on the Estimated Statement of Net Assets (the amount of such deficiency, the "Estimated Cash Deficiency"), and the Final Cash Deficiency is less than the Estimated Cash Deficiency, an amount equal to the excess of the Estimated Cash Deficiency over the Final Cash Deficiency.

(ii) If the Final Cash Deficiency is greater than the Estimated Cash Deficiency, then Sellers shall pay to Buyer an amount equal to the excess of the Final Cash Deficiency over the Estimated Cash Deficiency.

(iii) If there is a Final Cash Deficiency and the amount of cash and cash equivalents (other than statutory requirements, if any) set forth on the Estimated Statement of Net Assets is greater than or equal to the amount of Funded Debt set forth on Estimated Statement of Net Assets, then Sellers shall pay to Buyer the amount of the Final Cash Deficiency.

(g) All payments made pursuant to subclause (f), above, shall be without duplication of any other adjustment to the Purchase Price made pursuant to this Section 2.9; (ii) shall be paid within five business days after the Final Net Assets are determined pursuant to this Section 2.9 by wire transfer of immediately available funds to an account designated by the Buyer or the Sellers, as the case may be; and (iii) shall be accompanied by interest in the amount of 9-1/2% per annum from the Closing Date until the date of payment.

(h) Buyer's and Sellers' rights to indemnification pursuant to Article VI or Article IX hereof (and any limitations on such rights) shall not be deemed to limit, supersede or otherwise affect Buyer's or Sellers' rights to a full Purchase Price

adjustment pursuant to this Section 2.9; provided however, that no party shall be entitled to indemnification pursuant to Article VI or Article IX hereof with respect to any matter that resulted in a Purchase Price adjustment, if and to the extent that such party is the beneficiary of a Purchase Price adjustment with respect to such matter pursuant to this Section 2.9.

(i) Sellers acknowledge that Buyer's execution of an engagement letter with an independent public accounting firm to enable Buyer's review of Sellers' Books and Records pursuant to Section 3.1 herein (the "Accountant's Engagement Letter"), does not constitute a waiver of any claims Buyer may have under this Section 2.9, including Buyer's ability to object to the Actual Statement of Net Assets or the Actual Stub Period Operating Income Statement.

Section 2.10 Intercompany Liabilities. Prior to the Closing, the Sellers and the Acquired Companies and the Subsidiaries shall settle or otherwise repay (and shall cause their respective Affiliates to settle or otherwise repay) all intercompany Liabilities between the Sellers and their respective Affiliates (other than the Acquired Companies and the Subsidiaries), on the one hand, and the Acquired Companies and the Subsidiaries on the other hand, other than the Balance Sheet Intercompany Liabilities (the "Off-Balance Sheet Intercompany Liabilities" and the foregoing procedures being the "Off-Balance Sheet Intercompany Liability Settlement") such that none of Buyer, the Acquired Companies or the Subsidiaries shall have any Off-Balance Sheet Intercompany Liabilities to any Seller or Affiliate of any Seller. To the extent there are any Off-Balance Sheet Intercompany Liabilities which are not fully settled as of the Closing Date, Buyer and Sellers shall cooperate in using their respective commercially reasonable efforts to complete the Off-Balance Sheet Intercompany Liability Settlement as to such remaining Liabilities through journal entries on the books and records of the Sellers, and their respective Affiliates, on the one hand, and the Acquired Companies and Subsidiaries, on the other hand, or through credits or other adjustments in continuing arrangements between the Sellers and their respective Affiliates, on the one hand, and the Acquired Companies and the Subsidiaries on the other hand, or contribution of cash to the Acquired Companies in amounts necessary to repay any outstanding Off-Balance Sheet Intercompany Liabilities owing from any of the Acquired Companies and Subsidiaries to Sellers or any of their Affiliates, provided that Buyer shall, at Sellers' sole expense, use reasonable efforts to cooperate with Sellers to settle such Off-Balance Sheet Intercompany Liabilities. In accordance with Section 9.2(a)(v) hereof, Sellers shall indemnify and hold harmless the Buyer, the Acquired Companies, the Subsidiaries and their Affiliates from any and all amounts incurred by the Buyer, the Acquired Companies and the Subsidiaries to complete the Off-Balance Sheet Intercompany Liability Settlement and for any Tax liabilities or other Liabilities

arising out of the Off-Balance Sheet Intercompany Liability Settlement, in each case whether occurring before, on, or after the Closing.

ARTICLE III

RELATED MATTERS

Section 3.1 Books and Records of the Acquired Companies. The Sellers shall deliver to Buyer at or as soon as practicable after the Closing, all Acquired Books and Records (including, but not limited to, correspondence, memoranda, minute books, books of account, personnel and payroll records and the like), except for books and records required pursuant to the performance of any of the Ancillary Agreements and preparation of the Tax Returns (as defined in Section 4.19(e) hereof) and any Letters, workpapers, memoranda, rulings or other documentation related to the preparation of such Tax Returns relating to the Acquired Companies or the Subsidiaries that contain material Tax information regarding operations other than the Business. Any books and records of the Acquired Companies or the Subsidiaries which are not delivered to Buyer hereunder shall be preserved by the Sellers for the longer of (i) seven years following the Closing, or (ii) 30 days past the end of the applicable statute of limitations for Taxes, including all extensions thereof, and Sellers shall permit Buyer and its authorized representatives to have reasonable access to, and examine and make copies of, all such books and records as reasonably requested by Buyer. All books and records delivered by the Sellers to Buyer shall be preserved by Buyer for the longer of (i) seven years following the Closing, or (ii) 30 days past the end of the applicable statute of limitations for Taxes, including all extensions thereof, and Buyer shall permit the Sellers and their authorized representatives to have reasonable access to, and examine and make copies of, all such books and records as reasonably requested by the Sellers. The Sellers, on the one hand, and Buyer, on the other hand, shall each provide the other with 30 days' notice before destroying any Tax records, and shall provide the other party with the opportunity to inspect, copy or reclaim the Tax records.

Section 3.2 No Ongoing or Transition Services.

(a) Except (i) as provided in Sections 6.7 and 6.19 hereof and in the Transitional Services Agreements, (ii) as otherwise agreed to in writing by Sellers and Buyer, at the Closing or (iii) as set forth in Section 3.2(b) and Section 3.2(c) below, all manufacturing, distribution, warehousing, sales, administration, data processing, accounting, tax, treasury, insurance, banking, personnel, legal, communications and other products or services provided to the Acquired Companies or the Business by Sellers or any of their Affiliates, including any agreements or understandings (written or oral) with respect thereto, shall terminate on the Closing Date.

(b) Sellers shall prepare and deliver to Buyer, no later than three months after Closing, assignments in recordable form, duly executed by Sellers or its appropriate Subsidiary or Affiliate, for the Acquired Intellectual Property in all jurisdictions in which registrations therefor are issued or applications therefor are pending, other than the jurisdictions as to which assignments in recordable form were delivered at Closing. Sellers shall provide reasonable assistance and shall cooperate with Buyer with respect to the transfer of the Acquired Intellectual Property including, but not limited to, the provision of copies of records and documents in Sellers' possession or under their control such as those required to fill in gaps in the chain of title, dockets, information regarding local prosecuting counsel, copies of notices received post-Closing from outside counsel and registry officials.

(c) Upon Buyer's written request, Sellers shall promptly as practicable provide Buyer with such Transitional Services as are consistent with services provided to the Business by the Sellers prior to the Closing and as are reasonably necessary in the operation of the Business, which had not been identified prior to the Closing. Such Transitional Services shall be provided by Sellers to Buyer at the historical costs associated with the provision of such services and on terms substantially similar to that set forth in the Transitional Services Agreement, for a period not to exceed the lesser of (i) six months from the date upon which Buyer notifies Sellers of its request for such services and (ii) nine months following the Closing.

Section 3.3 Distributions. The Sellers may, on or prior to the Closing Date, cause the Acquired Companies and/or the Subsidiaries to distribute cash to the Sellers or their Affiliates, by one or more dividends, repurchase of existing stock and other distributions, including payment of intercompany fees and Sellers' ordinary cash sweeping and consolidation, subject to (i) the obligations of the Sellers to deliver all of the Acquired Assets of the Business as provided herein, (ii) the delivery of, at a minimum, the Net Assets shown on the September 30, 1999 Statement of Net Assets, and (iii) the Purchase Price adjustments in Section 2.9 hereof.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLERS

Each of the Sellers, jointly and severally, represents and warrants to Buyer that the statements contained in this Article IV are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (except for representations and warranties that speak as of a specific date) as though made then and as though the Closing Date were substituted for the date of this Agreement

throughout Article IV, except as fully set forth in the Disclosure Letter. Nothing in the Disclosure Letter shall be deemed adequate to disclose an exception to a representation or warranty made herein, however, unless the Disclosure Letter identifies the exception with particularity and describes the relevant facts in detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be deemed adequate to disclose an exception to a representation or warranty made herein (unless the representation or warranty has to do with the existence of the document or other item).

Section 4.1 Organization.

(a) As set forth on Section 4.1 of the Disclosure Letter, the Acquired Companies and the Subsidiaries are corporations or companies duly organized, validly existing and (except in such jurisdictions in which applicable law does not provide for a corporation to be in good standing) in good standing under the laws of their state or jurisdiction of incorporation or organization and have the requisite corporate and other power and corporate authority to own, lease and operate their properties and to carry on their business and operations and the Business as now being conducted, except where any such failure to be so organized, existing and in good standing or to have such power and authority would not individually or in the aggregate have a Business Material Adverse Effect.

(b) Sellers are corporations or companies duly organized, validly existing and (except in such jurisdictions in which applicable laws do not provide for a corporation or company to be in good standing) in good standing under the laws of their state or jurisdiction of incorporation.

(c) The Acquired Companies and the Subsidiaries are duly qualified or licensed and (except in jurisdictions in which applicable laws do not provide for a corporation or company to be in good standing) in good standing to do business in each jurisdiction in which property is owned, leased or operated by any of the Acquired Companies or the Subsidiaries or the nature of the Business conducted by any of the Acquired Companies or the Subsidiaries makes such qualification necessary, except where any such failure to be so duly qualified or licensed and in good standing would not individually or in the aggregate have a Business Material Adverse Effect and would not impair the ability of Sellers to consummate the transactions contemplated by this Agreement.

(d) Sellers have heretofore made available to Buyer complete and correct copies of the Acquired Companies' and the Subsidiaries' certificates of incorporation and by-laws or analogous organizational documents, as currently in effect.

(e) As used in this Agreement, "Business Material Adverse Effect" means any material adverse change in, or effect on, the business, financial condition or operations of the Business taken as a whole. As used in this Agreement, the term "Person" shall mean and include an individual, a partnership, a limited liability company, a joint venture, a corporation, a trust, an incorporated organization and a Governmental Entity or any other entity, whether domestic or foreign.

Section 4.2 Authorization; Validity of Agreement; Sellers Action. The Sellers have all necessary corporate power to perform their obligations hereunder and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by the Sellers of this Agreement, and the consummation by them of the transactions contemplated hereby, have been duly authorized and approved by all necessary action on the part of their respective Boards of Directors and no other corporate action on the part of the Sellers is necessary to authorize the execution, delivery and performance by the Sellers of this Agreement and the consummation by them of the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Sellers and, assuming due and valid authorization, execution and delivery hereof by the Buyer, is a valid and binding obligation of the Sellers, enforceable against each of the Sellers in accordance with its terms, except that such enforcement may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting creditors' rights and remedies generally, and the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

Section 4.3 Capital Stock. Set forth in Section 4.3 of the Disclosure Letter is the number of authorized shares of capital stock of each of the Acquired Companies and each Subsidiary and the number of such shares which are issued and outstanding. No shares of capital stock of the Acquired Companies or the Subsidiaries are reserved for issuance or held in such Acquired Companies' or the Subsidiaries' treasury. All of the Shares and the shares of capital stock of each Acquired Company are validly issued, fully paid and non-assessable. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other commitments that require any of the Acquired Companies or the Subsidiaries to issue, sell, or otherwise cause to become outstanding any of its

capital stock, nor are there outstanding or authorized any stock appreciation rights, phantom stock, or similar rights or instruments. There is no action, suit, proceeding, hearing, charge, complaint, demand or notice pending, or, to the knowledge of Sellers, threatened by any present or former shareholder of the Acquired Companies or of the Subsidiaries with respect to any of the Acquired Companies' or Subsidiaries' capital stock, nor do any facts exist to Sellers' knowledge which could form the basis for any such claim.

Section 4.4 Ownership of the Shares.

(a) Sellers (or the Acquired Companies in the case of Shares of the Subsidiaries) are the record and beneficial owners of the Shares as and to the extent set forth in Section 4.4 of the Disclosure Letter, which comprise all of the issued and outstanding shares of all classes of capital stock of the Acquired Companies except as set forth in Section 4.4 of the Disclosure Letter. Sellers (or the Acquired Companies in the case of Shares of the Subsidiaries) have good title to the Shares, free and clear of all Liens (as defined hereafter) or restrictions on transfer (other than in the relevant Organizational Documents). Upon the transfer by Sellers to Buyer of the certificate or certificates evidencing the Shares (other than shares of the Subsidiaries owned by the Acquired Companies) or registration in the share transfer records of the Acquired Companies where such is the method of transfer, Sellers shall have transferred to Buyer good title to the Shares free and clear of all Liens or restrictions on transfer (other than in the relevant Organizational Documents).

(b) As used herein, "Liens" shall mean any pledge, guarantees, mortgage, charge, claim, security interest, conditional and installment sales agreement, encumbrance or charge, of any kind.

(c) Except as set forth in Section 4.4(c) of the Disclosure Letter, the Acquired Companies do not own, directly or indirectly, any capital stock or equity securities of any Person or have any direct or indirect equity or ownership interest in any business other than the Business.

(d) Subsidiaries. Section 4.4(d) of the Disclosure Letter sets forth for each Subsidiary (i) its name and jurisdiction of incorporation or organization, (ii) the number of shares of authorized capital stock of each class of its capital stock, (iii) the number of issued and outstanding shares of each class of its capital stock, the names of the holders thereof, and the number of shares held by each such holder, and (iv) the number of shares of its capital stock held in treasury. All of the issued and outstanding shares of capital stock of each Subsidiary of each of the Acquired

Companies have been duly authorized and are validly issued, fully paid, and nonassessable. Except as set forth in Section 4.4 of the Disclosure Letter, the Acquired Companies hold of record and own beneficially all of the outstanding shares of each Subsidiary, free and clear of any Liens. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments that require any of the Acquired Companies or their Subsidiaries to sell, transfer, or otherwise dispose of any capital stock of any of the Subsidiaries or any Subsidiary of any Acquired Company to issue, sell, or otherwise cause to become outstanding any of its own capital stock. There are no outstanding stock appreciation, phantom stock or profit participation rights or other similar rights with respect to any Subsidiary. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of any capital stock of any Subsidiary. None of the Acquired Companies and Subsidiaries controls directly or indirectly or has any direct or indirect equity participation in any corporation, partnership, trust, or other business association which is not a Subsidiary.

Section 4.5 Consents and Approvals; No Violations. Except as set forth in Section 4.5 of the Disclosure Letter, neither the execution, delivery or performance of this Agreement by the Sellers nor the consummation by the Sellers of the transactions contemplated hereby nor compliance by the Sellers, the Acquired Companies or the Subsidiaries with any of the provisions hereof shall (i) conflict with or result in any breach of any provision of the certificate of incorporation or by-laws or similar organizational documents of the Sellers, the Acquired Companies or the Subsidiaries, (ii) require on the part of the Sellers, the Acquired Companies or the Subsidiaries any filing with, or permit, authorization, consent or approval of, any Governmental Entity, (iii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, any of the terms, conditions or provisions of any material note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation (including those agreements and obligations set forth in Section 4.16 of the Disclosure Letter) to which the Sellers with respect to the Business, the Acquired Companies or the Subsidiaries is a party or by which any of them or any of their respective properties or assets may be bound (the "Material Agreements") or (iv) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Sellers, the Acquired Companies, the Subsidiaries or any of their respective properties or assets, excluding from the foregoing clauses (ii), (iii) or (iv) where the failure to obtain such permits, authorizations, consents or approvals or to make such filings, or the existence of such violations, breaches or defaults, would not, individually or in the aggregate, have a Business Material Adverse Effect, and

which shall not materially impair the ability of the Sellers to consummate the transactions contemplated hereby.

Section 4.6 Business Financial Statements.

(a) Annexed hereto as Section 4.6(a) of the Disclosure Letter is an audited special purpose statement of net assets as of September 30, 1999 (the "September 30, 1999 Statement of Net Assets"). The September 30, 1999 Statement of Net Assets has been derived from the books and records of the Sellers, the Acquired Companies and the Subsidiaries relating to the Business and fairly presents the assets and liabilities of the Business as of September 30, 1999 in accordance with Adjusted U.S. GAAP.

(b) Annexed hereto as Section 4.6(b) of the Disclosure Letter is an unaudited summary of net sales, gross contribution, brand support, brand contribution, selling, general and administrative expenses, operating income and EBITDA (operating income before depreciation and amortization) relating to the Business (other than Natural Honey or as otherwise set forth in such summary) for the years ended December 31, 1997, 1998, and the 1999 budget (the "Historical and Budgeted Financial Information"). The Historical and Budgeted Financial Information was prepared from the books and records of the Sellers, the Acquired Companies and the Subsidiaries relating to the Business, including Sellers' Hyperion internal management reporting system. The Historical and Budgeted Financial Information does not include data relating to the Natural Honey brand. The Historical and Budgeted Financial Information presents the net sales, gross contribution, brand support, brand contribution, selling, general and administrative expenses, operating income and EBITDA for the years ended December 31, 1997, 1998, and the 1999 budget in accordance with Sellers' Hyperion internal management reporting system and as otherwise noted in the footnotes. The Historical and Budgeted Financial Information is not audited and was not prepared in accordance with Adjusted U.S. GAAP.

(c) The special statement of certain corporate overhead and research and development expenses set forth in Section 4.6(c) of the Disclosure Letter reflects, within $500,000, the Sellers' budgeted amounts of certain corporate overhead and research and development allocation for the Business in 1999. Such allocation is not audited and was not prepared in accordance with Adjusted U.S. GAAP. Such statement was prepared from the books and records of the Sellers, the Acquired Companies and the Subsidiaries relating to the Business. Sellers make no representation or warranty as to the actual cost Buyer, the Acquired Companies or the Subsidiaries

may incur for overhead, research and development and other services for the Business heretofore provided by Sellers.

Section 4.7 Assets Necessary to Business. Except for the assets (a) disposed of or let to lapse in the ordinary course of business, (b) set forth in Section 4.7 of the Disclosure Letter, (c) Excluded Assets (other than the Excluded Assets included in the Licensed Intellectual Property), or (d) the assets of the Sellers and their Affiliates which will be used in the provision of the transition services pursuant to the Transitional Services Agreements, the Acquired Assets, the assets of the Acquired Companies, and the Subsidiaries and the Licensed Intellectual Property comprise all of the assets, properties and rights used in the conduct of the Business (A) as conducted during the twelve-month period prior to the date hereof and (B) as presently conducted by the Acquired Companies and the Subsidiaries in the same manner as conducted prior to Closing, including, without limitation, in a manner consistent with such operations that generated the results of operations reflected in the financial statements included in Section 4.6(a) and (b) of the Disclosure Letter. Immediately following the Closing, neither Sellers nor any officer or director of Sellers shall own, license or lease any Acquired Assets, any assets of the Acquired Companies or any properties or rights which are used in the Business as presently conducted, except for (A) the Licensed Intellectual Property and the Intellectual Property to be licensed back to Sellers pursuant to the license agreements contemplated in Section 6.11(b), (B) the Excluded Assets, and (C) the assets of the Sellers and their Affiliates which will be used in the provision of the transition services pursuant to the Transitional Services Agreements.

Section 4.8 Title to Property and Assets. Except (i) as set forth in Section 4.8 of the Disclosure Letter; (ii) with respect to Real Property, which is covered by the provisions of Section 4.12 hereof; and (iii) with respect to Intellectual Property, which is covered by Section 4.13 hereof, Sellers have good, valid and merchantable or marketable title to all of the Acquired Assets and the Acquired Companies have good, valid and marketable title to the assets of the Acquired Companies and the Subsidiaries, free and clear of any Liens, except for Permitted Encumbrances.

Section 4.9 Condition of Property. Other than real property covered by Section 4.12, each material tangible asset, including the machinery and equipment included in the Acquired Assets and the machinery and equipment which are assets of the Acquired Companies is in good operating condition and repair (subject to normal wear and tear), and is suitable for the purposes for which it presently is used, except for any which are obsolete and reflected for no value on the Final Statements of Net Assets.

Section 4.10 No Undisclosed Liabilities. Neither the Business, the Acquired Companies nor any of the Subsidiaries have any Liability of a kind required by Adjusted U.S. GAAP to be reflected on a net assets statement except for (i) Liabilities reflected on or reserved against on the September 30, 1999 Statement of Net Assets, (ii) Liabilities which have arisen since September 30, 1999 in the ordinary course of business which will be reflected on the Final Statement of Net Assets, if of a nature required to be so reflected by Adjusted U.S. GAAP, (iii) contractual obligations under the agreements set forth in Section 4.11 (including obligations created pursuant hereto) and under the agreements set forth in Section 4.16 of the Disclosure Letter, and (iv) Liabilities disclosed in Section 4.10 of the Disclosure Letter.

Section 4.11 Absence of Certain Changes.

(a) Except as set forth on Section 4.11 of the Disclosure Letter, since September 30, 1999, and as of the date hereof, there has not been any change in the Business of the Acquired Companies and the Subsidiaries, taken as a whole, which would result in a Business Material Adverse Effect (excluding any change, event, effect or circumstance arising in connection with the announcement or performance of the transactions contemplated by this Agreement).

(b) Without limiting the generality of the foregoing, since September 30, 1999, and as of the date hereof, except as set forth in Section 4.11 of the Disclosure Letter, neither the Business, any of the Acquired Companies nor any of the Subsidiaries have (except as otherwise contemplated by this Agreement and except as to Excluded Assets or Excluded Liabilities):

(i) sold, leased, transferred, or assigned any assets, tangible or intangible, having a value, individually or in the aggregate in excess of U.S. $50,000 except for inventory sold in the ordinary course of business and obsolete assets sold or disposed of for fair value in the ordinary course of business;

(ii) entered into a material agreement, contract, lease, or license (or series of related agreements, contracts, leases or licenses) involving more than U.S. $50,000, nor modified in writing the terms of any such existing contract or agreement;

(iii) (nor has any other party thereto, to the Sellers' knowledge) accelerated, terminated, made material modifications to, or canceled

in writing any Material Agreement to which the Acquired Companies or Sellers are a party or by which they are bound;

(iv) engaged in any activity which has resulted in any acceleration or delay of the collection of its accounts or notes receivable or any delay in the payment of its accounts payable, in each case in an amount in excess of U.S. $50,000;

(v) made or delayed (in relation to the budget of the Business) any capital expenditures in an amount in excess of U.S. $50,000 individually or in the aggregate;

(vi) imposed any Liens upon any of its assets, tangible or intangible (other than under existing Liabilities or Permitted Encumbrances);

(vii) made any equity or debt investment in, or any loan to, any other Person in an amount in excess of U.S. $50,000 individually or in the aggregate in each case;

(viii) created, incurred, assumed, or guaranteed more than U.S. $50,000 in aggregate indebtedness for borrowed money and capitalized lease obligations, other than accounts payable for goods and services arising in each case in the ordinary course of business;

(ix) granted any license or sublicense of any rights under, allowed to lapse, or disposed of any of the Acquired Intellectual Property, Acquired Companies' Intellectual Property or Licensed Revlon Marks, in each case, other than in the ordinary course of business;

(x) made or authorized any change in its charter, by-laws or other analogous organizational documents;

(xi) issued, sold, or otherwise disposed of any of its capital stock, or granted any options, warrants, or other rights to purchase or obtain (including upon conversion, exchange or exercise) any of its capital stock;

(xii) declared, set aside, or paid any dividend or made any distribution with respect to its capital stock (whether in cash or in kind) or redeemed, purchased or otherwise acquired any of its capital stock;

(xiii) experienced any damage, destruction or loss to its property having a book value, individually or in the aggregate, in excess of U.S. $50,000;

(xiv) made any loan to, or entered into any other transaction with, any of its directors, officers, and employees, other than employment arrangements entered into, in each case, in the ordinary course of business;

(xv) experienced any material adverse changes in the amount or scope of coverage of insurance now carried by it;

(xvi) made or been subject to any change in its accounting practices, procedures or methods or in its cash management practices;

(xvii) entered into any employment agreement or arrangement with senior management or collective bargaining agreement, or modified in writing in any material respect the terms of any such existing agreement;

(xviii) adopted, amended, modified, or terminated any bonus, profit-sharing, incentive, severance or other plan, contract or commitment for the benefit of any of its directors, officers, and employees (or taken any such action with respect to any other Benefit Plan) or granted any increase in the base compensation of or made any other change in the employment terms of any of its directors, officers and senior employees;

(xix) incurred any Tax liability other than in the ordinary course of business, amended any Tax Return, or made any elections with respect to Taxes except as otherwise disclosed; or

(xx) committed in writing to do any of the foregoing.

Section 4.12 Real Property.

(a) Owned Real Property. Section 4.12 of the Disclosure Letter sets forth a list of all Owned Real Property (as hereinafter defined). With respect to each Owned Real Property, one of the Acquired Companies or Subsidiaries (as the

case may be) has good and marketable fee simple title to the Owned Real Property located within the United States, and valid legal title to the Owned Real Property located outside the United States, free and clear of all Liens, except Permitted Encumbrances. Except as set forth in Section 4.12 of the Disclosure Letter (i) none of the Acquired Companies or the Subsidiaries is a party to any agreement or option to purchase any real property or interest therein; (ii) such Acquired Company or Subsidiary (as the case may be) has not leased, or except for Permitted Encumbrances otherwise granted to any Person the right to use or occupy such Owned Real Property or any portion thereof; (iii) there are no outstanding options, rights of first offer or rights of first refusal or other agreements to purchase such Owned Real Property or any portion thereof or interest therein; and (iv) neither the Sellers or any of their Affiliates (other than the Acquired Companies or the Subsidiaries) own any real property which is used exclusively or primarily in the Business.

(b) "Owned Real Property" means all land (whether located within or outside the United States), together with all buildings, structures, improvements and fixtures located thereon, and all easements and other rights and interests appurtenant thereto, owned by any of the Acquired Companies or the Subsidiaries.

(c) "Permitted Encumbrances" means (i) Liens for Taxes or other assessments or charges of Governmental Entities that are not yet due and payable or that are being contested in good faith through appropriate proceedings and as to which reserves have been established in accordance with Adjusted U.S. GAAP and that exist on the Estimated, Actual or Final Statement of Net Assets, as appropriate; (ii) mechanic's, carriers', workers', materialmen's, warehousemen's and similar Liens arising or incurred in the ordinary course of business for sums not due and payable or payments which are being contested in good faith by appropriate proceedings; (iii) leases or subleases disclosed in Section 4.12 of the Disclosure Letter; (iv) any Lien existing on any real property, covenants, conditions, zoning restrictions, easements, rights-of-way, encumbrances, encroachments, restrictions on use of real property and other matters affecting title that are shown as exceptions on title policies, title commitments and reports or other documents which have been made available to Buyer; (v) any Lien existing on any real property, covenants, conditions, zoning restrictions, easements, rights-of-way, encumbrances, encroachments, restrictions on use of real property and other matters affecting title which do not materially detract from the value or use of such real property for the uses and purposes to which such property is currently employed or materially impair the operations of the Business as performed in such location; and (vi) matters set forth in Section 4.12 of the Disclosure Letter.

(d) Leased Real Property. Section 4.12 of the Disclosure Letter sets forth the address of each Leased Real Property (as hereinafter defined). Except as set forth in Section 4.12 of the Disclosure Letter and except as would not have a Business Material Adverse Effect, with respect to each of the Real Property Leases and Acquired Real Property Leases: (i) each such lease is the legal, valid, binding obligation of the Lessee, is enforceable, and is in full force and effect (ii) the Lessee has not assigned its interest under such lease, sublet any interest in any Leased Real Property or pledged its interest therein; (iii) the Lessee's possession and quiet enjoyment of the Leased Real Property has not been disturbed and no material default exists with respect to the Real Property Leases and the Acquired Real Property Leases, and no event has occurred or circumstance exists which, with the delivery of notice, the passage of time or both, would constitute such a material breach or material default or permit the termination, modification or acceleration of rent under such Real Property Leases and Acquired Real Property Leases, and (iv) other than the Leased Real Property, the Lessee does not lease any other real property which is used exclusively or primarily in the Business.

(i) "Leased Real Property" means all real property subject to the Real Property Leases and Acquired Real Property Leases.

(ii) "Real Property Leases" means all real property leases, subleases, licenses and other agreements to occupy real property pursuant to which the Sellers, Acquired Companies or Subsidiaries is the lessee, lessor, sublessor or sublessee and that are used exclusively or primarily in the Business as listed on Section 4.12 to the Disclosure Letter.

(iii) "Acquired Real Property Leases" means all real property leases, subleases, licenses and other agreements to occupy real property pursuant to which the Sellers or their Affiliates (other than the Acquired Companies and the Subsidiaries) are the lessee or sublessee and that are used exclusively or primarily in the Business as listed on Section 4.12 to the Disclosure Letter.

(iv) "Lessee" means, with respect to the each of the Real Property Leases and Acquired Real Property Leases, respectively, the Sellers or Affiliate (other than the Acquired Company or Subsidiary), the Acquired Company, or Subsidiary which is a party thereto.

(e) Improvements. Except as set forth on Section 4.12(e) of the Disclosure Letter, to Sellers' knowledge, all buildings, structures, improvements,

fixtures, building systems and equipment, and all components thereof, owned by Sellers and located on the Owned Real Property and the Leased Real Property (collectively, the "Real Property") (the "Improvements") are in all material respects in operable condition and repair, taken as a whole, subject to normal wear and tear sufficient for the operation of the Business.

(f) Condemnation. Except as set forth on Section 4.12(f) of the Disclosure Letter, to Sellers' knowledge, there is no condemnation, expropriation or other proceeding in eminent domain pending or threatened in writing, affecting any Real Property or any portion thereof or interest therein.

(g) Certificates of Occupancy. The Acquired Companies or their Subsidiaries, as the case may be, have obtained all certificates of occupancy, and material licenses, permits, easements and rights of way, including proofs of dedication, required to own, use or operate the Real Property in the manner in which the Real Property is currently being used and operated, the failure to obtain which in the aggregate would not cause a Business Material Adverse Effect.

Section 4.13 Intellectual Property.

(a) Sections 1.2(i) (R&D Projects at Sellers' Facilities Dedicated to the Business), 1.4 (Acquired Companies' Intellectual Property), 1.6 (Acquired Intellectual Property), 1.7 (Acquired Intellectual Property Contracts), 1.27 (Licensed Intellectual Property) and 1.28 (Licensed Revlon Marks) of the Disclosure Letter, taken together, set forth a complete and accurate list of: (i) all R&D Projects other than the R&D Projects that are at the facilities of the Acquired Companies and/or the Subsidiaries; (ii) all patents and pending patent applications included in the Business Intellectual Property which is owned by the Acquired Companies, the Subsidiaries, Sellers or Sellers' Affiliates; (iii) all registered and, with respect to certain of the currently used marks, material unregistered trademarks, service marks, certification marks, and registered copyrights included in the Business Intellectual Property which is owned by Acquired Companies, the Subsidiaries, or by Sellers or Sellers' Affiliates; and (iv) all Acquired Intellectual Property Contracts, excluding licenses of software which are Excluded Assets used by the Sellers or their respective Affiliates pursuant to the Transitional Services Agreements and excluding readily-available commercial software acquired or licensed for a cost of less than U.S. $50,000). Except as set forth in Section 4.13 of the Disclosure Letter and except for registrations allowed to lapse or were abandoned in the ordinary course consistent with past practice, registrations for the patented and registered items of Business Intellectual Property included in Sections 1.4

and 1.6 of the Disclosure Letter are valid and subsisting and all maintenance and renewal fees due prior to the date hereof have been paid.

(b) Except as otherwise set forth in Section 1.3 (Acquired Companies' Intellectual Property), 1.5 (Acquired Intellectual Property) or 1.6 (Acquired Intellectual Property Contracts) of the Disclosure Letter, Sellers or their Affiliates or the Acquired Companies or the Subsidiaries own and possess all right, title and interest in, to and under the Business Intellectual Property, or have or will, at the Closing Date, have the right to use such Business Intellectual Property in connection with the Business as currently conducted pursuant to valid license agreements. Except as set forth on Section 4.13(b) of the Disclosure Letter, the Business Intellectual Property, along with the third party intellectual property rights licensed pursuant to the Acquired Intellectual Property Contracts, and the software which are Excluded Assets or used in the provision of transitional services under the Transitional Services Agreements and any other Intellectual Property used in the provision of Transitional Services that is licensed to Sellers or its Subsidiaries and its Affiliates and cannot be sublicensed to Buyer, comprises all of the Patent Rights, Trademark Rights, Copyrights, Proprietary Information and software (collectively, "Intellectual Property") used in and necessary for the operation of the Business as conducted by Sellers and their Affiliates and the Acquired Companies and any Subsidiaries as of the Closing Date. Except as set forth in Section 4.13 of the Disclosure Letter and except to the extent that the failure to disclose such claims would not in the aggregate have a Business Material Adverse Effect: (i) no claim by any third party contesting the validity, enforceability, use or ownership of any of the Business Intellectual Property owned by Sellers, their Affiliates, the Acquired Companies or any Subsidiary has been made in writing within the past two years and is currently outstanding or, to the knowledge of Sellers, is threatened; (ii) none of Sellers, their Affiliates, the Acquired Companies or the Subsidiaries has sent within the past two years any written notices of, and none of such parties have knowledge of any facts which indicate a likelihood of, any infringement or misappropriation by any third party with respect to the Business Intellectual Property; (iii) none of Sellers, their Affiliates, the Acquired Companies or any Subsidiary has received within the past two years any written notices of any infringement or misappropriation of any intellectual property rights of a third party (including without limitation, any demand that Sellers, their Affiliates, the Acquired Companies or any Subsidiary license any rights from a third party) as a result of the operation of the Business; and (iv) to the best of Sellers' current knowledge, the conduct of the Business as currently conducted does not infringe or misappropriate any Intellectual Property rights of any third parties.

Section 4.14 Litigation. Except as disclosed in Section 4.14 of the Disclosure Letter or which would not individually or in the aggregate, if determined on a basis adverse to Sellers, the Acquired Companies, the Subsidiaries or the Business, be reasonably likely to result in Liability exceeding U.S. $100,000, (i) there is no suit, action, claim, arbitration or proceeding pending or, to the knowledge of the Sellers, threatened or, to the knowledge of Sellers, any investigation by any Governmental Entity against the Acquired Companies or any of the Subsidiaries or against Sellers or any of their Affiliates relating to the Business and (ii) none of the Acquired Companies or Subsidiaries or with respect to the Business, the Sellers or their Affiliates, is subject to any outstanding injunction, order, decree, judgment, ruling, settlement, claim or charge.

Section 4.15 No Default; Compliance with Applicable Laws. Except as set forth in Section 4.15 of the Disclosure Letter, none of the Sellers, the Acquired Companies or the Subsidiaries are in default or violation of any term, condition or provision of (i) their respective articles of incorporation or by-laws or similar organizational documents, (ii) any Material Agreement or (iii) any federal, state, local or foreign statute, law, ordinance, rule, regulation, judgment, code, decree, order, concession, Company Permit, or license or other governmental authorization or approval applicable to the Acquired Companies or any of the Subsidiaries or the Business, excluding from the foregoing clauses (ii) and (iii), defaults or violations which would not have a Business Material Adverse Effect.

Section 4.16 Certain Contracts and Arrangements.

(a) Except as set forth in Section 4.16 of the Disclosure Letter or with respect to Real Property Leases or Acquired Real Property Leases or transactions contemplated hereby or the Ancillary Agreements, none of the Sellers (with respect to agreements used exclusively in the Business), the Acquired Companies or the Subsidiaries are parties to any written (a) collective bargaining agreement, (b) employment or consulting agreement providing for annual payments in excess of U.S. $100,000; (c) indenture, mortgage, note, installment obligation, agreement or other instrument relating to the borrowing of money (other than intercompany accounts which shall be governed by Section 2.9 hereof), or the guaranty of any obligation for the borrowing of money, except any such agreements with an aggregate outstanding principal amount not exceeding U.S. $100,000; (d) partnership, joint venture or other similar agreement or arrangement; (e) material license or other similar agreement, including but not limited to, any exclusive license or sublicense or any other license or sublicense of any material rights under the Acquired Intellectual Property, the Acquired Companies' Intellectual Property, and any licenses under the Licensed Intellectual

Property that would conflict with the licenses contemplated under Section 6.11; (f) agency, sales representation, distribution or other similar agreement providing for annual payments by the Sellers, the Acquired Companies or the Subsidiaries in excess of U.S. $100,000; (g) agreement for the purchase of supplies or materials other than in the ordinary course of business providing for annual payments by the Sellers, the Acquired Companies or the Subsidiaries in excess of U.S. $100,000; (h) agreement for the sale of goods or services, other than the sale of inventory in the ordinary course of business, providing for annual payments by the Sellers, the Acquired Companies or the Subsidiaries in excess of U.S. $100,000; (i) any other agreement material to the Business taken as a whole; (j) agreement (or group of related agreements) for the lease of personal property to or from any Person providing for lease payments by the Sellers, the Acquired Companies or the Subsidiaries in excess of U.S. $50,000 per annum; (k) agreement concerning confidentiality or noncompetition; (l) agreement with any of the Sellers and their Affiliates (other than the Acquired Companies and the Subsidiaries); (m) profit sharing, stock option, stock purchase, stock appreciation, deferred compensation, severance or other material plan or arrangement for the benefit of its current or former directors, officers, and employees; (n) agreement under which it has advanced or loaned any amounts in each case in excess of U.S. $50,000 to any of its directors, officers, and employees; (o) agreement under which the consequences of a default or termination would have a Business Material Adverse Effect; or (p) other agreement (or group of related agreements) the performance of which involves annual payment by the Sellers, the Acquired Companies or the Subsidiaries in excess of U.S. $100,000. Except as set forth in Section 4.16 of the Disclosure Letter, all agreements set forth in Section 4.16 of the Disclosure Letter are legal, in full force and effect, valid, binding and enforceable in accordance with their terms, except that (i) such enforcement may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting creditors' rights or remedies generally, and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought. None of the Sellers, the Acquired Companies nor any Subsidiary nor, to the knowledge of the Sellers, any other party thereto is in default under any of the aforesaid agreements except with respect to any default by the other party thereto as would not, individually or in the aggregate, have a Business Material Adverse Effect.

(b) The Sellers have provided to Buyer a correct and complete copy of each written agreement listed on Section 4.16 of the Disclosure Letter (as amended to date).

Section 4.17 Employee Benefit Plans; ERISA.

(a) Section 4.17(a) of the Disclosure Letter contains a true and complete list of each deferred compensation and each incentive compensation plan, equity compensation plan, "welfare" plan, fund or program (within the meaning of section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")); "pension" plan, fund or program (within the meaning of section 3(2) of ERISA); employment, termination or severance agreement; and other employee benefit plan, fund, program, agreement or arrangement, in each case, that is sponsored, maintained or contributed to or required to be contributed to by the Acquired Companies, the Subsidiaries or by any entity, whether or not incorporated (an "ERISA Affiliate"), that together with the Acquired Companies or the Subsidiaries would be deemed a "single employer" within the meaning of section 4001(b) of ERISA, which, in each case, provides benefits for any employee or former employee of the Acquired Companies or any Subsidiary (the "Benefit Plans").

(b) Except as set forth in Section 4.17(b) of the Disclosure Letter:

(i) With respect to each Benefit Plan, the Sellers, the Acquired Companies or the Subsidiaries have provided or made available to Buyer true and complete copies of such Benefit Plan and any amendments thereto (or if such Benefit Plan is not a written Benefit Plan, a description thereof), any related trust or other funding vehicle, any current annual reports on Form 5500 or summary plan description required under ERISA or the Code and the most recent determination letter received from the U.S. Internal Revenue Service (the "IRS") with respect to each Benefit Plan intended to qualify under section 401 of the Code.

(ii) No material Liability under Title IV or section 302 of ERISA has been incurred by the Acquired Companies, the Subsidiaries or any ERISA Affiliate that has not been satisfied in full, and no condition exists that presents a risk to the Acquired Companies, the Subsidiaries or any ERISA Affiliate of incurring any such Liability, other than Liability for premiums due the Pension Benefit Guaranty Corporation (which premiums have been paid when due).

(iii) No Benefit Plan is a "multiemployer pension plan," as defined in section 3(37) of ERISA, nor is any Benefit Plan a plan described in section 4063(a) of ERISA , and none of the Acquired Companies

or the Subsidiaries has any Liability under or with respect to any such multiemployer plan.

(iv) Each Benefit Plan intended to be "qualified" within the meaning of section 401(a) of the Code has received a favorable determination letter from the IRS, and nothing has occurred since the date of such determination that is reasonably likely to adversely affect such determination.

(v) There are no pending, threatened in writing or material claims anticipated by Sellers by or on behalf of any Benefit Plan, by any employee or beneficiary covered under any such Benefit Plan, or otherwise involving any such Benefit Plan (other than routine claims for benefits).

(vi) Each Benefit Plan has been maintained and administered in material compliance with its terms and with the terms of any applicable collective bargaining agreement and in material compliance with all applicable laws or regulations; and none of the Acquired Companies or any Subsidiary has incurred any material penalty relating to a Benefit Plan.

(vii) Each Benefit Plan which is subject to the health care continuation requirements of Part 6 of Subtitle B of Title I of ERISA and Code ss.4980B ("COBRA") has been administered in all material respects in compliance with such requirements. No Benefit Plan provides medical or life or other welfare benefits to any current or future retired or terminated employees other than as required pursuant to COBRA.

Section 4.18 Taxes.

(a) The Acquired Companies and the Subsidiaries have (i) duly filed (or there has been filed on their behalf) with the appropriate taxing authorities all Tax Returns of the Acquired Companies and the Subsidiaries, respectively, required to be filed by them on or prior to the date hereof, and such Tax Returns are true, correct and complete in all respects, and (ii) duly paid in full or made provision in accordance with Adjusted U.S. GAAP (or there has been paid or provision has been made on their behalf) for the payment of all Taxes of the Acquired Companies and the Subsidiaries shown to be due on such Tax Returns.

(b) Except as set forth in Section 4.18 of the Disclosure Letter, no federal, state, local or foreign audits are presently pending with regard to any Tax Return of the Acquired Companies or the Subsidiaries.

(c) Except as set forth in Section 4.18 of the Disclosure Letter, there are no outstanding written consents to extend or waive the statutory period of limitations applicable to the assessment of any Taxes against the Acquired Companies or any of the Subsidiaries, and no power of attorney granted by any of the Sellers, the Acquired Companies or the Subsidiaries with respect to any Taxes of the Acquired Companies or the Subsidiaries is currently in force.

(d) Except as set forth in Section 4.18 of the Disclosure Letter, none of the Acquired Companies or any of the Subsidiaries is a party to any agreement providing for the allocation or sharing of Taxes.

(e) "Taxes" shall mean any and all taxes, charges, fees, levies or other assessments, including, without limitation, income, gross receipts, excise, real or personal property, sales, withholding, social security (or similar), occupation, use, service, service use, unemployment, disability, registration, estimated, custom duties, capital stock, severance, employment, environmental, license, net worth, payroll, franchise, transfer, value added and recording taxes, fees and charges imposed by any taxing authority (domestic or foreign), including, without limitation, any state, county, local or foreign Governmental Entity, whether computed on a separate, consolidated, unitary, combined or any other basis; and such term shall include any interest, penalties or additional amounts attributable to, or imposed upon, or with respect to, any such Taxes, whether disputed or not. "Tax Return" shall mean any report, return, document, declaration or other information or filing required to be supplied to any Governmental Entity with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereto.

(f) Each of the Acquired Companies and the Subsidiaries has withheld and paid, or accrued on the September 30, 1999 Statement of Net Assets, or the Estimated, Actual or Final Statement of Net Assets, as the case may be, all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party.

(g) None of the Acquired Companies and the Subsidiaries has filed a consent under Code ss.341(f) concerning collapsible corporations. None of the Acquired Companies and the Subsidiaries has been a United States real property holding corporation within the meaning of Code ss.897(c)(2) during the applicable period specified in Code ss.897(c)(1)(A)(ii). Each of the Acquired Companies and the Subsidiaries has disclosed on its federal income Tax Returns all positions taken therein that could give rise to a substantial understatement of federal income Tax within the meaning of Code ss.6662. Except as disclosed, since December 31, 1987 none of the Acquired Companies and the Subsidiaries, (A) has been a member of an affiliated group (or any other similar group defined under a similar provision of state, local or foreign law) filing a consolidated federal, state, local or foreign income Tax Return (other than a group the common parent of which was M&F) or (B) has any liability for the Taxes of any Person (other than members of the affiliated group of which M&F is the parent) under Treasury Regulation ss.1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, or by contract. None of Sellers with respect to the Business, the Acquired Companies and the Subsidiaries has made an election under Code ss. 897(i).

(h) None of the Acquired Companies and the Subsidiaries currently is the beneficiary of any agreement providing for an extension of time within which to file any Tax Return.

(i) None of the Acquired Companies and the Subsidiaries is obligated to make any payments, or is a party to any agreement that would obligate it to make any payments, that would not be deductible under Code ss.280G by reason of transactions contemplated by this Agreement.

(j) Each of the Acquired Companies and the Subsidiaries shall not be required to (A) as a result of any "closing agreement," as described in ss.7121 of the Code (or any corresponding provision of state, local or foreign income Tax law), include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date, (B) as a result of any sale reported on the installment method where such sale occurred on or prior to

the Closing Date, include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date, or (C) as a result of any prepaid amount received on or prior to the Closing Date (other than amounts prepaid in the ordinary course of business consistent with past custom or practice), include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date.

(k) Sellers represent that as of December 31, 1998, the total amount of losses available to be carried forward by Revlon S.L. which can be utilized to offset taxable income of Revlon S.L. for taxable periods beginning on or after January 1, 1999 was approximately 1,398,000,000 Spanish Pesetas; provided, however, that such losses shall be adjusted upward or downward by an amount representing either the taxable loss or income generated by Revlon S.L. during the taxable periods beginning January 1, 1999 and ending on the Closing Date; and further provided however, that the absolute amount of losses available for carryforward to future periods is subject to adjustment as a result of any audit by the Spanish tax authorities with respect to prior periods up to and including the Closing Date (the "Spanish Tax Loss Carryforwards").

Section 4.19 Environmental Protection.

(a) Except as set forth in Section 4.19 of the Disclosure Letter:

(i) Since January 1, 1997, neither (i) the Sellers, the Acquired Companies or any Subsidiary have received any written communication from any Person (including any Governmental Entity) alleging that the Sellers or the Acquired Companies or any Subsidiary are potentially responsible parties under Environmental Law (as defined in Section 4.19(b)) with respect to any actual or alleged environmental contamination relating to a facility used in or in connection with the Business (including any off-site location where waste or hazardous materials generated or handled by the Sellers, the Acquired Companies or any Subsidiary, in each case with respect to the operation of the Business, have been released, disposed of or otherwise come to be located); none of the Sellers, the Acquired Companies or any Subsidiary, nor, to the Sellers' knowledge, is any Governmental Entity conducting or has conducted any environmental remediation or environmental investigation which could reasonably be expected to result in material Liability for the Acquired Companies or any Subsidiary under Environmental Law; and none of the Sellers, the Acquired Companies or any Subsidiary have received any written

request for information under Environmental Law from any Governmental Entity or any other Person with respect to any actual or alleged environmental contamination relating to the Business;

(ii) Since January 1, 1997, neither the Sellers nor the Acquired Companies nor any Subsidiary have violated any Environmental Laws in respect of the Business or have caused or contributed to any material environmental contamination relating to the Business that has caused any material property damage or material personal injury under any Environmental Law;

(iii) To the knowledge of Sellers, none of the Sellers or their Affiliates, with respect to the Business, the Acquired Companies or any of their Subsidiaries has treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, or released any substance, including without limitation any hazardous substance, or owned or operated any property or facility, in a manner that has given or is reasonably likely to give rise to any liabilities of any of the Acquired Companies or the Subsidiaries or the Business (including without limitation any Liability for response costs, corrective action costs, personal injury, property damage, natural resources damages or attorneys' fees) pursuant to the federal U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), or any other Environmental Law; and

(iv) None of the following exists at any property or facility owned or operated by any of the Acquired Companies or the Subsidiaries: (1) underground storage tanks containing hazardous materials, (2) asbestos-containing material in any form or condition, (3) materials or equipment containing polychlorinated biphenyls, or (4) landfills, surface impoundments, or waste disposal areas, except in the case of each of the foregoing subclauses in compliance with applicable Environmental Laws.

(b) For purposes of this Section 4.19, "Environmental Law" means all applicable state, federal, local and foreign laws, regulations and rules, including common law, judgments, decrees and orders relating to pollution, the preservation of the environment, or the release of hazardous materials, noise, odors or radiation into the environment.

Section 4.20 Insurance. Section 4.20 of the Disclosure Letter sets forth a complete and correct list as of the date hereof of all current primary, excess and

umbrella Liability policies (including self-insurance arrangements), and other forms of insurance, owned or held by or on behalf of or providing insurance coverage to or for the benefit of the Acquired Companies or the Subsidiaries or, with respect to the Business, the Sellers. All of such insurance policies are in full force and effect, all premiums currently due and payable or previously due have been paid, no written notice of cancellation or termination has been received with respect to any such policy and no assignment of proceeds (other than mortgage clauses) or Lien exists with respect to the proceeds of any such policy. Except as and to the extent set forth in Section 4.20 of the Disclosure Letter, as of the date hereof, there are no pending claims against any such policies relating to the Business (other than routine claims in the ordinary course of the Business).

Section 4.21 Labor Matters.

(a) Except as and to the extent set forth in Section 4.21 of the Disclosure Letter, (i) there is no labor strike, slowdown, stoppage or lockout actually pending (for which written notice has been provided), or to the knowledge of the Sellers, threatened against the Business and during the past three years there has not been any such action; (ii) none of the Acquired Companies or Subsidiaries is a party to or bound by any collective bargaining agreement with any labor organization and there are no collective bargaining agreements relating to the Business; (iii) none of the Affected Employees are represented by any labor organization and the Sellers have no knowledge of any current union organizing activities among such employees; (iv) there is no unfair labor practice charge or complaint against the Acquired Companies or Subsidiaries pending or, to the knowledge of the Sellers, threatened before the National Labor Relations Board or any similar state or foreign agency; and (v) to the knowledge of Sellers, no union organizing or decertification efforts are pending or threatened and no other dispute exists.

(b) None of the Acquired Companies, Subsidiaries or Sellers has implemented any plant closing or mass layoff in the United States (as those terms are defined in the Worker Adjustment Retraining and Notification ("WARN") Act of 1988) covering employees with respect to the Business which is subject to the notice requirements of WARN, and no layoffs of employees with respect to the Business that could implicate the WARN notice requirements will be implemented by the Sellers or their respective Affiliates before the Closing without advance notification to Buyer.

Section 4.22 Affiliate Agreements. Section 4.22 of the Disclosure Letter lists all material agreements, contracts, arrangements, payables, obligations and understandings that relate to the Business between any of the Acquired Companies or

the Subsidiaries, on the one hand, and any Sellers or any other Affiliate of the Sellers other than the Acquired Companies or the Subsidiaries, on the other hand, or any other agreements between any of the Sellers and their Affiliates including, but not limited to, the Acquired Companies and the Subsidiaries which affect or relate to the Licensed Revlon Marks (the "Affiliate Agreements"). As used in this Agreement, "Affiliate" shall mean, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. The term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as applied to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person.

Section 4.23 Brokers. No broker, investment banker or other Person, other than Goldman, Sachs & Co. and Lazard Freres & Co. LLC, the Sellers' financial advisors, the fees and expenses of which shall be paid by the Sellers, is entitled to any broker's, finder's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Sellers or any of their Affiliates.

Section 4.24 Permits. Except as set forth on Section 4.24 of the Disclosure Letter, the Acquired Companies and the Subsidiaries currently hold (or are permitted to operate under) all material governmental and other material third party permits (including occupancy permits), licenses, consents and authorizations (including, without limitation, material permits issued under Environmental Laws) (collectively "Company Permits") required in connection with the ownership, use and operation of the Business. Any applications for the renewal of any such Company Permits due prior to the Closing Date have been, or will be, timely filed prior to the Closing Date. Except as set forth in Section 4.24 of the Disclosure Letter, no proceeding to modify, suspend, revoke, withdraw, terminate or otherwise limit any such Company Permit is pending or, to the knowledge of Sellers, is threatened. None of the Acquired Companies, Subsidiaries or Sellers is in violation of any Company Permit and no written notice of violation, administrative order, claim or proceeding alleging a violation of any such Company Permit is pending or, to the knowledge of Sellers, threatened and, to the knowledge of Sellers, no administrative or governmental action has been taken or, to the knowledge of Sellers, is threatened in connection with the expiration, continuance or renewal of any such Company Permit.

Section 4.25 Customers and Suppliers. Since September 30, 1999 nor prior to September 30, 1999 to the extent the effect thereof would occur after September 30, 1999, except as set forth on Section 4.25 of the Disclosure Letter, no material supplier of the Business has provided written notice to any of the Sellers, the Acquired

Companies or the Subsidiaries that it shall stop, or materially decrease the rate of, supplying materials, products or services to the Business, and no material customer has provided written notice to any of the Sellers, the Acquired Companies or the Subsidiaries that it shall stop, or materially decrease the rate of, buying Products from the Business.

Section 4.26 SEC Financial Statements. To the best knowledge of Sellers, as of the date hereof, books and records exist at the facilities of the Sellers, their Affiliates and the Acquired Companies and the Subsidiaries, that would be necessary to prepare audited primary financial statements of the Business for the years ending December 31, 1999 and December 31, 1998, in accordance with the rules and regulations of the Securities and Exchange Commission as in effect on the date hereof for inclusion in a Registration Statement for an initial public offering of securities of the Business (the "SEC Financial Statements"). Sellers make no representation or warranty as to the time, expense or personnel necessary to prepare the SEC Financial Statements. Sellers also do not represent as to the competency of Buyer and its auditors to prepare and complete audited financial statements.

Section 4.27 Anti-Loading.

(a) Since September 30, 1999, neither the Sellers, the Acquired Companies, nor any of the Subsidiaries has, with respect to the Business or the Acquired Assets (nor has any other party thereto), accelerated, terminated, made material modifications to, or cancelled any material agreement, contract, lease, or license to which the Sellers, the Acquired Companies, or any of their Subsidiaries is a party or by which it is bound.

(b) Since September 30, 1999, no incentives have been offered to customers of the Business with the primary intent of accelerating trade purchases to meet volume or profit objectives.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers that the statements contained in this Article V are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (except for representations and warranties that speak as of a specific date) as though made then and as though the Closing Date

were substituted for the date of this Agreement throughout Article V, except as fully set forth in the Disclosure Letter.

Section 5.1 Organization.

(a) Buyer is a corporation duly organized, validly existing and (except in such jurisdictions in which applicable law does not provide for a corporation to be in good standing) in good standing under the law of its state or jurisdiction of incorporation and has the requisite corporate and other power and corporate authority to own, lease and operate its properties and to carry on its business and operations as now being conducted, except where any such failure to be so organized, existing and in good standing or to have such power and authority would not individually or in the aggregate have a Buyer Material Adverse Effect.

(b) Buyer is duly qualified or licensed and (except in jurisdictions in which applicable law does not provide for a corporation to be in good standing) in good standing to do business in each jurisdiction in which the property owned, leased or operated by Buyer makes such qualification necessary.

(c) Buyer has heretofore made available to Sellers complete and correct copies of the Buyer's certificates of incorporation, by-laws, and other analogous organizational documents as currently in effect.

(d) As used in this Agreement, "Buyer Material Adverse Effect" means any material adverse change in, or material adverse effect on, the business, financial condition or operations of the Buyer.

Section 5.2 Authorization; Validity of Agreement; Necessary Action. Buyer has all necessary corporate power to perform its obligations hereunder and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by Buyer of this Agreement, and the consummation by the Buyer of the transactions contemplated hereby, have been duly authorized and approved by all necessary action on the part of its Board of Directors and no other corporate action on the part of Buyer is necessary to authorize the execution, delivery and performance by Buyer of this Agreement and the consummation by it of the transactions contemplated hereby. This Agreement has been duly executed and delivered by Buyer and assuming due and valid authorization, execution and delivery hereof by the Sellers, is a valid and binding obligation of Buyer enforceable against Buyer in accordance with its respective terms, except that (i) such enforcement may be subject to applicable bankruptcy, insolvency, reorganization,

moratorium or other similar laws, now or hereafter in effect, affecting creditors' rights and remedies generally, and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

Section 5.3 Consents and Approvals; No Violations. Except as set forth in Section 5.3 of the Disclosure Letter, neither the execution, delivery or performance of this Agreement by the Buyer nor the consummation by Buyer of the transactions contemplated hereby nor compliance by Buyer with any of the provisions hereof shall (i) conflict with or result in any breach of any provision of the certificate of incorporation or by-laws or similar organizational documents of the Buyer, (ii) require on the part of the Buyer any filing with, or permit, authorization, consent or approval of, any Governmental Entity, (iii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under, any of the terms, conditions or provisions of any material note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which the Buyer is a party or by which Buyer or any of its respective properties or assets may be bound or (iv) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Buyer or any of its properties or assets, excluding from the foregoing clauses (ii), (iii) or (iv) where the failure to obtain such permits, authorizations, consents or approvals or to make such filings, or the existence of such violations, breaches or defaults, would not, individually or in the aggregate, have a Buyer Material Adverse Effect, and which shall not materially impair the ability of the Buyer to consummate the transactions contemplated hereby.

Section 5.4 Financing. Buyer agrees that it shall not, without the prior consent of Revlon, enter into any amendment to, or modification or waiver of, any of the commitment letters attached hereto as Section 5.4 of the Disclosure Letter (the "Commitment Letters"), if such amendment, modification or waiver would (i) reduce the aggregate amount of funds committed under the Commitment Letters or (ii) add additional conditions to the consummation of the transactions contemplated by the Commitment Letters, unless in each case it would not have a material adverse effect on or delay the consummation of the transactions contemplated by this Agreement. Buyer shall use commercially reasonable efforts to (i) enforce the performance of the lenders under the Commitment Letters, (ii) fulfill all of its obligations under the Commitment Letters and (iii) cause all conditions to funding under the Commitment Letters (other than (x) conditions to funding that are conditions to Buyer's consummation of the transactions contemplated by this Agreement or (y) conditions not in the control of Buyer) to be fulfilled as promptly as reasonably practicable. In the event Buyer believes

that the consummation of the financing is not likely to occur, Buyer shall give Revlon prompt written notice thereof.

Section 5.5 Solvency of the Buyer, Acquired Companies and Subsidiaries at the Closing Date. Immediately after the Closing Date and after giving effect to the transactions contemplated hereby, to the knowledge of Buyer, the Buyer and the Acquired Companies and their Subsidiaries will not (i) be insolvent (either because its financial condition is such that the sum of its debts is greater than the fair market value of its assets or because the fair saleable value of its assets is less than the amount required to pay its probable Liability on its existing debts as they mature), (ii) have unreasonably small capital with which to engage in its business, or (iii) have incurred debts beyond its ability to pay as they become due.

Section 5.6 Litigation. There is no suit, action, claim, arbitration or proceeding pending or, to the knowledge of Buyer, threatened in writing against Buyer which would adversely affect Buyer's performance of its obligations under this Agreement.

Section 5.7 Brokers. No broker, investment banker or other Person, the Buyer's financial advisor, the fees and expenses of which shall be paid by the Buyer, is entitled to any broker's, finder's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer or any of its Affiliates.

Section 5.8 Acquisition of Capital Stock of Acquired Companies for Investment. Buyer is acquiring the Shares for investment and not with a view toward the distribution thereof. Buyer acknowledges that such shares may not be sold or otherwise disposed of in violation of the United States Securities Act of 1933, as amended, (the "Act").

ARTICLE VI

COVENANTS

Section 6.1 Interim Operations of the Business by Sellers. During the period from the date hereof to the Closing, except as disclosed in Section 6.1 of the Disclosure Letter or otherwise provided for in, or contemplated by, this Agreement or except with the prior written consent of the Buyer, the Sellers shall operate the Business only in the ordinary and usual course of business consistent with past practice and,

without limiting the generality of the foregoing (in each case with respect to the Business):

(a) Sellers and the Acquired Companies shall not, directly or indirectly, (i) sell, transfer or pledge or agree to sell, transfer or pledge any common stock or capital stock of any of the Acquired Companies or Subsidiaries beneficially owned by them, either directly or indirectly; (ii) amend their certificate of incorporation or by-laws or similar organizational documents of the Acquired Companies or Subsidiaries; or (iii) split, combine or reclassify the outstanding common stock or any outstanding capital stock of any of the Acquired Companies or Subsidiaries;

(b) neither the Acquired Companies nor any of the Subsidiaries shall: (i) issue, sell, pledge, dispose of or encumber any additional shares of, or securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of capital stock of any class of the Acquired Companies or the Subsidiaries; (ii) incur or modify any indebtedness or other Liability, other than in the ordinary and usual course of business and consistent with past practice, provided that, the Acquired Companies and the Subsidiaries may borrow money, in an aggregate amount not to exceed U.S. $50,000, and may discount receivables and engage in overdraft financing in the ordinary course of business and consistent with past practice, for use in the ordinary and usual course of business; or (iii) redeem, purchase or otherwise acquire directly or indirectly any of their capital stock;

(c) neither the Sellers with respect to the Acquired Assets or the Licensed Intellectual Property nor the Acquired Companies nor the Subsidiaries shall transfer, lease, license, sell, mortgage, pledge, dispose of, or encumber any assets other than in the ordinary and usual course of business and consistent with past practice;

(d) the Sellers with respect to the Acquired Assets and the Acquired Companies and the Subsidiaries shall not cancel and shall use their commercially reasonable efforts to maintain (and to prevent the termination or cancellation of) any insurance policy naming them as beneficiaries or loss payable payees unless cancelled and replaced with similar coverage, except in the ordinary and usual course of business consistent with past practice;

(e) neither the Acquired Companies nor any of the Subsidiaries shall: (i) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other Person; (ii) make any loans, advances or capital contributions to, or investments in, any other Person (other than to another one of the Acquired Companies or one of the

Subsidiaries); or (iii) enter into any commitment or transaction with respect to any of the foregoing (including, but not limited to, any borrowing, capital expenditure or purchase, sale or lease of assets);

(f) neither the Acquired Companies nor any of the Subsidiaries shall change any of their accounting principles (including Tax accounting principles) unless required by applicable law;

(g) neither the Acquired Companies nor any of the Subsidiaries shall adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Acquired Companies or any of the Subsidiaries;

(h) the Sellers shall not and shall cause the Acquired Companies and the Subsidiaries not to, take, or commit to take, any action that would make any representation or warranty of the Sellers contained herein inaccurate in any material respect at, or as of any time prior to, the Closing (except for representations and warranties made as of a specific date);

(i) Sellers shall not, and shall cause the Acquired Companies and the Subsidiaries not to, sell, encumber, lease, license, transfer or dispose of any Acquired Assets or Licensed Intellectual Property or any assets of the Acquired Companies or Subsidiaries or rights to acquire any assets or rights which would be included in the Acquired Assets or Licensed Intellectual Property or any assets of the Acquired Companies or Subsidiaries, except pursuant to obligations in effect on the date hereof and set forth in Section 6.1 of the Disclosure Letter and except for Permitted Encumbrances;

(j) Sellers shall not permit and shall cause the Acquired Companies and the Subsidiaries to not permit any Acquired Asset or Licensed Intellectual Property or asset of the Acquired Companies or Subsidiaries to suffer any Lien thereupon, except for such Liens, if existing on the date hereof, as would be Permitted Encumbrances;

(k) neither the Sellers, the Acquired Companies nor any of the Subsidiaries shall authorize or enter into an agreement to do any of the foregoing;

(l) the Sellers shall not, and the Sellers shall cause the Acquired Companies and the Subsidiaries to not, engage in any practice, take any action

or enter into any transaction (i) of the sort described in Section 4.11(b) or (ii) which would require disclosure under Section 4.11(b);

(m) neither the Sellers, the Acquired Companies nor any of the Subsidiaries shall, with respect to the Business or the Acquired Assets, accelerate, terminate, make material modifications to, or cancel any agreement, contract, lease, or license to which any of the Sellers, with respect to the Business or the Acquired Assets, the Acquired Companies or any of their Subsidiaries is a party or by which any of them is bound; and

(n) no incentives shall be offered to customers of the Business with the primary intent of accelerating trade purchases to meet volume or profit objectives.

Section 6.2 Preservation of Business. From the date hereof to the Closing, the Sellers shall use their commercially reasonable efforts (and shall use their commercially reasonable best efforts to cause the Acquired Companies and the Subsidiaries to):

(a) preserve the Business and its properties intact;

(b) keep available to the Business the services of the employees of the Business listed in Section 6.2 of the Disclosure Letter;

(c) preserve the Business' relationships with customers, suppliers, licensors, licensees, contractors, distributors and others having material business dealings with the Business including under Material Agreements;

(d) preserve the Business Intellectual Property and the goodwill of the Business including the payment of all maintenance and renewal fees which come due prior to Closing;

(e) enforce the rights in the Business Intellectual Property against third parties;

(f) continue to maintain, in all material respects, the Acquired Assets and the assets of the Acquired Companies and Subsidiaries; and

(g) maintain all files, books and records with respect to the Business.

None of the Sellers will take any action (and Sellers shall cause their Affiliates not to take any action) that is designed or intended to have the effect of discouraging any lessor, licensor, customer, supplier, or other business associate of the Business, the Acquired Companies or the Subsidiaries from maintaining the same business relationships with the Business, the Acquired Companies or the Subsidiaries after the Closing as it maintained with the Business, the Acquired Companies or the Subsidiaries prior to the Closing. From and after the Closing, each of the Sellers will (and shall cause their Affiliates to) refer all customer inquiries relating to the Business to the Buyer and the Buyer and its Affiliates shall refer all customer inquiries regarding the Sellers' retained business to the Sellers.

Section 6.3 Access to Information. Upon reasonable notice, the Sellers shall (and shall cause each of the Acquired Companies and the Subsidiaries to) afford to the officers, employees, accountants, counsel and other representatives of Buyer, reasonable access, during normal business hours, to all their properties, books, contracts, commitments and records (other than consolidated or combined Tax information but including Tax information relating solely to the Business or the Acquired Companies) as they relate to the Business and, during such period, the Sellers shall (and shall cause each of the Acquired Companies to) furnish promptly to the Buyer all other information concerning the Business as Buyer may reasonably request. Unless otherwise required by law (including the rules and regulations of any stock exchange on which the shares of the respective party or its Affiliates are publicly traded), Buyer and Sellers, and each of their respective Affiliates, shall hold any such information which is nonpublic in confidence in accordance with the provisions of the Confidentiality Agreement by and Among Revlon, Inc. and CVC European Equity Partners II, L.P., and Carlos Colomer for Himself and Certain Investors, dated October 20, 1999 (the "Confidentiality Agreement") and Section 6.18 (Confidentiality) hereof.

Section 6.4 Consents and Approvals.

(a) As soon as reasonably practicable, Buyer and Sellers shall make, or cause to be made, all filings and submissions under the HSR Act and any other applicable Competition Laws as may be reasonably required in connection with this Agreement and the transactions contemplated hereby. Subject to Section 6.3 hereof, Sellers shall furnish to Buyer and Buyer shall furnish to Sellers, such information and assistance as the other may reasonably request in connection with the preparation of any such filings or submissions. Subject to Section 6.3 hereof, Sellers shall provide Buyer, and Buyer shall provide Sellers, with copies of all correspondence, filings or communications (or memoranda setting forth the substance thereof) between such party

or any of its representatives, on the one hand, and any Governmental Entity or authority or members of their respective staffs, on the other hand, with respect to this Agreement and the transactions contemplated hereby. The Sellers and Buyer shall consult with one another with respect to any such correspondence, filings or communications and shall engage in any discussions with any Governmental Entity on a joint basis. The filing fees for filings made under the HSR Act and any other applicable Competition Laws shall be borne by the party obligated under such laws to submit the filing, or in the absence of any such obligation, by the party that under the applicable business practices and customs is the primary party responsible for such filing and the expenses associated therewith. As used in this Agreement, "Competition Laws" shall mean foreign statutes, rules, regulations, orders, decrees, administrative and judicial doctrines, and other foreign laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization, lessening of competition or restraint of trade or laws regarding the registration of investments, acquisitions or the like.

(b) Each of Sellers, the Acquired Companies, the Subsidiaries and the Buyer shall take all actions necessary to comply promptly with all legal requirements which may be imposed on them with respect to this Agreement and the transactions contemplated hereby. At Sellers' sole expense, except as expressly set forth herein or in the Ancillary Agreements, each of Sellers and the Acquired Companies shall, and shall cause the Subsidiaries to, take all actions necessary to obtain or make (and shall cooperate with Buyer in obtaining or making) any consent, authorization, termination, filing, certificate, order, separation of agreement (on substantially similar terms) or approval of or from, or any exemption by, any Governmental Entity or other public or private third party required to be obtained or made by Sellers, the Acquired Companies or any of the Subsidiaries or the Business in connection with (A) the separation of the Business from the Sellers as set forth in Section 6.14 or (B) the taking of any action contemplated by this Agreement or the Ancillary Agreements. The Buyer shall take all actions necessary to obtain (and shall cooperate with Sellers in obtaining) any consent, authorization, order, separation or approval of, or any exemption by, any Governmental Entity or other public or private third party required to be obtained or made by the Buyer in connection with the taking of any action contemplated by this Agreement. Without limiting the generality of the foregoing, prior to the Closing, the Sellers, at their sole expense, will use their commercially reasonable best efforts to cause the Acquired Companies and the Subsidiaries to give any notices to third parties required to complete the transactions contemplated by this Agreement, and will cause the Acquired Companies and the Subsidiaries to use their commercially reasonable best efforts, to obtain or make any third party consents, filings, certificates, approvals, terminations, separation or orders required to complete the transactions contemplated by this Agreement or the Ancillary Agreements, that the Buyer may request. Without

limiting the generality of the foregoing, after the Closing (i) Sellers shall, at their sole expense, except as expressly set forth herein or in the Ancillary Agreements, obtain or make any necessary consents, authorizations, terminations, filings, certificates, orders, separation of agreement (on substantially similar terms) or approvals of or from, or any exemption by, any Governmental Entity or other public or private third party required to be obtained or made by Sellers, the Acquired Companies, the Subsidiaries or the Business in connection with (A) the separation of the Business from the Sellers as set forth in Section 6.14 or (B) the taking of any action contemplated by this Agreement or the Ancillary Agreements, including, without limitation, those consents, authorizations, terminations, filings, certificates, orders, separation and approvals set forth on Sections 4.5 and 4.16 of the Disclosure Letter, (ii) to the extent such consent, authorization, termination, filing, certificate, order, separation of agreement (on substantially similar terms) or approval is obtained or made by Buyer or its Affiliates (whether before, on or after the Closing Date), Sellers shall reimburse Buyer for all costs and expenses arising out of or associated with acquiring or making such consent, authorization, termination, filing, certificate, order, separation or approval and (iii) Sellers shall indemnify Buyer and its Affiliates against any Liability or damages (including consequential damages) as and when incurred by Buyer or its Affiliates asserted against or incurred by Buyer or its Affiliates as a result of or arising out of Sellers' failure to obtain or make prior to the Closing Date any necessary consents, authorization, termination, filings, certificates, order, separation of agreement (on substantially similar terms) or approval of or from, or any exemption by, any Governmental Entity or other public or private third party required to be obtained or made by Sellers, the Acquired Companies, the Subsidiaries or the Business in connection with (A) the separation of the Business from the Sellers as set forth in Section 6.14 or (B) taking of any action contemplated by this Agreement or the Ancillary Agreements, including, without limitation, those consents, authorizations, terminations, filings, certificates, orders, separations and approvals set forth on Sections 4.5 and 4.16 of the Disclosure Letter. Notwithstanding the foregoing, Buyer and its Affiliates shall, at Sellers' expense, use their commercially reasonable efforts to mitigate any Liability or damages (including consequential damages) incurred by Buyer or its Affiliate with respect to this Section 6.4(b)(iii).

Section 6.5 Publicity. The initial press release with respect to the execution of this Agreement and any press release relating to the consummation of the transactions contemplated by this Agreement shall be a joint press release reasonably acceptable to Buyer and Sellers. Thereafter, so long as this Agreement is in effect, neither Sellers, Buyer nor any of their respective Affiliates or representatives shall issue or cause the publication of any press release or other public announcement with respect to this Agreement or the other transactions contemplated hereby without the prior notice to and consultation with the other party, except as may be required by law or by any

listing agreement with a national securities exchange or as required in connection with any financing or refinancing or sale or merger of Buyer, the Business or the Acquired Companies.

Section 6.6 Notification of Certain Matters. The Sellers shall give prompt notice to Buyer and Buyer shall give prompt notice to the Sellers, of (i) any matter which would cause any representation or warranty contained in this Agreement to be untrue or inaccurate in any material respect at or prior to the Closing and (ii) any material failure of Sellers or Buyer, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 6.6 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice. No notice or disclosure by the Sellers pursuant to this Section 6.6, however, shall be deemed to amend or supplement the Disclosure Letter or to prevent or cure any misrepresentation, breach of warranty or breach of covenant.

Section 6.7 Further Assurances. Subject to the terms and conditions herein provided, each of the parties hereto shall use their respective commercially reasonable best efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement. If at any time after the Closing Date any further action is necessary or desirable to carry out the purposes of this Agreement, the parties hereto shall take or cause to be taken all such necessary action, including, without limitation, the execution and delivery of such further instruments (including, if the License Agreement (Revlon Marks) is found by a Governmental Entity to be illegal, invalid or unenforceable, an amended or new trademark license agreement containing such provisions as will set forth the original intent of the parties to the maximum extent possible under applicable law) and documents as may be reasonably requested by the other party for such purposes or otherwise to consummate and make effective the transactions contemplated hereby; provided that, to the extent not indemnified or required hereunder the cost of such action or of such instruments and documents related thereto shall be borne by the party requesting them. The foregoing covenant will survive the Closing of the transactions contemplated herein.

Section 6.8 Employees; Employee Benefits.

(a) Immediately following the Closing, Buyer shall, or shall cause the Acquired Companies and each Subsidiary to, employ or continue to employ each Person identified in Section 6.8(a) of the Disclosure Letter as an employee of the

Acquired Companies or any Subsidiary immediately prior to the Closing and any employee of Sellers dedicated to the Business and set forth on Section 6.8(a)(i) of the Disclosure Letter (all such employees of the Acquired Companies, Subsidiaries and Sellers identified in Section 6.8(a) of the Disclosure Letter, the "Affected Employees"). Buyer or its Affiliates shall offer the Affected Employees, in the aggregate, benefits, including without limitation, severance, salary and bonus opportunity in accordance with the compensation and benefit plans described in Section 6.8(a)(ii) of the Disclosure Letter. Except as required by applicable law or any collective bargaining agreement, under no circumstances shall Buyer or its Affiliates be required to provide or maintain any particular plan or benefit which was provided to or maintained for Affected Employees prior to the Closing. Any Affected Employee who is receiving benefits as of the Closing under Sellers' short-term or long-term disability program shall be deemed to be an employee of Sellers until such time as such employee returns to active service and if such employee returns to active service within six months of the Closing Date, then such employee shall be deemed an Affected Employee and employed by Buyer in accordance with the terms of this Section. Such employment of such employees dedicated to the Business who do not have employment agreements shall be, if permitted under applicable law, employment at will for the purposes of this Section. For purposes of all employee benefit plans (including, but not limited to, all "employee benefit plans" within the meaning of Section 3(3) of ERISA, and all policies and employee fringe benefit programs, including vacation policies) of the Buyer (such plans, programs, policies and arrangements, the "Buyer Plans") in which the Affected Employees may participate following the Closing under which an employee's eligibility or benefit depends, in whole or in part, on length of service, Buyer shall cause credit to be given to the Affected Employees for service previously credited with the Acquired Companies and the Subsidiaries and the Sellers, as the case may be, prior to the Closing, provided, that such crediting of service does not result in duplication of benefits, and provided, that except as provided in subsection (d) below, such crediting of service shall not be required for benefit accrual purposes under any Buyer Plan that is a defined benefit plan. Affected Employees shall also be given credit for any deductible or co-payment amounts paid in respect of the plan year in which the Closing occurs, to the extent that, following the Closing, they participate in any Buyer Plan for which deductibles or co-payments are required. Buyer shall also use its commercially reasonable best efforts to cause each Buyer Plan to waive (A) any preexisting condition restriction with respect to conditions which were covered under the terms of any analogous plan immediately prior to the Closing or (B) waiting period limitation which would otherwise be applicable to an Affected Employee on or after the Closing to the extent such Affected Employee had satisfied any similar waiting period limitation under an analogous plan prior to the Closing.

(b) Prior to the Closing Date, Sellers shall take all such action as shall be necessary or appropriate such that the accrued benefit as of the Closing Date of each Affected Employee under the Revlon Employee Retirement Plan, the Revlon Foreign Service Employees' Pension Plan and the Amended and Restated Pension Equalization Plan, dated as of December 14, 1998 (collectively, the "Revlon Pension Plans") shall be fully 100% vested. Following the Closing Date, the Sellers shall cause to be made distributions of benefits under the Revlon Employee Retirement Plan to Affected Employees as and when required in accordance with the terms of the Revlon Employee Retirement Plan.

(c) Prior to the Closing Date, Sellers shall take all such action as shall be necessary or appropriate such that the account balance as of the Closing Date of each Affected Employee under the Revlon Employee Savings, Investment and Profit Sharing Plan (the "Revlon Savings Plan") and the Revlon Excess Savings Plan for Key Employees (collectively, the "Revlon DC Plans") shall be fully 100% vested. As soon as practicable after the Closing Date, but in no event later than 120 days after the Clos ing Date, Buyer shall establish a defined contribution plan and trust intended to qualify under Section 401(a) and Section 501(a) of the Code (the "Buyer Savings Plan"). Sellers shall, within 160 days following the Closing Date, but in no event prior to the receipt by Sellers of written evidence of the adoption of the Buyer Savings Plan and the trust thereunder by Buyer and either (A) the receipt by the Sellers of a copy of a favorable determination letter issued by the IRS with respect to the Buyer Savings Plan or (B) an opinion, reasonably satisfactory to Sellers' counsel, of Buyer's counsel to the effect that the terms of the Buyer Savings Plan and its related trust qualify under Section 401(a) and Section 501(a) of the Code, direct the trustee of the Revlon Savings Plan to transfer to the trustee of the Buyer Savings Plan the account balances under the Revlon Savings Plan as of the date of transfer in respect of Affected Employees. Except to the extent mutually agreed to by Sellers and Buyer, the transfer of assets pursuant to this Section 6.8(c) shall be in cash (except that any promissory notes or other evidence of indebtedness with respect to outstanding loans under the Revlon Savings Plan made to any Affected Employee shall also be transferred). From the Closing Date, until the date of such transfer, to the extent allowable by applicable law, the Buyer shall make continuous payroll deductions each pay period from the pay of each Affected Employee who has a loan or loans outstanding from the Revlon Savings Plan of amounts sufficient to pay the installment payments of principal and interest on each such loan as required by the promissory note or other evidence of indebtedness related to such loan or loans. Such deducted amounts shall be paid by the Buyer to the trustee of the Revlon Savings Plan, whom the Sellers shall direct to accept such payments for a credit against such loans. Upon such transfer, the Buyer Savings Plan shall assume all liabilities for all accrued benefits under the Revlon Savings Plan in respect of Affected Employees that

are transferred to the Buyer Savings Plan and the Revlon Savings Plan shall be relieved of all liabilities for such accrued benefits. Sellers and Buyer shall cooperate in the filing of documents required by the transfer of assets and liabilities described herein. Notwithstanding anything contained herein to the contrary, no such transfer shall take place until the 31st day following the filing of all required Forms 5310-A in connection therewith.

(d) Effective as of the Closing Date, the Buyer shall assume or shall cause to remain in full force and effect all obligations of the Acquired Companies and Subsidiaries arising under any collective bargaining agreement or other arrangement with any unions or other labor organizations, which agreement or arrangement is scheduled on Section 4.21 of the Disclosure Letter, including without limitation the Labor Agreement between Roux Laboratories Inc. and Local 6520 International Union, United Automobile Aerospace and Agricultural Implement Workers of America (UAW) UAW, AFL-CIO (the "UAW Agreement"). Effective as of the Closing Date, the Buyer shall establish a defined benefit pension plan qualified under Section 401(a) of the Code (the "Buyer UAW DB Plan") for the benefit of Affected Employees the terms of whose employment are subject to the UAW Agreement (the "UAW Affected Employees") and a defined contribution pension plan qualified under Section 401(a) of the Code (the "Buyer UAW DC Plan") for the benefit of UAW Affected Employees. The Buyer UAW DB Plan and the Buyer UAW DC Plan shall (i) recognize all service with Sellers prior to the Closing Date by each UAW Affected Employee for all purposes thereunder and (ii) be substantially identical to the Revlon UAW Pension Plan dated as of October 1, 1991 (the "Sellers UAW DB Plan") and the Putnam Flexible 401(k) and Profit Sharing Plan, respectively. Sellers shall transfer (or cause to be transferred) from the Sellers UAW DB Plan to the Buyer UAW DB Plan the assets (determined as set forth below) and liabilities which are attributable to the UAW Affected Employees who are participants in the Sellers UAW DB Plan as of the Closing Date. Within 30 days after the Closing Date, Sellers shall file or cause to be filed any IRS Forms 5310-A required to be submitted to the IRS in respect to the transfer contemplated by this Section 6.8(d). The asset transfer shall be made as soon as practicable following the determination of the "transfer amount", as described below, but in no event prior to the thirtieth day following the filing of such IRS Forms 5310-A with the IRS (or, in the event the IRS raises any objections to the transfer, the date as of which the IRS withdraws such objections or is satisfied that the terms of the transfer have been modified to the extent necessary to meet such objections). The "transfer amount" shall be determined as follows:

(i) the total benefits under the Sellers UAW DB Plan, for purposes of section 4044 of ERISA, shall be calculated as if (A) all

participants (not just Affected Employees) ceased accruing any additional benefits thereunder immediately prior to the Closing Date and (B) the Sellers UAW DB Plan thereupon terminated, for purposes of section 4044 of ERISA, as of the Closing Date; with such resulting benefits with respect to all participants (and beneficiaries) under the Sellers UAW DB Plan, for purposes of section 4044 of ERISA, being determined based on the 1983 Group Annuity Mortality Table, the then applicable PBGC interest rates used to value annuities upon plan termination, and the then applicable PBGC expected retirement ages;

(ii) there shall then be determined the amount of cash which, had the Sellers UAW DB Plan in fact so terminated as of the Closing Date, would have been then allocated to the benefits of each participant (and beneficiary) (with such benefits determined in accordance with the preceding clause (i)), had cash equal to the aggregate fair market value of the assets of the Sellers UAW DB Plan (with such fair market value being determined as of the Closing Date) been allocated as of the Closing Date, in accordance with the requirements of section 4044 of ERISA, among such total benefits; and

(iii) there shall then be determined the aggregate amount of such cash which would have been so allocated (pursuant to the foregoing clause (ii)) to the aggregate benefits (as determined under the foregoing clause (i)) of the UAW Affected Employees.

Notwithstanding the foregoing, in the event that the transfer amount determined under clause (iii) above is less than the projected benefit obligation ("PBO"), whether or not vested as determined in accordance with Financial Accounting Standards Board Statement 87 which is attributable to the Affected Employees who are participants in the Sellers UAW DB Plan as of the Closing Date, Sellers shall transfer to Buyer in cash the amount of the difference between such PBO and the transfer amount determined under clause (iii) above. For purposes of the preceding sentence, determination of the PBO shall be calculated in accordance with the actuarial assumptions used for purposes of the 1999 fiscal year disclosures for the Sellers UAW DB Plan and an annual interest rate of 7.5%, 1983 Group Annuity Mortality Table, 5.25% salary scale and retirement age of the earlier of age 62 with ten years of service or age 65. The "transfer amount" shall be entirely in cash, shall be in compliance with the requirements of section 414(1) of the Code, and shall be equal to the amount determined under the foregoing clause (iii) (as such amount shall be reduced by the amount of all payments, if any, from the Sellers UAW DB Plan pursuant to the following sentence) and as adjusted to reflect (A) the actual investment experience of the Sellers UAW DB Plan for the period commencing on the Closing Date and ending 31 days prior to the date of the asset transfer to the

Buyer UAW DB Plan and (B) earnings at a rate equal to the rate of interest on 30-year Treasury securities (with such interest rate determined for the month preceding the month in which such asset transfer occurs) for the 30-day period ending on the date of such asset transfer; with such investment experience and 30-year Treasury rate adjustments taking into account such reductions, if any, being made from time to time, from such amount described under the foregoing clause (iii) on account of the payments described in the following sentence. Pending completion of the asset transfer contemplated by this Section 6.8(d), to the extent that any benefits are otherwise then payable to any Affected Employee under the Buyer UAW DB Plan, such Affected Employee shall have the right to have such person's vested benefits under the Sellers UAW DB Plan paid out of the Sellers UAW DB Plan at the same time as benefits are so payable to such person out of the Buyer UAW DB Plan, and the amount to be transferred to the Buyer UAW DB Plan shall, as described under the immediately preceding sentence, be reduced by the amount of all such payments. Pending the completion of such transfer, (i) Sellers shall, with respect to the Sellers UAW DB Plan, cooperate fully with Buyer with respect to all aspects of plan administration, disbursement of benefits and other pertinent information and (ii) Buyer shall provide Sellers with such pertinent information, and otherwise cooperate fully with Sellers, with respect to coordinating any benefit payments described in the immediately preceding sentence.

(e) Except as otherwise specifically provided in Section 6.8 or except to the extent reflected on the Estimated, Actual or Final Statement of Net Assets, on and after the Closing Date, Sellers shall retain and have sole responsibility for all liabilities, obligations, and commitments of Sellers, the Acquired Companies or any Subsidiary arising under or in connection with any Benefit Plan of the Sellers and their Affiliates, including (but not limited to) such liabilities, obligations and commitments arising under or in connection with any severance plans, policies or programs of the Sellers, and including the guarantee of 50% of target bonuses for 1999, under all management incentive, sales incentive, profit sharing and other bonus plans. Sellers shall be solely responsible for satisfying the continuation coverage requirements of COBRA for all employees or former employees of the Acquired Companies, any Subsidiary or the Sellers in connection with the Business (and any dependents of such employees and former employees) who are receiving COBRA continuation coverage as of the Closing Date or who are entitled to elect such coverage on account of a qualifying event occurring on or before the Closing Date; and Sellers shall be solely responsible for providing any and all short-term and long-term disability benefits (and all other pension and/or welfare benefits to which any such person is entitled on account of disability after becoming eligible for such short-term and long-term disability

benefits) which become payable on or after the Closing Date to any Affected Employee who was disabled or was in a disability waiting period as of the Closing Date.

(f) In the event that any Affected Employee is discharged by the Acquired Companies, Buyer or any Subsidiary within twelve months after the Closing Date, Buyer shall be solely responsible for severance, termination, indemnity or pay in lieu of notice and other severance benefits for an amount calculated in accordance with Section 6.8(a) of the Disclosure Letter. If Buyer takes any action or makes any omission which causes any Affected Employee to resign for "good reason" (as defined in the Revlon Severance Policies in Section 4.17 of the Disclosure Letter) within twelve months after the Closing Date, Buyer shall, at the sole cost and expense of Sellers, cooperate with the Sellers to take commercially reasonable best efforts to reduce or mitigate any severance exposure Sellers would have to such Affected Employee under such Revlon Severance Policies. Any severance benefits provided by the Buyer to an Affected Employee pursuant to this Section 6.8(f) shall be an offset to the Sellers' severance obligation to such Affected Employee pursuant to Section 6.8(e). Nothing herein shall be construed to require the Buyer to provide the Sellers with any notification or information regarding any action or omission with respect to any Affected Employee, except that if the Buyer receives actual notice that an Affected Employee with annual salary and bonus in excess of $100,000 has resigned or expects to resign for "good reason" (as previously defined) the Buyer shall notify the Sellers of such resignation or expected resignation and the stated reasons therefor as soon as practicable following the Buyer's receipt of such notice, and except further, the Buyer shall notify the Sellers if its officers responsible for design and oversight over employee benefit plans have actual knowledge of anticipated action or actions which are likely to cause 25 or more Affected Employees to resign for "good reason" (as previously defined).

(g) Effective as of the Closing Date, provided Buyer makes the payments provided below in this Section 6.8(g), Sellers shall provide medical and dental coverage to non-union Affected Employees in the United States for a period not to exceed six months (the "Continuation Period"); provided that, Buyer shall have the right to terminate such coverage by giving RCPC thirty days prior written notice. Such coverage shall be provided on the same terms and conditions as in effect for, and elected by, each Affected Employee immediately prior to the Closing Date. Buyer agrees to pay RCPC a fee of $153,640.96 per month for medical coverage, and a fee of $13,525.40 per month for dental coverage which is equal to Sellers administrative service cost (including cost of anticipated claims) with respect to such coverage (the "Monthly Fees"). Buyer shall pay such Monthly Fees to RCPC on the first day of each month for which coverage is provided and shall provide RCPC with a minimum of 30

days prior written notice when it no longer requires Sellers to provide such coverage provided the notice period ends on the last day of the calendar month. Buyer shall indemnify and hold Seller Indemnitees harmless from and against all of Seller's Damages arising out of any medical and dental claims of Affected Employees relating to the Continuation Period which in the aggregate exceed the respective medical and dental Monthly Fees paid to RCPC during such month.

(h) Prior to the Closing Date, Sellers shall, at their option, either (i) take all such action as shall be necessary or appropriate such that the accrued benefit as of the Closing Date of each Affected Employee under the Revlon Canada Pension Plan (the "Canada Plan") shall be fully 100% vested and following the Closing Date shall pay benefits under the Canada Plan to Affected Employees in accordance with the Canada Plan, including, but not limited to, transferring such accrued benefits to an account designated by any such Affected Employee or (ii) transfer the assets and liabilities with respect to Affected Employees in Canada under the Canada Plan to a Group Registered Retirement Savings Plan (the "RRSP") in accordance with Canadian law. In the event Sellers elect option (ii) specified above, Buyer shall maintain and administer the RRSP established by Sellers for a minimum period of 2 years and with a minimum benefit of 7.5% of salary. For purposes of clause (ii) of this subsection (h), accrued benefits shall be determined using the assumptions and methodologies in the Canada Plan's most recent valuation report, including a 8% discount rate and a 6% salary scale.

(i) Prior to the Closing Date, Sellers shall take all such action as shall be necessary or appropriate such that the accrued benefit as of the Closing Date of each Affected Employee under the Revlon South Africa Pension Plan (the "South Africa Plan") shall be fully 100% vested and following the Closing Date shall pay benefits under the South Africa Plan to Affected Employees in accordance with the South Africa Plan, including, but not limited to, transferring each Affected Employee's actuarial reserve under the South Africa Plan to a plan established by Buyer for the benefit of such Affected Employees or, if no such plan is established, to an account designated by any such Affected Employee, as may be permissible under applicable law. For purposes of this subsection (i), actuarial reserve shall be determined using the assumptions and methodologies in the South Africa Plan's most recent valuation report, including a 13% pre-retirement interest, 8% post-retirement interest, 11% salary scale and the SA72/77 mortality table.

(j) Prior to the Closing Date, Sellers shall take all such action as shall be necessary or appropriate such that the accrued benefit as of the Closing Date of each Affected Employee under the Pension Plan Nationale Nederlanden (the

"Nederlanden Plan") shall be fully 100% vested and the following the Closing Date shall either (i) if an Affected Employee so elects, permit benefits accrued under the Nederlanden Plan for such Affected Employee to remain in the Nederlanden Plan until such Affected Employee attains age 65, at which time benefits shall be paid to such Affected Employee, or (ii) transferring each Affected Employee's accrued benefit to a plan established by the Buyer for the benefit of such Affected Employees or, if no such plan is established, to an account designated by such Affected Employee as may be permissible under applicable law. For purposes of this subsection (j), accrued benefits shall be determined using the assumptions and methodologies in the Nederlanden Plan's most recent valuation report, including a 4% interest rate, Coll '93 mortality table, 0% interest discount and the evenredig deel method of back service calculation.

(k) Prior to the Closing Date, Sellers shall take all such action as shall be necessary or appropriate such that the accrued benefit as of the Closing Date of each Affected Employee under the Revlon Group Pension Plan (the "Group Pension Plan") shall be fully 100% vested and following the Closing Date shall either (i) if an Affected Employee so elects, permit benefits accrued under the Group Pension Plan for such Affected Employee to remain in the Group Pension Plan until such Affected Employee attains age 65, at which time benefits shall be paid to such Affected Employee, or (ii) pay all benefits under the Group Pension Plan to Affected Employees in accordance with the Group Pension Plan including, but not limited to, transferring each Affected Employee's accrued benefit to a plan established by Buyer for the benefit of such Affected Employees or, if no such plan is established, to an account designated by such Affected Employee as may be permissible under applicable law. For purposes of this subsection (k), accrued benefits shall be determined using the assumptions and methodologies in the Group Pension Plan's most recent valuation report, including a 6.5% discount rate, 4% salary scale and 3% Social Security increase.

(l) In order for the Sellers to administer the Revlon Pension Plans and the Revlon DC Plans, the Sellers UAW DB Plan, the Putnam Flexible 401(k) and Profit Sharing Plan, the Group Pension Plan, the Canada Plan, the Nederlanden Plan and the South Africa Plan following the Closing Date, it is necessary that information relating to Affected Employees who participated in such plans prior to the Closing Date be provided to the Sellers by the Buyer, the Acquired Companies and the Subsidiaries. As such, the Buyer, the Acquired Companies and the Subsidiaries shall use commercially reasonable best efforts to share information with respect to Affected Employees to the extent reasonably necessary in order to permit compliance by the aforementioned plans with reporting and disclosure requirements under applicable law, or to the extent reasonably necessary or helpful to the administration of such plans.

(m) On the Closing Date, the Sellers will transfer to the Buyer cash equal to the amount of (i) any Affected Employees' accrued benefit under the Revlon Foreign Service Employees Pension Plan, on an accumulated benefit obligation basis (calculated in accordance with the actuarial assumptions used for purposes of the 1999 fiscal year disclosures including a 7.5% discount rate), (ii) any Affected Employee's accrued benefit under the Amended and Restated Pension Equalization Plan, dated as of December 14, 1998, on an accumulated benefit obligation basis (calculated in accordance with the actuarial assumptions used for purposes of the 1999 fiscal year disclosure), (iii) any Affected Employees' account balance under the Revlon Executive Deferred Compensation Plan and (iv) any Affected Employees' account balance under the Revlon Excess Savings Plan for Key Employees. The Sellers make no representation or warranty as to the tax effect on any Affected Employee of any such transfer. Alternatively, if requested by Buyer at or prior to the Closing Date, the Sellers shall cause to be made distributions of benefits under such of the non-qualified plans referred to in this Section 6.8(m) as shall be designated by the Buyer as and when required in accordance with the terms of such plans or at such other date following the Closing as Buyer and RCPC shall agree.

(n) Sellers shall recommend to the Compensation Committee of the Board of Directors of Revlon that options held by any Affected Employees shall be provided "retiree treatment" which means they shall continue to vest in accordance with their terms and each award shall remain exercisable until the one-year anniversary of the date on which such award is fully vested.

Section 6.9 Certain Tax Matters.

(a) Sellers and Mafco Holdings Inc. Tax Indemnification.

(i) Separate Return Taxes. Sellers shall indemnify Buyer and its Affiliates and hold them harmless from and against any liability for: (A) Income Taxes of the Acquired Companies, the Subsidiaries or the Business, (other than those indemnified for by M&F, as set forth in 6.9(a)(ii) below) for or related to taxable periods ending on or before the Closing Date as determined pursuant to Section 6.9(e)(i), (B) Non-Income Taxes of the Acquired Companies, the Subsidiaries or the Business, for or related to taxable periods ending on or before September 30, 1999 (the "Cut-Off Date") as determined pursuant to Section 6.9(e)(ii) in excess of the accruals therefor set forth on the September 30, 1999 Statement of Net Assets and (C) interest and penalties incurred as a result of Sellers' failure to timely file Tax Returns relating to, or to pay, Non-Income Taxes on or before the Closing Date, in each case, net of

Tax benefit to the Buyer (such Taxes under the preceding clauses (A), (B) and (C), the "Sellers' Separate Return Taxes").

(ii) Consolidated or Combined Taxes. Mafco Holdings Inc., a Delaware corporation ("M&F") shall indemnify Buyer and its Affiliates and hold them harmless from and against any liability for: (A) Taxes of any member of the "affiliated group" (within the meaning of Section 1504(a) of the Internal Revenue Code of 1986, as amended (the "Code")) of which M&F (or any predecessor or successor) is the common parent, except for the Taxes related to income of the Acquired Companies and the Subsidiaries, that arise (I) under the provisions of Treasury Regulation Section 1.1502-6(a) (or any successor provision or similar provision under state, local or foreign law), (II) as a transferee or successor, or (III) by contract, and (B) Taxes of the Acquired Companies and the Subsidiaries for taxable periods or portions thereof ending on or before the Closing Date for which the Acquired Companies or the Subsidiaries were included in a consolidated or combined Tax Return of the Sellers or M&F, in each case, net of Tax benefit to the Buyer (such Taxes under preceding clauses (A) and (B), the "Sellers' Consolidated Group Taxes," together with the Sellers' Separate Return Taxes, the "Sellers' Covered Taxes").

(iii) Breach by Buyer. Notwithstanding anything in this Agreement to the contrary, neither Sellers nor M&F shall indemnify or hold harmless Buyer or its Affiliates (including without limitation the Acquired Companies and the Subsidiaries after the Closing Date) from or against any liability for Taxes attributable to a breach by Buyer or its Affiliates (including without limitation the Acquired Companies and the Subsidiaries after the Closing Date) of their obligations under this Agreement.

(iv) Acts of Buyer. Notwithstanding anything in this Agreement to the contrary, neither Sellers nor M&F shall have any liability under this Agreement in respect of Taxes of the Acquired Companies or the Subsidiaries relating to any taxable periods or portions thereof ending after the Closing Date as determined pursuant to Section 6.9(e) which is attributable to any action of Buyer or any of its Affiliates (including, without limitation, the Acquired Companies and the Subsidiaries after the Closing Date) that occurs after the Closing Date.

(v) Breach by Sellers or M&F. Notwithstanding anything in this Agreement to the contrary, with respect to liabilities for Taxes, Sellers and M&F shall indemnify Buyer and its Affiliates and hold them

harmless from and against any liability for Taxes attributable to a breach by Sellers or M&F of their obligations under this Agreement.

(b) Buyer Tax Indemnification.

(i) Taxes. Buyer shall indemnify Sellers and their Affiliates and hold them harmless from and against any liability for: (A) Income Taxes of the Acquired Companies, the Subsidiaries or the Business, for or related to taxable periods or portions thereof beginning after the Closing Date as determined pursuant to Section 6.9(e)(i) and (B) Non-Income Taxes of the Acquired Companies, the Subsidiaries or the Business, for or related to taxable periods or portions thereof (i) prior to the Cut-Off Date to the extent accrued on the September 30, 1999 Statement of Net Assets and (ii) beginning after the Cut-Off Date determined pursuant to Section 6.9(e)(ii) but excluding any penalties and interest indemnified by Sellers pursuant to Section 6.9(a)(i)(C), in each case, net of any Tax benefit to Sellers or M&F (such Taxes under the preceding clauses (A) and (B), the "Buyer Covered Taxes").

(ii) Breach by Buyer. Notwithstanding anything in this Agreement to the contrary, with respect to liabilities for Taxes, Buyer shall indemnify Sellers and M&F and hold them harmless from and against any liability for Taxes attributable to a breach by Buyer or its Affiliates (including, without limitation, the Acquired Companies and the Subsidiaries after the Closing Date) of their obligations under this Agreement.

(iii) Breach by Sellers or M&F. Notwithstanding anything in the Agreement to the contrary, Buyer shall not indemnify or shall not hold harmless Sellers or M&F from or against any liability for Taxes attributable to a breach by Sellers or M&F of their obligations under this Agreement.

(iv) Acts of Sellers or M&F. Other than as contemplated by this Agreement, notwithstanding anything in this Agreement to the contrary, neither Buyer nor its Affiliates shall have any liability under this Agreement in respect of Taxes of the Acquired Companies or the Subsidiaries relating to any periods ending on or before the Closing Date, as determined pursuant to Section 6.9(e) which is attributable to any action of Sellers, M&F, the Acquired Companies or the Subsidiaries that occurs on or before the Closing Date.

(c) Procedures Relating to Tax Indemnification.

(i) Notice of Tax Claims. If a claim for Taxes, including, without limitation, notice of a pending or threatened audit, shall be made by any taxing authority to the party seeking indemnification (the "Tax Indemnified Party"), which, if successful, could result in an indemnity payment pursuant to this Section 6.9 (a "Tax Claim"), the Tax Indemnified Party shall notify the other party (the "Tax Indemnifying Party") in writing of the Tax Claim as soon as practicable but in any event not later than 10 days after the receipt or notice of such Tax Claim. If written notice of a Tax Claim is not given to the Tax Indemnifying Party within such 10-day period or in detail sufficient to apprise the Tax Indemnifying Party of the nature of the Tax Claim, the Tax Indemnifying Party shall not be liable to the Tax Indemnified Party to the extent that the Tax Indemnifying Party's position is prejudiced as a result thereof.

(ii) Defense of Tax Claims by Tax Indemnifying Party. Any Tax Indemnifying Party will have the right to defend the Tax Indemnified Party against any Tax Claim asserted against the Tax Indemnified Party with counsel of its choice reasonably satisfactory to the Tax Indemnified Party so long as the Tax Indemnifying Party notifies the Tax Indemnified Party in writing within 12 days after the Tax Indemnified Party has given the Tax Indemnifying Party written notice of such Tax Claim. Further, if at any time the settlement of, or an adverse judgment with respect to, such Tax Claim is, in the good faith judgment of the Tax Indemnified Party, likely to establish a precedential custom or practice materially adverse to the continuing business interests of the Tax Indemnified Party, the Tax Indemnified Party may at its election waive its rights to indemnification for such Tax Claim, which waiver will release the Tax Indemnifying Party from its obligation hereunder with respect to, and only with respect to, such Tax Claim.

(iii) Resolution of Tax Claims. So long as the Tax Indemnifying Party is conducting the defense of the Tax Claim in accordance with Section 6.9(c)(ii) above, (A) the Tax Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Tax Claim, (B) the Tax Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to a Tax Claim without the prior written consent of the Tax Indemnifying Party (not to be unreasonably withheld or delayed), and (C) the Tax Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to any Tax

Claim without the prior written consent of the Tax Indemnified Party (such consent not to be unreasonably withheld or delayed) and, if such consent is unreasonably withheld, the Tax Indemnifying Party's obligation to indemnify the Tax Indemnified Party with respect to such Tax Claim shall not exceed the amount of such judgment or settlement for which consent was withheld by the Tax Indemnified Party.

(iv) Defense of Tax Claims by Tax Indemnified Party. In the event that the Tax Indemnifying Party elects not to conduct the defense of the Tax Claim and the Tax Indemnified Party defends such Tax Claim, (A) the Tax Indemnified Party may conduct the defense against and consent to the entry of any judgment or enter into any settlement with respect to such Tax Claim in any manner that it reasonably may deem appropriate, provided, however, that the Tax Indemnified Party will not consent to such judgment or enter into such settlement without the prior written consent of the Tax Indemnifying Party (not to be unreasonably withheld or delayed) and (B) the Tax Indemnifying Party will reimburse the Tax Indemnified Party promptly and periodically for the costs of defending against such Tax Claim (including reasonable attorneys' fees and expenses).

(v) Tax Dispute Resolution Mechanism. Any dispute arising in connection with the application of this Section 6.9 shall be submitted to a jointly selected "Big Five" nationally recognized Tax accounting firm (the "Settlement Accountants") for resolution, which resolution shall be final, conclusive and binding on the parties. Notwithstanding anything in this Agreement to the contrary, the fees and expenses of the Settlement Accountants in resolving a dispute shall be paid by Buyer and Sellers or M&F in proportion to each party's respective liability for Taxes which are the subject of the dispute as determined by the Settlement Accountants. Any such settlement shall be deemed a final arbitration award that is enforceable pursuant to all terms of the Federal Arbitration Act, 9 U.S.C. ss.ss. 1 et. seq.

(vi) Survival of Tax Provisions. Any Tax Claim to be made pursuant to this Section 6.9 must be made within a reasonable period of time before the expiration (with valid extensions) of the applicable statutes of limitations relating to the Taxes at issue provided that if claimant complies with Section 6.9(c)(i) and such compliance results in notification being delivered to the Tax Indemnifying Party after the expiration of the applicable statute of limitation, such claim shall survive.

(vii) Overlap. To the extent that an indemnification obligation pursuant to this Section 6.9 may overlap with an indemnification obligation pursuant to Article IX, the provisions of this Section 6.9 shall govern such indemnification and the party entitled to such indemnification shall be limited to only one of such indemnification payments.

(viii) Purchase Price Adjustment. All indemnification payments under this Section 6.9 shall be deemed adjustments to the Purchase Price.

(d) Return Filings, Refunds and Credits.

(i) Sellers and M&F. Sellers or M&F shall prepare or cause to be prepared and file or cause to be filed (i) all consolidated or combined Tax Returns for Income Taxes of or including the Acquired Companies and the Subsidiaries for all periods ending on or prior to the Closing Date, (ii) all Tax Returns for Income Taxes of or including the Acquired Companies and the Subsidiaries (excluding Tax Returns in Section 6.9(d)(i) above) that are due on or prior to the Closing Date, and (iii) all Tax Returns for Non-Income Taxes of or including the Acquired Companies and the Subsidiaries due on or prior to the Closing Date. Unless required by law or consistent with past practices, M&F will take no position on such returns that relate to the Acquired Companies and the Subsidiaries that would adversely affect the Acquired Companies and the Subsidiaries after the Closing Date. Sellers or M&F will allow Buyer an opportunity to review such Tax Returns for Non-Income Taxes (including any amended returns) accrued on the September 30, 1999 Statement of Net Assets or attributable to Tax periods or portions thereof between the Cut-Off Date and the Closing Date to the extent that they relate solely to the Acquired Companies and the Subsidiaries. Sellers or M&F will prepare in a timely manner, and provide to Buyer, pro forma Tax Returns for the Acquired Companies and the Subsidiaries in the case of any combined, consolidated or unitary Tax Returns that Sellers or M&F are required to file under this Section 6.9(d)(i) and that include any entity other than the Acquired Companies and the Subsidiaries. Buyer will cooperate fully with Sellers or M&F in providing the information in a timely manner and access to books and records necessary to prepare and file such Tax Returns. The Acquired Companies and the Subsidiaries will furnish timely Tax information to M&F for inclusion in M&F's federal consolidated income Tax Return for any period ending on or before the Closing Date in accordance with the past custom and practice of the applicable Acquired Companies and the Subsidiaries. According

to past practices and if possible, M&F will include the income of the Acquired Companies and the Subsidiaries (including any deferred income triggered into income by Reg. ss.1.1502-13 and Reg. ss.1.1502-14 and any excess loss accounts taken into income under Reg. ss.1.1502-19) on the M&F consolidated federal income Tax Returns for all periods through the Closing Date and pay any federal income Taxes attributable to such income. Buyer shall pay to Sellers or M&F amounts due under Section 6.9(b) within fifteen days before payment is required by law to be made by Sellers, M&F, the Acquired Companies or the Subsidiaries. Buyer shall receive written notice from Sellers or M&F of the amount of each payment that Buyer must make under the prior sentence within 10 days before Buyer is required to make such payment.

(ii) Buyer. Buyer shall prepare or cause to be prepared and file or cause to be filed (A) all Tax Returns for Income Tax for the Acquired Companies and the Subsidiaries due for all tax periods beginning after the Closing Date, and (B) all other Tax Returns for the Acquired Companies and the Subsidiaries that are not covered under Section 6.9(d)(i) or Section 6.9(d)(ii)(A) that are to be filed. Buyer will allow Sellers and M&F an opportunity to review and comment upon such Tax Returns (including any amended returns) to the extent that they relate to the Sellers' Covered Taxes. Sellers or M&F shall reimburse Buyer for Taxes of the Acquired Companies and the Subsidiaries pursuant to Section 6.9(a) within five days before payment by Buyer, the Acquired Companies or the Subsidiaries.

(iii) Cooperation. Sellers, M&F, the Acquired Companies, the Subsidiaries and Buyer shall reasonably cooperate, and shall cause their respective Affiliates and such parties' respective directors, officers, employees, agents, auditors and representatives reasonably to cooperate, in preparing and filing all Tax Returns (including claims for refund), including maintaining and making available to each other all records necessary in connection with Taxes and in resolving all disputes and audits with respect to all taxable periods relating to Taxes. Buyer, Sellers and M&F recognize that Sellers, M&F and their Affiliates shall need access, from time to time, after the Closing Date, to certain accounting and Tax records and information held by the Acquired Companies and the Subsidiaries to the extent such records and information pertain to Sellers' Covered Taxes or Buyer Covered Taxes and to events occurring prior to the Closing Date; therefore, Buyer shall from and after the Closing Date, and shall cause the Acquired Companies, their Affiliates and their successors to (subject to Section 3.1), (A) retain and maintain such records until such time as Sellers and M&F agree in writing (which cannot be

unreasonably withheld or delayed) that such retention and maintenance is no longer necessary and (B) allow Sellers, M&F and their agents and representatives (and agents and representatives of any of their Affiliates), to inspect, review and make copies of such records as Sellers and M&F may reasonably deem necessary or appropriate from time to time under reasonable circumstances in a reasonable manner at Sellers' and M&F's cost. Buyer and Sellers further agree, upon request, to provide the other party with all information that either party may be required to report pursuant to Section 6043 of the Code and all Treasury Regulations promulgated thereunder.

(iv) Mitigation of Taxes. Buyer and Sellers further agree, upon request, to use their commercially reasonable best efforts to obtain any certificate or other document from any Governmental Entity or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to, with respect to the transactions contemplated hereby).

(v) Refunds and Credits.

(A) Sellers' Covered Taxes. Any refunds or credits of Taxes of the Acquired Companies or the Subsidiaries to the extent not reflected on the Final Statement of Net Assets plus any interest received with respect thereto from the applicable taxing authority for any Sellers' Covered Taxes (including, without limitation, refunds or credits arising by reason of amended Tax Returns filed after the Closing Date) shall be for the account of Sellers or M&F and shall be paid by Buyer to Sellers or M&F within 10 days after Buyer receives such refund or after the relevant Tax Return is filed in which the credit is applied against Buyer's, any of its Affiliates' or any of its successors' liability for Taxes. Sellers or M&F agree to indemnify Buyer, up to the amount received by Sellers or M&F pursuant to this Section 6.9(d)(v), for Taxes arising from the disallowance of the position taken on a Tax Return by the Buyer that was the primary determinant for the refund or credit for which the Sellers or M&F were paid under this Section 6.9(d)(v).

(B) Carryforwards and Carrybacks. M&F will immediately pay to the Buyer any Tax refund (or reduction in Tax liability) resulting from a carryback of a Tax attribute accrued after the Closing Date of any of the Acquired Companies and the Subsidiaries into the M&F consolidated Tax Return, when such refund or reduction is realized by the M&F group. M&F shall use its commercially reasonable best efforts to cooperate with the Acquired Companies and the Subsidiaries in obtaining such refunds (or reduction in Tax liability), including through the filing of

amended Tax Returns or refund claims. The Buyer agrees to indemnify M&F for any Taxes resulting from the disallowance of such Tax attribute on audit or otherwise. Buyer will immediately pay to M&F any Tax refund (or reduction in Tax liability) resulting from a carryforward of a Tax attribute attributable to a taxable period ending prior to the Closing Date or any adjustments to items of income, gain, loss, deductions or credits arising in a taxable period ending prior to the Closing Date which give rise to, or result in, a corresponding adjustment in such items in periods after the Closing Date of the Acquired Companies or the Subsidiaries when such refund or reduction is realized by Buyer, the Acquired Companies or the Subsidiaries, provided, however, that Buyer will not be required to pay M&F or Sellers for any benefits resulting from utilization of net operating losses of Revlon S.L. generated prior to the Closing Date. Buyer, the Acquired Companies and the Subsidiaries, shall use their respective commercially reasonable best efforts to cooperate with M&F in obtaining such adjustments, refunds (or reduction in Tax liability), including, without limitation, through the filing of amended Tax Returns or refund claims. M&F agrees to indemnify Buyer for any Taxes resulting from the disallowance of such Tax attribute or adjustment on audit or otherwise.

(e) Allocation and Apportionment of Taxes.

(i) Income Taxes. For purposes of determining the liability of Sellers, M&F or Buyer pursuant to Section 6.9(a)(i)(A) or Section 6.9(b)(i)(A), or as otherwise set forth in this Agreement or where applicable even if not indicated, in the case of Income Taxes that are payable for a taxable period that includes (but does not end on) the Closing Date, the Tax shall be allocated between the portion of such taxable period ending on the Closing Date and the portion of such taxable period beginning after the Closing Date on an interim closing of the books method.

(ii) Non-Income Taxes. For purposes of determining the liability of Sellers, M&F or Buyer pursuant to Section 6.9(a)(i)(B) or Section 6.9(b)(i)(B), or as otherwise indicated in this Agreement or where applicable even if not indicated, in the case of Non-Income Taxes that are imposed on a periodic basis and that are payable for a taxable period that includes (but does not end on) the Cut-Off Date, the portion of such Tax which is related to the taxable period ending on the Cut-Off Date shall be determined by multiplying the entire Tax for the period by a fraction, the numerator of which is the number of days in the taxable period ending on the Cut-Off Date and the denominator of which is the number of days in the entire taxable period, and the portion of such Tax which is related to the taxable period beginning after the Cut-Off Date

shall be determined by multiplying the entire Tax for the period by a fraction, the numerator of which is the number of days in the taxable period from the Cut-Off Date through the last day of the entire taxable period and the denominator of which is the number of days in the entire taxable period.

(iii) Method of Allocation. All determinations necessary to give effect to the foregoing allocations shall be made in a manner consistent with prior practice of the Acquired Companies and the Subsidiaries.

(f) Elections. Except as otherwise specifically provided in this Agreement, or as required by law, Buyer shall not, and shall cause the Acquired Companies or the Subsidiaries not to make, amend or revoke any election or change any method of Tax accounting with respect to Taxes, if such action would adversely affect the Tax liability or refund of any member of the affiliated group, as defined in Section 1504(a) of the Code, of which Sellers are a member (the "Sellers Affiliated Group") in any taxable period or increase the Sellers' or M&F's indemnification obligation pursuant to Section 6.9(a).

(g) Exclusivity. This Section 6.9 shall be the sole provision governing the retention of records of the Acquired Companies or the Subsidiaries and the procedures for all indemnification claims, in each case with respect to Taxes.

(h) Tax Sharing Agreements. Any and all existing agreements relating to the allocation and sharing of Taxes (the "Tax Sharing Agreements"), including, without limitation, the M&F Group Tax Sharing Agreement, between the Acquired Companies or the Subsidiaries and any member of the Sellers Affiliated Group shall be terminated as of the end of the Closing Date. After the Closing Date, none of the Acquired Companies or the Subsidiaries nor any member of the Sellers Affiliated Group shall have any further rights or obligations under any such Tax Sharing Agreement.

(i) Allocation of Purchase Price. The Buyer and Sellers hereby agree that the Purchase Price, including any adjustments thereto, will be allocated (i) to the Acquired Assets and the shares of Revlon Coiffure in an amount equal to the estimated net book value of each of the Acquired Assets and the shares of Revlon Coiffure as of the Closing Date; (ii) U.S. $9,990,000 to the License Agreement (Revlon Marks); (iii) U.S. $10,000 to the one-percent (1.0%) interest in RPHC to be acquired by Buyer or its Affiliates; and (iv) the remainder of the Purchase Price, after subtracting the amounts determined under (i), (ii) and (iii) of this sentence, to be allocated sixty percent (60%) to the shares of Roux and Fermodyl, together with the

Subsidiaries owned directly and indirectly by Roux, and forty percent (40%) to the shares of Revlon S.L., together with the Subsidiaries owned directly and indirectly by Revlon S.L. The Buyer and Sellers will make all reasonable best efforts to duly execute Bills of Sale in connection with the transfer of the Acquired Assets in a manner consistent with such Purchase Price allocation, upon the Closing Date. Sellers and Buyer shall (A) be bound by the allocation determined pursuant to this paragraph for purposes of determining all Taxes; (B) prepare and file all Tax Returns in a manner consistent with such allocation; and (C) take no position inconsistent with such allocation in any Tax Return or in any proceeding before any taxing authority. In the event that such allocation is disputed by any taxing authority, the party receiving notice of such dispute shall promptly notify and consult with the other party or parties hereto concerning resolution of such dispute. To the extent that the allocation to the shares of Revlon S.L., together with the Subsidiaries owned directly and indirectly by Revlon S.L., in clause (iv) of the first sentence of this section would exceed U.S. $100,000,000, Buyer and Sellers agree that U.S. $100,000,000 will be allocated to the shares of Revlon S.L., together with the Subsidiaries owned directly and indirectly by Revlon S.L., and the remainder of the purchase price (after subtracting such amount and the amounts determined under clauses (i), (ii) and (iii) of the first sentence of this section) will be allocated to the shares of Roux and Fermodyl, together with the Subsidiaries owned directly and indirectly by Roux and Fermodyl, unless Buyer elects to apply the provisions of such clause (iv), in which event Buyer shall indemnify Sellers for any additional tax cost incurred in connection with the allocation of more than U.S. $100,000,000 of the Purchase Price to the shares of Revlon S.L. and Sellers' repatriation of amounts in excess of U.S. $100,000,000 (to the extent allocable to the shares of Revlon S.L. together with the subsidiaries owned directly and indirectly by Revlon S.L.) from the proceeds of this transaction to the United States.

(j) Conveyance Taxes. Notwithstanding any other provision of this Agreement to the contrary (i) except as provided in Section 6.9(j)(ii) and Section 6.9(j)(iii) each of the Buyer and the Sellers shall pay, or cause to be paid one-half of sales, use, transfer, stamp, duties, gains, recording and similar Taxes (collectively "Conveyance Taxes"), arising pursuant to this Agreement and the transactions contemplated hereby, but not including the Restructuring, (ii) Buyer shall pay or cause to be paid all VAT incurred pursuant to this Agreement, and the transactions contemplated hereby, other than the Restructuring, and (iii) Buyer shall pay or cause to be paid all VAT imposed in connection with the Restructuring but only to the extent recoverable by Buyer, all as imposed in accordance with the laws or customs of the applicable jurisdiction.

(k) Section 338 Election.

(i) Buyer shall timely make the election provided for by Section 338 of the Code and Section 1.388-1 of the Treasury Regulations on Form 8023 and any comparable election under state or local tax law (collectively, the "Election") for each of the foreign Acquired Companies. Buyer and Sellers shall cooperate with each other to take all actions necessary and appropriate (including filing such additional forms, returns, elections, schedules and other documents as may be required to effect and preserve a timely Election in accordance with the provisions of Section 338 of the Code and Section 1.338-1 of the Treasury Regulations (or any comparable provisions of state or local tax law) or any successor provisions. Sellers and Buyer shall report the purchase by Buyer of the Shares pursuant to this Agreement consistent with the Election and shall take no position inconsistent therewith in any Tax Return, any proceeding before any taxing authority or otherwise.

(ii) Notwithstanding anything in this Agreement to the contrary, Buyer shall indemnify and hold harmless Sellers and M&F for any and all Incremental Tax Liability of Sellers and M&F (as defined below) resulting from the Election. As used herein, the term "Incremental Tax Liability of Sellers and M&F" shall mean the excess of the Sellers' and M&F's actual liability for Taxes over what the Sellers' and M&F's liability for Taxes would have been if no Election had been made. Sellers and M&F shall provide to Buyer, in a timely manner, the calculation of Tax liability if no Election had been made. If the parties cannot agree on such calculation, the parties shall utilize the dispute resolution procedures set forth in ss. 6.9(c)(v).

Section 6.10 Supplemental Disclosure. Sellers, on the one hand, and Buyer, on the other hand, shall have the right from time to time prior to the Closing to supplement or amend the Disclosure Letter with respect to only those events which arise after the date hereof which if existing at the date of this Agreement would have been required to be set forth or described in such Disclosure Letter. Any such supplemental or amended disclosure shall be deemed to have cured any breach of any representation or warranty made in this Agreement for purposes of Article IX to the extent of such breach as a result of the non-disclosure of such fact or event, but shall not be deemed to have cured any such breach made in this Agreement and to have been disclosed as of the date of this Agreement for purposes of determining whether the conditions set forth in Article VII hereof have been satisfied.

Section 6.11 Licensing Arrangements.

(a) Upon the Closing Date, Sellers and their Affiliates and Buyer or one or more of the Acquired Companies or the Subsidiaries shall execute and deliver the following Intellectual Property license agreements whereby Buyer shall obtain rights to use the Licensed Intellectual Property:

(i) the License Agreement (COLORLOCK);

(ii) the Patent and Formula and Know-How License Agreement (Revlon to Buyer); and

(iii) the License Agreement (Revlon Marks).

(b) Upon the Closing Date, Sellers and their Affiliates and Buyer and one or more of the Acquired Companies or the Subsidiaries shall execute and deliver the following Intellectual Property license agreements whereby Sellers shall obtain the rights to use certain Acquired Companies Intellectual Property and/or Acquired Intellectual Property:

(i) the License Agreement (INTERACTIVES).

(c) Upon the Closing Date, Sellers and their Affiliates and Buyer and one or more of its Affiliates shall execute and deliver (i) the Toiletries Agreement, (ii) the Cosmetics Agreement, (iii) the South Africa Agreement, (iv) the Natural Honey Agreement and (v) the Charlie Agreement.

(d) As soon as practicable after the Closing Date, but no later than sixty (60) days after the Closing Date, Buyer shall, or shall cause the Acquired Companies to, change their corporate names, trade names and "d/b/a's" to delete therefrom the Revlon Marks, including the Licensed Revlon Marks and to adopt new corporate names, trade names, and "d/b/a's" that do not include the Revlon Marks, or any word or phrase confusingly similar thereto (including without limitation any contractions, abbreviations or variations thereof).

(e) Buyer and Sellers hereby agree that (i) the License Agreement (Revlon Marks) is an integral part of the Business and (ii) damages to Buyer and its Affiliates in connection with any early termination, invalidation or other impairment of the License Agreement (Revlon Marks) shall not be limited to, or defined by, the allocation set forth in Section 6.9(i).

Section 6.12 Transitional Use of Excluded Intellectual Property Rights.

(a) Other than as permitted under Section 6.11(d) hereof, the License Agreements set forth in Section 6.11 above, or any other license granted to Buyer, and as follows under this Section, from and after the Closing Date, Buyer shall and shall cause the Acquired Companies and the Subsidiaries to cease all use of all trademarks and other Intellectual Property of Sellers and their Affiliates (other than the Business Intellectual Property).

(b) Notwithstanding the foregoing, except to the extent that the subject matter is covered in the License Agreements set forth under Section 6.11 above, Sellers hereby grant to Buyer, effective upon the Closing, a non-exclusive, royalty-free, worldwide right and license under the Intellectual Property Rights of Sellers which are not included in the Acquired Assets or Acquired Companies' Intellectual Property (the "Sellers Intellectual Property Rights"), and which are embodied in any stationery, business cards, internal documents in general circulation such as employee manuals, advertising and promotional materials, and inventory which is in existence at Closing and is being used in the conduct of the Business ("Business Materials"). Such license shall be solely for the purpose of continuing to use such Business Materials in the conduct of the Business for transitional purposes and shall run for the shorter of (i) the Buyer's exhaustion of the stock of Business Materials and (ii) twelve (12) months after the . The Business Materials shall be used solely in the form and consistent with the manner in which such Business Materials have been used in the Business as of September 30, 1999.

(1) All rights and goodwill arising from the use of the Sellers Intellectual Property Rights shall inure solely to Sellers' benefit. Buyer and its Affiliates shall have no interest in the Sellers Intellectual Property Rights, except as expressly provided in this Agreement (or in any other license agreements between the parties), and neither Buyer nor its Affiliates shall claim any other rights therein.

(2) Buyer shall assist Sellers in protecting and maintaining Sellers' rights in the Sellers Intellectual Property Rights, including the execution of documents necessary or appropriate to register the Sellers Intellectual Property Rights and/or record this Agreement. As between the parties, Sellers shall have the sole right to, and in their sole discretion may, commence, prosecute or defend, control, and settle any action concerning the Sellers Intellectual Property Rights.

(3) Buyer agrees to maintain the quality of the Business (e.g., products and services, advertising) which is conducted in connection with the Business Materials at a level that meets or exceeds those standards maintained by the Sellers and Sellers' Affiliates as of the Closing Date.

(4) Buyer's rights under this license are personal and may not be sublicensed, assigned, or otherwise transferred.

(5) Buyer and its Affiliates shall indemnify, defend and hold harmless Sellers and their Affiliates, and their respective officers, directors, shareholders, employees, and agents from any Liability arising out of or resulting from use of the Business Materials by or on behalf of Buyer or its Affiliates. Such indemnification, defense, and hold harmless rights shall be exercised in accordance with the indemnification procedures contained in Article IX of this Agreement and shall be in addition to any other indemnification available hereunder or under any other agreement between the parties.

(6) Upon termination of the license granted under Section 6.12(b), Buyer shall immediately cease use of the Sellers' Intellectual Property Rights (except to the extent permitted under any other license agreement between the parties), and either destroy, or obliterate the Sellers' Intellectual Property Rights on, all Business Materials.

Section 6.13 Insurance; Risk of Loss. The Sellers shall keep, or cause to be kept, all current insurance policies including self insurance programs relating to the Business and the Acquired Companies and the Subsidiaries (including those set forth in Section 4.21 of the Disclosure Letter), or replacements therefor, in full force and effect through the close of business on the Closing Date. As of the close of business on the Closing Date, the Sellers shall terminate or cause their Affiliates to terminate all coverage, including without limitation, self-insurance programs, relating to the Business and the Acquired Companies and the Subsidiaries and their respective businesses, assets, and employees under the general corporate policies of insurance of the Sellers or its Affiliates for the benefit of all their controlled Affiliates, including the Acquired Companies and the Subsidiaries; provided, however, that (i) no such termination of any occurrence based policy in force as of the Closing Date shall be effected so as to prevent the Acquired Companies and the Subsidiaries from asserting a claim under such policies, subject to all policy deductibles, self insured retention policy limits and all

other terms and conditions thereof, for losses from events occurring prior to the Closing Date to the extent that Revlon's Risk Management department shall have received written notice related to such events; (ii) no such termination of any "claims made" policy in force as of the Closing Date shall be effected so as to prevent the Acquired Companies and the Subsidiaries from asserting a claim under such policies, to the extent that such claim was filed with the applicable insurer prior to the Closing Date, subject to all policy limits and all other terms and conditions thereof, for losses from events occurring prior to the Closing Date to the extent Revlon's Risk Management department shall have received written notice related to such events. The Sellers and Buyer shall jointly notify each applicable insurance company for any claims made prior to the Closing Date. In order to remove or release Sellers from standby irrevocable letter of credit obligations maintained by the Sellers for the Business as a result of applicable law requirements, Buyer shall at its expense establish and maintain standby irrevocable letters of credit in respect to the Business and the Affected Employees from and after the Closing Date.

Section 6.14 Separation of the Business from Sellers.

(a) Sellers, at their sole expense, shall take (and shall cause their Affiliates to take) all actions necessary prior to the Closing to separate the Acquired Assets and the Assumed Liabilities from the other businesses, assets and operations, Excluded Assets and Excluded Liabilities of Sellers and their Affiliates and that after the Closing, Sellers, at their sole expense shall, including upon the reasonable request of Buyer, take (and shall cause their Affiliates to take), all action necessary to transfer to Buyer or one of its Affiliates, the Acquired Companies or the Subsidiaries as requested by Buyer, the Acquired Assets and the Assumed Liabilities but which have not been transferred or assumed at or prior to the Closing and which were not specifically excluded as Excluded Assets or Excluded Liabilities and Buyer shall accept or assume, as the case may be, such assets or liabilities. Buyer shall, upon the reasonable request of Sellers and at the sole cost of Sellers, take all action necessary to transfer (or cause one of the Acquired Companies and the Subsidiaries to transfer) to Sellers or any of their Affiliates, as requested by Sellers, any Excluded Assets and Excluded Liabilities (in each case, to the extent not reflected on the Final Statement of Net Assets), but which have been transferred to or are held by Buyer, one of the Acquired Companies or the Subsidiaries and Sellers shall accept or assume, as the case may be, such assets or liabilities.

(b) To the extent any of the agreements or any other contracts used exclusively or primarily in the Business, or any of the Acquired Assets, including the Company Permits, would terminate or be terminable at the election of another

Person or would be breached if assigned to one of the Acquired Companies or the Subsidiaries as part of the Restructuring or assigned or transferred as part of the transactions contemplated by this Agreement (including the separation of any agreement or contract used jointly by the Business and any of the Sellers and their Affiliates), as the case may be, without the consent of another Person, this Agreement shall not be deemed to require an assignment or an attempted assignment thereof if such consent shall not have been obtained prior to the Restructuring or the Closing, as the case may be. Except as otherwise provided herein, Sellers shall (at Sellers' sole expense) use their commercially reasonable best efforts and Buyer (at Sellers' sole expense) agrees to cooperate with Sellers, to obtain the consent of each such Person to such assignment prior to the Closing. If such consent is not obtained at or prior to the Closing, Section 6.4(b) shall apply and, until and unless such consent is obtained (but not beyond the term thereof, including any renewals permitted to Sellers), in any reasonable arrangements which are permitted under such agreements or contracts or with respect to the Acquired Assets, designed to provide to one of the Acquired Companies or the Subsidiaries as designated by Buyer after the Closing the benefits under any such contract or agreement or with respect to the Acquired Assets, including by consenting to the enforcement by Buyer or one of the Acquired Companies or the Subsidiaries in Sellers' name (as the case may be) of any and all rights of Sellers against each other party thereto. The Sellers shall promptly (but no later than 15 business days after receipt) pay to the Buyer, when received, all monies received by the Sellers under any such contract or agreement or with respect to the Acquired Assets or any benefit arising thereunder. Sellers shall use their commercially reasonable best efforts to collect full payment from their customers under such contracts and agreements. To the extent that Buyer is provided the benefits, pursuant to this Section 6.14, of any contract or agreement or with respect to the Acquired Assets, Buyer shall perform for the benefit of the other party or parties thereto, the obligations of Sellers thereunder or in connection therewith, and if Buyer shall fail to materially perform to the extent required herein, Sellers shall cease to be obligated under this Section 6.14 in respect of the item which is the subject of such failure to perform and subject to Sellers' compliance with this Section 6.14 with respect thereto Buyer shall indemnify Sellers from any claims arising out of such non-performance. If Sellers shall have complied with their obligations under this Section 6.14, the inability to secure the consent to the assignment thereof shall not constitute a breach of any of Sellers' representations, covenants or obligations under this Agreement and Sellers shall have no Liability with respect thereto other than their obligations under this Section 6.14.

(c) Sellers shall pay all search, filing, application, prosecution and registration costs, fees and expenses (including attorneys' and agents' fees and expenses) for the registration of Licensed Revlon Marks in an amount not to exceed

U.S. $1,000,000. Buyer, the Acquired Companies and/or the Subsidiaries shall be responsible for such amounts in excess of U.S. $1,000,000 and for all search, filing, application, prosecution, registration and maintenance costs, fees and expenses (including attorneys' and agents' fees and expenses) incurred thereafter in connection with the Licensed Marks throughout the term of the License Agreement (Revlon Marks).

Section 6.15 Guarantees and Other Commitments.

(a) Prior to the Closing, Sellers shall use commercially reasonable best efforts (except neither shall be required to commence any litigation or proceedings in connection therewith) to cause Sellers and their Affiliates (other than any of the Acquired Companies and the Subsidiaries) to be released, effective as of the Closing, from any and all obligations for or Liability under the guarantees, letters of comfort or other contractual commitments of Sellers and their Affiliates (other than any of the Acquired Companies and the Subsidiaries), listed in Section 6.15 of the Disclosure Letter to the extent related to the Business, the Acquired Assets, the Acquired Companies or the Subsidiaries (individually, a "Guaranty" and collectively, the "Guarantees"); provided that Sellers agree that in no event shall the terms and conditions of any Material Agreements be amended or altered (other than the release of such Guarantees).

(b) With respect to any Guarantees as to which Sellers and their Affiliates are not released prior to the Closing, notwithstanding Sellers' efforts pursuant to subsection (a) hereof, Buyer shall, at Sellers' sole expense, use commercially reasonable best efforts to secure the written agreement of such third Persons releasing Sellers and their Affiliates (other than any of the Acquired Companies and the Subsidiaries) from any Liability under such Guarantees arising out of products sold, transactions occurring, credit extended or other obligations or liabilities accruing on or after the Closing Date; provided that nothing herein shall require Buyer to amend or alter any Material Agreement (other than the release of such Guarantee under such agreement).

(c) With respect to any Guarantee as to which (i) Sellers and their Affiliates are not released prior to the Closing, and (ii) a written agreement has not been secured pursuant to Section 6.15(b), Buyer and its Affiliates shall refrain from either increasing the scope of its commitments thereunder or exercising a renewal option or otherwise extending the term of any Guaranteed commitment without first obtaining a Guaranty release therefor.

(d) In the event that Buyer transfers a Guaranteed commitment to a third party, such third party shall expressly agree to be subject to the obligations of Buyer set forth in this Section 6.15.

(e) Buyer shall indemnify, defend and hold harmless the Sellers from and against any claim or loss (i) arising from and after the Closing Date under any Guarantees, and (ii) related to any commitments of Sellers or their Affiliates referred to in Section 6.15(c), in each case with respect to Products sold, transactions occurring or other obligations or liabilities (A) accruing on or after the Closing Date, (B) accruing prior to the Closing Date to the extent the underlying obligation or Liability is an Assumed Liability, or (C) of the Acquired Companies or the Subsidiaries other than Excluded Liabilities.

Section 6.16 Exclusivity. Except as disclosed in Section 6.16 of the Disclosure Letter (Restructuring), until consummation of the transactions contemplated hereby or the termination of this Agreement pursuant to Article VIII, none of the Sellers nor any of their respective Affiliates, or their respective representatives, officers, employees, directors or agents will (and the Sellers shall cause the Acquired Companies and its Subsidiaries not to) directly or indirectly, (i) submit, solicit, initiate or discuss any proposal or offer from any Person or enter into any agreement or accept any offer relating to any (a) reorganization, liquidation, dissolution, or recapitalization of any of the Acquired Companies, the Subsidiaries or the Business, (b) merger or consolidation involving any of the Acquired Companies, the Subsidiaries and the Business, (c) purchase or sale of any assets or capital stock (other than a purchase or sale of inventory and equipment in the ordinary and usual course of business consistent with past practice) of any of the Acquired Companies or the Subsidiaries or (d) similar transaction or business combination involving any of the Acquired Companies, the Subsidiaries, the Business and the assets of any of them (other than purchases or sales of inventory and equipment in the ordinary and usual course of business consistent with past practice) (each of the foregoing actions described in clauses (a) through (d), a "Company Transaction") or (ii) furnish any information with respect to, assist or participate in or facilitate in any other manner any effort or attempt by any Person to do or seek to do any of the foregoing. The Sellers agree to notify the Buyer immediately if any Person makes any proposal, offer, inquiry, or contact with respect to a Company Transaction.

Section 6.17 Noncompete and Nonsolicitation. In further consideration of the transactions contemplated by this Agreement:

(a) During the period from the Closing Date to and including the fifth anniversary of the Closing Date (the "Noncompete Period"), (i) the Sellers and their Affiliates shall not and (ii) the Sellers shall not have, and shall cause their Affiliates, successors and assigns not to have, any affiliation (as defined below) with any Person, anywhere in the world which owns, operates or franchises any Professional Salon or Spa, excluding Reserved Spas as defined in the License Agreement (Revlon Marks), or which manufactures, markets, distributes or sells:

(i) Professional Products to the Professional Field (each as defined in the License Agreement (Revlon Marks)), other than the manufacture, marketing, distribution or sale of (A) Professional Products (other than Hair Care Products and Nail Care Products each as defined in the License Agreement (Revlon Marks)), to Reserved Spas and (B) products under the "Gatineau" or "Ultima II" brands to the extent Sellers conduct any of such activities pursuant to this subclause (i) (B) on or prior to the Closing Date;

(ii) retail or professional Ethnic Products including Hair Relaxer Products (each, as defined in the License Agreement (Revlon Marks));

(iii) retail permanent hair waves and retail temporary hair color rinses, provided that this clause (iii) shall continue to apply upon expiration of the Non-Compete Period and until the seventh anniversary of the Closing with respect to retail temporary hair color rinses under the "Revlon" brand name or a derivative thereof;

(iv) Skin Care Products (as defined in the License Agreement (Revlon Marks)) and Natural Honey Products (as defined in the Patent Formula and Know-How License Agreement (Revlon to Buyer)) in each case marketed or advertised as containing honey, other than the manufacture, marketing, distribution or sale of the "Dry Skin Relief" brand in Ireland, the United Kingdom, Puerto Rico and South Africa; provided that, nothing herein shall be construed to permit the Sellers and their Affiliates to, and the Sellers and their Affiliates hereby agree not to, export any "Dry Skin Relief" brand from such jurisdictions; and

(v) Skin Care Products (excluding Facial Skin Care Products and other than those Skin Care Products containing or marketed or advertised as containing honey which are covered by Section 6.17(a)(iv)), other than products sold under existing brands of Sellers in the jurisdictions and to the

extent Sellers conduct any of such activities on or prior to the Closing Date (the "Current Skin Care Products"); provided that this clause (v) shall continue to apply upon the expiration of the Non-Compete Period and until the seventh anniversary of the Closing except with respect to Current Skin Care Products and products that would otherwise be covered by this clause (v) that are distributed in containers that are 200 ml or less, provided further that this clause (v) shall not apply to Skin Care Products sold exclusively in the United States and its territories and possessions.

(b) During the period from the Closing Date to and including 18 months following the later of the termination of the sales services or manufacturing services under the South Africa Agreement, the Sellers shall not, and shall cause their Affiliates, successors and assigns not to, nor shall they have any affiliation with any Person who, directly or indirectly, manufactures, markets, distributes or sells Ethnic Products as defined in the License Agreement (Revlon Marks) in South Africa.

Each of the activities described in Section 6.17(a) or 6.17(b) above shall be a "Buyer Competitive Activity".

(c) For so long as the License Agreement (Revlon Marks) remains in full force and effect, Sellers shall not distribute, manufacture, market, advertise or sell (i) Skin Care Products or Natural Honey Products marketed or advertised as containing honey, (ii) the "Dry Skin Relief" brand (other than in Ireland, the United Kingdom, Puerto Rico and South Africa, so long as subsequent to the expiration of the Non-Compete Period, it is not marketed or advertised under the "Revlon" brand name or a derivative thereof or exported from such jurisdictions), (iii) body lotion products and for a period of seven years following the Closing, bath gels, body splashes, deodorant, waxes, and body oils in a "D" shaped bottle similar to that used for products marketed or advertised by Sellers or their Affiliates under the "Natural Honey" brand on the date hereof, provided that this clause (iii) shall not apply to Skin Care Products or Natural Honey Products sold exclusively in the United States, its territories and possessions or restrict activities permissible under clause (ii).

(d) Nothing contained in Section 6.17 shall prohibit the Sellers from entering into arm's length agreements with third parties who distribute products other than the Sellers', whose products would otherwise be competitive with the products of the Business, with respect to the manufacture, advertisement, promotion, distribution or sale of Sellers' products that are not included in the Business or purchasing, in the aggregate, up to an aggregate of 5% of any class of the outstanding voting securities of any Person whose securities are listed on a national securities

exchange or traded in the NASDAQ national market system (a "Public Company") (including, for purposes of calculating the percentage of such securities which may be purchased by the Sellers, the securities of such Public Company then owned by all Affiliates of the Sellers to the extent such Persons are acting in concert or otherwise constitute a "group" for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended), if the Sellers do not have an active role in the management of such Public Company (it being understood that the exercise of voting rights with respect to any such voting securities, in and of itself, shall not constitute such a role).

(e) The provisions of this Section 6.17 shall not restrict the actions of any Person that acquires, merges with, or engages in a business combination with, any Sellers, so long as the action that would otherwise constitute a Buyer Competitive Activity is not conducted by or through any one or more of the Sellers and their Affiliates (other than any affiliation that has resulted from such transaction) and does not use any tangible or intangible assets of Sellers.

(f) For purposes of this Section 6.17, the term "affiliation" shall mean any direct or indirect interest in a Person whether as an officer, director, employee, investor, stockholder, partner, member, joint venturer, sole proprietor, trustee, consultant, agent, representative, broker, promoter or otherwise; and

(g) Except to the extent contemplated by the Cosmetics Agreement, from and after the Closing Date, until the second anniversary of the Closing Date, the Sellers, on the one hand, and the Buyer, on the other hand, shall not (and shall cause their respective Affiliates, successors and assigns not to) (a) induce or attempt to induce in the case of Sellers any employee of the Business, the Acquired Companies or the Subsidiaries or in the case of Buyer any employee of RCPC or any of its Affiliates to leave the employ of such Person, (b) hire directly or through an Affiliate any Person who is or was, within the one year period prior to the date of hire, (i) an employee of the Business, the Acquired Companies or the Subsidiaries, in the case of the Sellers, or (ii) an employee of RCPC or any of its Affiliates (other than the Acquired Companies, the Subsidiaries or Business), in the case of the Buyer, or (c) initiate, participate in or contribute to any interference with (i) the Buyer's relationship with the employees of the Business, the Acquired Companies or the Subsidiaries, in the case of the Sellers or (ii) RCPC's or any of its Affiliates' (other than the Acquired Companies, the Subsidiaries or Business) relationship with its employees, in the case of the Buyer. The placing of an advertisement of a position of employment by either party to members of the public generally and the recruitment of a Person through an employment agency shall not constitute a breach of this paragraph, provided that such party does not, nor does any

of its representatives, encourage or advise such agency to approach any employee of the other party.

Notwithstanding anything in this Section 6.17 to the contrary, if at any time, in any judicial proceeding, any of the restrictions stated in this Section 6.17 are found by a final order of a court of competent jurisdiction to be unreasonable or otherwise unenforceable under circumstances then existing, the period, scope or geographical area, as the case may be, shall be reduced to the extent necessary to enable the court to enforce the restrictions to the extent such provisions are allowable under law, giving effect to the agreement and intent of the parties that the restrictions contained herein shall be effective to the fullest extent permissible. Each of the Sellers, on the one hand, and the Buyer on the other, acknowledge and agree that money damages may not be an adequate remedy for any breach or threatened breach of the provisions of this Section 6.17 and that, in such event, the parties hereto or their respective successors or assigns may, in addition to any other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance, injunctive and other relief in order to enforce or prevent any violations of the provisions of this Section 6.17. Any injunction shall be available without the posting of any bond or other security. In the event of an alleged breach or violation by any party (or their respective Affiliates, successors and assigns) of any of the provisions of this Section 6.17, the Noncompete Period or other restrictive period will be tolled for it until such alleged breach or violation is resolved; provided that if it is found to have not violated the provisions of this Section 6.17, then the Noncompete Period or other restrictive period will not be deemed to have been tolled. Each of the Sellers, on the one hand, and the Buyer, on the other, agrees that the restrictions contained in this Section 6.17 are reasonable in all respects.

Section 6.18 Confidentiality.

(a) Each of the Sellers on the one hand, and the Buyer, on the other hand, shall (and shall cause their respective Affiliates, successors and assigns to) treat and hold as confidential all of the Confidential Information, and refrain from using any of the Confidential Information except in connection with this Agreement and the Ancillary Agreements. In the event that any of the Sellers, on the one hand, and the Buyer on the other hand, or their respective Affiliates, successors and assigns is requested or required (by law or by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, that Person will notify the other party promptly of the request or requirement so that the other party may seek an appropriate protective order or waive compliance with the provisions of this Section

6.18. If, in the absence of a protective order or the receipt of a waiver hereunder, any of the Sellers, on the one hand, or Buyer, on the other, or their respective Affiliates, successors and assigns is, on the advice of counsel, compelled to disclose any Confidential Information to any Governmental Entity or else stand liable for contempt, then that Person may disclose the Confidential Information to such Governmental Entity; provided, however, that the disclosing Person shall use her, his or its commercially reasonable best efforts to obtain, at the request of the other party, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as the other party shall designate. The foregoing provisions shall not apply to any Confidential Information which is generally available to the public prior to the time of disclosure or from a third party not known to be under any obligation of confidentiality to Buyer or Sellers. "Confidential Information" means (i) with respect to the Buyer prior to the Closing Date and with respect to the Sellers and their Affiliates after the Closing Date, any information concerning the businesses and affairs of the Business, the Acquired Companies and the Subsidiaries, (ii) with respect to the Sellers, any information concerning the business and affairs of the Buyer and its Affiliates, in each case other than (a) that is already generally available to the public, (b) that becomes generally available to the public other than as a result of a disclosure by the other party or its Affiliates or their respective directors, officers, employees, agents or advisors, or (c) that becomes available to the other party or its Affiliates or their respective directors, officers, employees, agents or advisors on a non-confidential basis from a source other than the Buyer or Sellers or their Affiliates or their respective directors, officers, employees, agents or advisors, provided that such source is not bound by a confidentiality agreement or other obligation of secrecy.

(b) If the transactions contemplated hereby are not consummated, then Buyer shall promptly destroy (other than one copy for the files of outside counsel) and not use any Confidential Information relating to the Business, the Acquired Companies, the Subsidiaries or the Sellers and shall treat all such information in accordance with the Confidentiality Agreement and shall promptly destroy (other than one copy to be retained in the files of outside counsel) all tangible embodiments (and all copies) of the Confidential Information which are in Buyer's or its Affiliates' or their respective directors', officers', employees', agents' or advisors' possession and Sellers shall promptly destroy (other than one copy to be retained in the files of Sellers' outside counsel) and not use any Confidential Information relating to the Buyer (or its Affiliates) and shall treat all such information in accordance with the Confidentiality Agreement and shall promptly destroy (other than one copy for the files of Sellers' outside counsel) all tangible embodiments (and all copies) of the Confidential

Information which are in Sellers' or their Affiliates' or their respective directors', officers', employees', agents' or advisors' possession.

Section 6.19 Litigation Support. In the event and for so long as any party hereto actively is contesting or defending against any action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the Business, the Acquired Companies or the Subsidiaries, each of the other parties hereto will reasonably cooperate with it and its counsel in the contest or defense, make available their personnel, and provide such testimony and access to their books and records as shall be necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending party (unless the contesting or defending party is entitled to indemnification therefor under Article IX hereof).

Section 6.20 Restructuring. In connection with the transactions contemplated herein, the Sellers shall complete the Restructuring (including making any capital infusions that may be required) and separate certain assets from the Business pursuant to Section 6.14 above. Prior to any such Restructuring and separation to occur after the date hereof, Sellers shall (and shall cause the Acquired Companies and the Subsidiaries to) consult with Buyer regarding the structuring and implementation of such Restructuring and separation and shall allow Buyer to comment on such structuring and implementation.

Section 6.21 Estoppel Certificates. The Sellers shall obtain and deliver to Buyer an estoppel certificate (each an "Estoppel Certificate," and collectively, the "Estoppel Certificates") with respect to the Real Property Leases listed in Section 6.21 of the Disclosure Letter from the other party to such Real Property Lease, in form and substance reasonably satisfactory to Buyer. In no event shall Sellers be required to obtain an estoppel certificate certifying to more than is provided for in the estoppel provisions expressly contained in any such Real Property Lease. Sellers shall use reasonable efforts to cause the other party to such Real Property Lease to execute and return the Estoppel Certificate dated not later than 10 days (or the time period for response as provided for in the estoppel provision of such Real Property Lease, if more than 10 days) prior to Closing.

Section 6.22 Right of Offset. Each party acknowledges and agrees that, in addition to any other remedies available, any Liabilities arising under this Agreement or the Ancillary Agreements which are undisputed or if disputed, which are

determined by binding and final arbitration or a decision of a court of competent jurisdiction (either such determination, a "Judgment"), may be satisfied by exercise of a right of offset (an "Offset Right") against any amounts that are or shall be payable to such party, including any amounts payable in respect of the Ancillary Agreements. In connection therewith, the party seeking to exercise the Offset Right (the "Offsetting Party") shall give at least 15 days' prior written notice to the party against whom the Judgment has been entered of its intention to exercise such Offset Right, after which period the Offset Right may be exercised unless the Judgment has been satisfied in full. The Offset Right shall be subject to the limitations set forth in Sections 9.2(b) or 9.3(b), as the case may be.

Section 6.23 Interim Operations of the Business by Buyers. During the period from the date hereof to the Closing, Buyer shall indemnify Sellers for the amount of any capital lease entered into by the Acquired Companies or capital expenditures outside the ordinary course of business and, which is in excess of U.S. $50,000 (in each case with respect to the Business) made at the direction of Carlos Colomer or Michael Powell, except those expenditures made with the prior written consent of the Sellers.

Section 6.24 Transition Countries. Without limiting the provisions of Sections 6.7 and 6.14 above and in furtherance thereof, if by the Closing Date, Sellers, Buyer or their respective Affiliates have not received regulatory clearance under applicable Competition Laws as referred to in Section 4.5 and Section 5.3 of the Disclosure Letters in one or more countries to close the transactions contemplated by this Agreement or the Ancillary Agreements (a "Transition Country"), it is agreed that the Sellers shall, directly or indirectly, on and after the Closing Date, and during the period from the Closing Date until receipt of such regulatory clearance in such country (the "Transition Phase"), carry on in good faith and in the ordinary course of business consistent with past practice that part of the Business as agent and trustee and for the account of Buyer or its designated Affiliate (after the Closing Date) in accordance with the following provisions:

(a) Sellers shall within 30 days after the end of each calendar month of the Transition Phase, and within 30 days after the end of the Transition Phase, prepare, or cause to be prepared, an account for the Business in each Transition Country, showing for each such calendar month or other period:

(i) all receipts received by Sellers and their Affiliates with respect to the Business; and

(ii) all out-of-pocket expenses incurred by Sellers and their Affiliates directly relating to the Business and the amounts that would have been charged to the Business had the Sellers been providing transitional services under the applicable Transitional Services Agreement in such Transition Country during such month.

The account shall show the net difference between (i) and (ii), and shall be accompanied by payment of the difference to Buyer (or its designated Affiliate) if (i) is greater than (ii), or an invoice to Buyer (or its designated Affiliate) for the difference if (ii) is greater than (i), which invoice Buyer (or its designated Affiliate) shall pay within five days after receipt.

(b) Any comments or objections which Buyer may have with respect to the accounts rendered for that Transition Country under Section 6.24(a) above shall be discussed promptly between Buyer and Revlon. If such comments or objections result in the matter under discussion being resolved, then any appropriate amendment shall be made to such account and Buyer and Revlon shall account to each other accordingly.

(c) If any claim which is covered by insurance of Sellers or any of their Affiliates shall arise during the Transition Phase in respect of any of the Acquired Assets of the Business relating to a part of the Business carried on in a Transition Country, Sellers shall promptly submit, or cause to be submitted, all relevant documents to the insurers to substantiate such claim in trust for Buyer (or its designated Affiliate) and turn over the proceeds to Buyer net of self-insurance retentions, deductibles and costs of collection (or its designated Affiliate). Sellers shall promptly inform Buyer of the circumstances giving rise to such insurance claim.

Section 6.25 Preparation of GAAP Statement of Net Assets. Within 90 days after the Closing Date, Sellers shall prepare and deliver to the Buyer an audited statement setting forth the September 30, 1999 Statement of Net Assets prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"), omitting certain footnotes that U.S. GAAP would otherwise customarily require.

Section 6.26 Sellers Cooperation in Buyer Preparation of SEC Financial Statements. For a period of three years following the Closing Date, if Buyer determines to prepare, or cause the preparation of, SEC Financial Statements, Sellers shall cooperate with Buyer (and Buyer shall cooperate with Sellers) in connection therewith, unless Sellers determine in good faith that any disclosure required in

connection therewith could be materially detrimental to RCPC. Any such SEC Financial Statements shall be prepared solely at Buyer's sole expense (and Buyer shall reimburse Sellers promptly from time to time upon receipt of a written request for all Sellers' reasonable out-of-pocket and other costs (including without limitation reasonable charges for internal labor usage) incurred in connection therewith). Sellers' covenant to cooperate with Buyer pursuant to this Section 6.26 shall not require that Sellers hire additional personnel or engage any outside advisors, provided that if Sellers require the assistance of Sellers' outside auditors, whether in connection with issuance of any auditor's reports or opinions or the preparation of the SEC Financial Statements, such shall be done at Buyer's sole expense. If the preparation of the SEC Financial Statements requires the assistance or engagement of Sellers' outside auditors, Sellers shall use their commercially reasonable efforts to assist, and shall cooperate with, Buyer in securing such assistance or engagement.

Section 6.27 Amend User Agreements. On the Closing Date or as soon as practicable thereafter, Sellers shall use reasonable best efforts to amend the registered user agreements between Nadri Cosmetics and Revlon Consumer Products Corporation so that (i) Revlon Professional Holding Company, LLC, a limited liability company organized under the laws of Delaware ("RPHC") or another Seller or Affiliates, as appropriate, is identified as the owner of the Licensed Revlon Marks, and (ii) they cover only the Licensed Revlon Marks and no longer cover any marks which are included within the Acquired Intellectual Property or Acquired Companies' Intellectual Property. Sellers shall promptly notify the Buyer in writing of such filing.

Section 6.28 Cease and Desist. From and after the Closing Date, Buyer and its Affiliates shall cease the use of any and all materials, including but not limited to advertisements, promotional materials, and packaging (regardless of their form and media) which embody or make reference to the names, likenesses, images, photographs, voices, signatures or biographical information of spokespersons and models under exclusive contracts with Sellers and their Affiliates, as follows: Halle Berry, Cindy Crawford, Kim Delaney, Karen Duffy, Emme Aronson, Melanie Griffith, Salma Hayek, Sarah O'Hare, Cybill Shepherd, Courtney Thorne-Smith, Vendela Thomesson, and Shania Twain, provided that nothing herein shall require Buyer to collect or otherwise obtain any such materials distributed to third parties prior to the Closing Date.

Section 6.29 Buyer Cooperation with Respect to Certain Books and Records. Following the closing, Buyer shall maintain and make available (at Sellers' expense) to the officers, employees, accountants, counsel and other representatives of Sellers, upon reasonable notice, books and records, and earn-out and net sales statements reasonably necessary for Sellers to satisfy their obligations, including, without limitation, the

obligation to make earn-out payments, under the following agreements: (1) the American Crew Agreement, (2) the A.P. Products Agreement, (3) the Creative Nail Agreement, (4) Pan-African J.V. Agreement, (5) Stock Purchase Agreement dated as of September 5, 1998 and amended as of September 28, 1998 by and among Aderans Co., Ltd., as Buyer, Roux, as Seller, and RCPC, as Seller Guarantor, in connection with the sale by Roux of General Wig Manufacturers, Inc., (6) the Huber Agreement, and (7) the Intercosmo Agreement.

Section 6.30 Sellers' Agreement to Indemnify for American Crew Earnouts. Subject to Buyer's satisfaction of its obligations pursuant to Section 6.29 (Buyer Cooperation with Respect to Certain Books and Records), from and after the Closing Date, Sellers shall, jointly and severally, repay and/or indemnify Buyer and its Affiliates from and against (A) any payment Buyer or its Affiliates make on behalf of the Sellers and their Affiliates which was contractually required under, and (B) all Buyer Damages (as defined herein) asserted against or incurred by any Buyer Indemnitee (as defined herein) as a result or arising out of, any earnout under the American Crew Agreement; provided that Sellers shall not be required to make such repayment or indemnification if the payment of such earnout was not required under the terms of the American Crew Agreement including, without limitation, the dispute resolution mechanism set forth therein.

Section 6.31 Third Party Beneficiary under Purchase Agreements. Sellers shall use their commercially reasonable efforts to confer upon and provide Buyer with the rights of a third party beneficiary under the following agreements: (1) the American Crew Agreement, (2) the A.P. Products Agreement, (3) the Creative Nail Agreement, (4) Pan-African J.V. Agreement, (5) Stock Purchase Agreement dated as of September 5, 1998 and amended as of September 28, 1998 by and among Aderans Co., Ltd., as Buyer, Roux, as Seller, and RCPC, as Seller Guarantor, in connection with the sale by Roux of General Wig Manufacturers, Inc., (6) the Huber Agreement and (7) the Intercosmo Agreement.

Section 6.32 Revlon S.L. Tax Losses. The Sellers covenant that from December 31, 1998 until the Closing Date, they will utilize Spanish Tax Loss Carryforwards only to offset the Income Tax liability of Revlon S.L. as permitted under Spanish law and regulations.

Section 6.33 Creation of RPHC.

(a) Prior to the Closing Date, Sellers shall organize and take such other actions with respect to RPHC in accordance with the terms set forth in the

term sheet attached hereto as Exhibit L (the "RPHC Term Sheet"), in each case, in form and substance reasonably satisfactory to Buyer.

(b) Sellers and Buyer shall share on an equal basis all costs related to (i) the creation of RPHC, (ii) the transfer of assets, including the Licensor Marks (as defined in the License Agreement (Revlon Marks)), into RPHC, (iii) the creation and perfection of any liens related to such trademarks, and (iv) the ongoing operation of RPHC except as otherwise set forth in the License Agreement (Revlon Marks).

Section 6.34 Research & Development Projects. The Sellers shall use their respective commercially reasonable best efforts to complete their research and development projects marked by an asterisk on Section 1.2(i) of the Disclosure Letter prior to the Closing and the other projects on such schedule shall be delivered at whatever stage of completion they are in and in a commercially reasonable manner to the Buyer on the Closing Date (with Sellers making available to Buyer Alan Paster in making such delivery provided such assistance does not materially interfere with his responsibilities for Sellers). Other than its obligations under this Section 6.34 to use commercially reasonable best efforts to complete certain research and development projects and to deliver the remaining projects in a commercially reasonable manner, Sellers make no representations and warranties as to such services, including the merchantability, fitness for a particular purpose or non-infringement of such services and shall not be liable for their failure, or non-completion.

Section 6.35 Delivery of Formula Documentation. Sellers shall deliver the product formula information and related documentation as set forth on Exhibit M attached hereto with respect to the Acquired Proprietary Information and Acquired Companies Proprietary Information.

Section 6.36 Spanish Headquarters. Sellers shall pay all costs and expenses associated with the removal and replacement of any sign, banner or similar structural element of the facade containing the name "Revlon" from the headquarters of the Business in Barcelona, Spain.

Section 6.37 MIS. Sellers and Buyer hereby agree that Exhibit N attached hereto sets forth the understanding and agreement of Buyer and Sellers with respect to the treatment of the management information system ("MIS") of the Business and the separation thereof from the Sellers' management information system (the "MIS Agreement"), including (i) the determination of Excluded Assets and Acquired Assets with respect to MIS (including software and hardware), (ii) the method of separation of

such system from the Sellers and (iii) the cost of both (A) transitional services to be provided by the Sellers (and their Affiliates) to Buyer (and its Affiliates) after the Closing Date and (B) certain start-up or replacement costs which Buyer will incur in connection with the separation of the Business from the Sellers, which costs shall be paid by the Sellers in accordance with Exhibit N.

Section 6.38 Revlon Coiffure. Prior to the Closing Date, Sellers shall transfer the Acquired Assets which are used or held for use primarily or exclusively in the Business in France to Revlon Coiffure.

Section 6.39 Transitional Services. Sellers hereby agree and covenant that the services set forth in the Transitional Services Agreements and the MIS Agreement will be provided to Buyer and its Affiliates in a timely manner consistent with past practices and at the same level of quality historically provided to the Business by Sellers and their Affiliates.

Section 6.40 Accrued Italian Severance. In connection with the Restructuring in Italy (the "Italian Restructuring"), approximately 1,036,000,000 Italian Lira of accruals (the "Italian Reserves") relating to the severance of Italian agents and a corresponding and equal amount of cash (the "Severance Fund") were transferred from EBP Italy to Intercosmo S.p.A. ("Intercosmo"). Sellers hereby agree and covenant to (and shall cause their Affiliates to) (i) prior to the Closing Date, to the extent permitted under applicable law, (A) remove the Italian Reserves and the Severance Fund from the books and records of Intercosmo and place the Italian Reserves and the Severance Fund on the books and records of a Seller or an Affiliate of the Sellers (other than the Acquired Companies and the Subsidiaries) and (B) if removed, treat the Italian Reserves consistently by excluding such reserves from the September 30, 1999 Statement of Net Assets, the Estimated Statement of Net Assets and the Final Statement of Net Assets, and (ii) to the extent that applicable law does not allow the Italian Reserves and Severance Fund to be removed from the books and records of Intercosmo, treat any claim for Taxes asserted with respect to the transfer of the Italian Reserves and the Severance Fund to the books and records of Intercosmo in accordance with the provisions of Section 6.9 as if the Liability for such a claim were part of Sellers' Covered Taxes. If the Italian Reserves are removed from the books and records of Intercosmo and from the September 30, 1999 Statement of Net Assets, the Estimated Statement of Net Assets, and the Final Statement of Net Assets, the Liability underlying such reserves shall nevertheless be Assumed Liabilities.

Section 6.41 Italian Receivables. In connection with the Italian Restructuring, as of the termination of the Affitto Agreement, Sellers hereby agree and

covenant that trade receivables (the "Intercosmo Receivable") shall be transferred from EBP Italy to Intercosmo at the gross value of such receivables stated on the books and records of the Intercosmo division of EBP Italy, as of the termination of the Affitto Agreement, less a reserve for bad debts equal to three percent (3%) of the gross value of the Intercosmo Receivable.

ARTICLE VII

CONDITIONS TO OBLIGATIONS OF THE PARTIES

Section 7.1 Conditions to Each Party's Obligation. The respective obligation of each party to consummate the transactions contemplated hereby is subject to the satisfaction at or prior to the Closing of the following conditions:

(a) No statute, law, rule or regulation shall have been enacted, promulgated or enforced by any Governmental Entity which prohibits or restricts the consummation of the transactions contemplated hereby;

(b) There shall not be in effect any judgment, order, injunction, ruling, charge or decree of any Governmental Entity (i) enjoining or preventing the consummation of the transactions contemplated hereby (ii) with respect to the obligations of only the Buyer to consummate the transactions contemplated hereby, (1) causing any of the transactions contemplated by this Agreement to be rescinded following consummation, (2) affecting adversely the right of the Buyer to own the Shares or the share capital of the Subsidiaries and to control the Acquired Companies or any of the Subsidiaries, or (3) affecting adversely the right of the Acquired Companies or any of the Subsidiaries to own their respective assets and to operate their respective businesses (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect); and

(c) Any waiting periods applicable to the transactions contemplated by this Agreement under the HSR Act and applicable Competition Laws shall have expired or been terminated and all Governmental Entity authorizations or approvals required in connection with the transactions contemplated by this Agreement shall have been obtained or given, other than those authorizations and approvals, the failure of which to have been obtained, would not (in the good faith judgment of Buyer), in the aggregate, have a Business Material Adverse Effect or a Buyer Material Adverse Effect.

Section 7.2 Conditions to Obligations of the Sellers. The obligations of the Sellers to consummate the transactions contemplated hereby are further subject to the satisfaction (or waiver) at or prior to the Closing of the following conditions:

(a) The representations and warranties of the Buyer contained herein shall be true and correct in all material respects on the date hereof and on and as of the Closing Date (without giving effect to any limitation as to "materiality" or "Material Adverse Effect" set forth in such representation or warranty), with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct in all material respects as of such date (without giving effect to any limitation as to "materiality" or "Material Adverse Effect" set forth in such representation or warranty);

(b) Buyer shall have performed in all material respects its obligations, covenants and agreements under this Agreement required to be performed by it at or prior to the Closing pursuant to the terms hereof;

(c) Buyer shall have delivered to Sellers a certificate reasonably requested by Sellers, dated as of the Closing and executed by an officer of such entity; and

(d) Buyer shall have delivered to Sellers or their Affiliates those items set forth in Section 2.6 hereof.

Section 7.3 Conditions to Obligations of the Buyer. The obligations of Buyer to consummate the transactions contemplated hereby are further subject to the satisfaction (or waiver) at or prior to the Closing of the following conditions:

(a) The representations and warranties of Sellers contained herein shall be true and correct in all material respects on the date hereof and on and as of the Closing Date (without giving effect to any limitation as to "materiality" or "Material Adverse Effect" set forth in such representation or warranty), with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct in all material respects as of such date (without giving effect to any limitation as to "materiality" or "Material Adverse Effect" set forth in such representation or warranty);

(b) The Sellers shall have performed in all material respects their obligations, covenants, and agreements under this Agreement required to be performed by them at or prior to the Closing pursuant to the terms hereof;

(c) All consents, notices, terminations, certificates, filings and approvals set forth on Section 2.5(h) of the Disclosure Letter shall have been obtained, filed or made;

(d) Except as set forth on Section 4.11 of the Disclosure Letter on the date hereof, from and after October 1, 1999, no change has or shall have occurred or is likely to occur, that would reasonably be expected to have a Business Material Adverse Effect (excluding any change, event, effect or circumstance arising in connection with the announcement or performance of the transactions contemplated by this Agreement;

(e) The Sellers shall have delivered to Buyer certificates reasonably requested by Buyer, dated as of the Closing and executed by an officer or director of each of the Sellers;

(f) The Sellers or their Affiliates shall have delivered to Buyer those items set forth in Section 2.5 hereof;

(g) Buyer shall have received from Sellers' counsel in the United States of America and Spain opinions in form and substance as set forth in Exhibit O attached hereto, each such opinion addressed to the Buyer and dated as of the Closing Date;

(h) Buyer shall have received the cash proceeds of the financing transactions contemplated by the Commitment Letters (or replacements thereof on terms reasonably satisfactory to Buyer) necessary to consummate the transactions described herein and provide for the ongoing working capital needs of the Business;

(i) the Compensation Committee of the Board of Directors of Revlon shall have approved the treatment of the options held by Affected Employees in accordance with Section 6.8(n); and

(j) Sellers shall have organized and taken such other actions with respect to RPHC in accordance with the RPHC Term Sheet, in each case, in form and substance reasonably satisfactory to Buyer.

ARTICLE VIII

TERMINATION; AMENDMENT; WAIVER

Section 8.1 Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned:

(a) at any time, by mutual written consent of Sellers and Buyer;

(b) at any time on or after February 29, 2000 by either Sellers, on the one hand, or Buyer, on the other hand, if the Closing shall not have occurred on or prior to such date (in each case provided that such failure to close was not due to the breach of this Agreement by the terminating party);

(c) by the Sellers in the event that (i) the Buyer has breached any representation, warranty or covenant contained in this Agreement in any material respect, (ii) the Sellers have notified the Buyer in writing of such breach, and (iii) such breach has continued without cure for a period of 15 days after the notice of breach; or

(d) by the Buyer in the event that (i) any of the Sellers have breached any representation, warranty or covenant contained in this Agreement in any material respect, (ii) the Buyer has notified Revlon in writing of such breach, and (iii) such breach has continued without cure for a period of 15 days after the notice of breach.

Section 8.2 Procedure and Effect of Termination. In the event of the termination of this Agreement and the abandonment of the transactions contemplated hereby pursuant to Section 8.1(b) hereof, written notice thereof shall forthwith be given by the party so terminating to the other party hereto and this Agreement shall terminate and the transactions contemplated hereby shall be abandoned, without further action by Sellers, on the one hand, or Buyer, on the other hand. If this Agreement is terminated pursuant to Section 8.1 hereof:

(a) each party shall redeliver or destroy all documents, work papers and other materials of the other parties relating to the transactions contemplated

hereby, whether so obtained before or after the execution hereof, to the party furnishing the same, and all Confidential Information received by any party hereto with respect to the other party shall be treated in accordance with the Confidentiality Agreement and Section 6.18 above;

(b) all filings, applications and other submissions made pursuant hereto shall, at the mutual agreement of Buyer and Revlon, and to the extent practicable, be withdrawn from the Governmental Entity or other Person to which made; and

(c) there shall be no Liability hereunder on the part of Sellers or Buyer or their respective Affiliates or any of their respective directors, officers, employees, agents or representatives, except that Sellers or Buyer, as the case may be, shall have Liability to the other party for any breach by Sellers or Buyer, as the case may be, of one or more of the covenants or agreements of this Agreement, and except that the obligations provided for in Sections 6.18, 8.2(a), 8.2(b) and 10.1 hereof shall survive any such termination.

Section 8.3 Amendment, Modification and Waiver. This Agreement may be amended, modified or supplemented at any time by written agreement of the Buyer and Revlon. Any failure of the Sellers, on the one hand, or the Buyer, on the other hand, to comply with any term or provision of this Agreement may be waived, with respect to the Buyer, by Revlon and, with respect to the Sellers, by the Buyer, by an instrument in writing signed by or on behalf of the appropriate party, but such waiver or failure to insist upon strict compliance with such term or provision shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure to comply.

ARTICLE IX

SURVIVAL OF REPRESENTATIONS; INDEMNIFICATION

Section 9.1 Survival of Representations and Warranties and Agreements.

(a) The representations and warranties of Sellers and Buyer (other than with respect to Taxes for which indemnification will be provided exclusively in accordance with Section 6.9) made in Articles IV and V, respectively, of this Agreement shall survive the Closing for a period of 18 months, except that the representations and warranties in Section 4.19 (Environmental Protection) shall survive the Closing until 36 months following the Closing Date, and the representations and

warranties in Sections 4.1 (Organization), 4.2 (Authorization), 4.3 (Capital Stock), 4.4 (Ownership of Shares), 4.17 (Employee Benefit Plans), 4.22 (Affiliate Agreements) and 4.23 (Brokers) shall survive until thirty (30) days after the expiration of the applicable statute of limitations (including all extensions) relating to any issue thereunder (each an "Indemnity Period"), but, except as provided in Section 8.2(c) hereof, shall not survive any termination of this Agreement.

(b) The parties intend to shorten the statute of limitations and no claims or causes of action shall be brought by the parties against Sellers, Buyer or their respective Affiliates or any of their respective directors, officers, employees, agents or representatives based upon, directly or indirectly, any misrepresentations or breach of warranties contained in this Agreement after the Indemnity Period or, except as provided in Section 8.2(c) hereof, any termination of this Agreement unless notice thereof shall have been provided to such party prior to the end of the Indemnity Period. This Section 9.1 shall not limit any covenant or agreement of the parties which contemplates performance before, at, or after, the Closing, including, without limitation, the covenants and agreements set forth in Articles II and VI hereof.

(c) With respect to the representations and warranties set forth in Articles IV and V hereunder, the consummation by the Sellers or Buyer of the transactions contemplated by this Agreement with actual knowledge of a misrepresentation or breach of warranty by the other party shall be considered a waiver of any claim under this Article IX for indemnification with respect to that misrepresentation or breach of warranty. For purposes of this Section 9.1(c), Buyer will be deemed to have knowledge of any facts known by Carlos Colomer or Mike Powell as of the Closing Date.

Section 9.2 Sellers' Agreement to Indemnify.

(a) Subject to the terms and conditions set forth herein, from and after the Closing, Sellers shall, jointly and severally, indemnify, defend and hold harmless Buyer and its Affiliates and their respective directors, officers, employees, agents and representatives and their successors and assigns (collectively, the "Buyer Indemnitees") from and against all Liability, demands, claims, actions or causes of action, assessments, losses, damages, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) as and when incurred, all net of the present value of any Tax benefit, insurance proceeds (excluding self insurance) or amount received from any other party alleged to be responsible therefor actually received (less any costs or expenses arising out of or in connection with receiving and/or collecting such amount) (collectively "Losses and Damages") by Buyer or its Affiliates

(collectively "Buyer Damages") asserted against or incurred by any Buyer Indemnitee as a result of or arising out of (i) a breach of any representation or warranty of Sellers contained in this Agreement (other than Section 4.18 for which indemnification will be provided exclusively in accordance with Section 6.9), (ii) a breach of any agreement or covenant of Sellers in this Agreement (other than with respect to Taxes for which indemnification will be provided exclusively in accordance with Section 6.9) or any Ancillary Agreement subject to the terms, conditions, and any damage limitations therein, (iii) any Excluded Liabilities, (iv) any claim by Sellers against any independent accounting firm in connection with access provided to Buyer to such accounting firm's work papers as described in Section 2.9 hereof, which results in such independent accounting firm seeking indemnification from Buyer under such Accountant's Engagement Letter, or (v) the Off-Balance Sheet Intercompany Liability Settlement (whether prior to, on or after the Closing Date, including Tax liabilities relating thereto). The Buyer shall pay and discharge when due out of the funds of it, the Acquired Companies and the Subsidiaries, with no right of contribution or recourse against the assets of the Sellers, or contest in good faith at no cost or expense to the Sellers or their Affiliates, all of the Assumed Liabilities.

(b) Sellers' obligations to indemnify and defend the Buyer Indemnitees pursuant to Section 9.2(a)(i) hereof with respect to a breach of a representation or warranty contained in Article IV of this Agreement are subject to the following limitations:

(i) Except with respect to the representations and warranties set forth in Sections 4.1 (Organization), 4.2 (Authorization), 4.3 (Capital Stock), 4.4 (Ownership of Shares), 4.6.(c) (Business Financial Statements), 4.22 (Affiliate Agreements) and 4.23 (Brokers), no indemnification shall be made by Sellers unless and until and only to the extent that the aggregate amount of Buyer Damages exceeds U.S. $6,000,000 (six million dollars);

(ii) In no event shall Sellers' aggregate obligation to indemnify the Buyer Indemnitees exceed 100% of the Purchase Price except with respect to the representations and warranties set forth in Sections 4.1 (Organization), 4.2 (Authorization), 4.3 (Capital Stock), 4.4 (Ownership of Shares), 4.22 (Affiliate Agreements) and 4.23 (Brokers);

(iii) The Buyer Indemnitees (at Seller's expense) shall use their commercially reasonable efforts to collect any amounts available under such insurance coverage and from such other party alleged to have

responsibility. If a Buyer Indemnitee receives an amount under insurance coverage or from such other party with respect to Buyer Damages at any time subsequent to any indemnification provided by the Sellers pursuant to this Section 9.2, then such Buyer Indemnitee shall promptly reimburse the Sellers for any payment made or expense incurred by the Sellers in connection with providing such indemnification up to such amount received by the Buyer Indemnitee, but net of all reasonable costs or expenses incurred by such Buyer Indemnitee in collecting such amount; and

(iv) With respect to the Sellers' obligation to indemnify the Buyer Indemnitees with respect to any liability arising out of a breach of Section 4.19 (Environmental Protection) that gives rise to or relates to an obligation to undertake an environmental cleanup, Sellers shall have the right to control (subject to Buyer's right to be reasonably satisfied with the timing, manner and procedures undertaken, to receive contemporaneous copies of all correspondence and other documentation relating to such matters, to be present at all scheduled meetings with regulators where such matters are discussed, and to observe all on-site activities, all at Buyer's expense), and shall only be liable for amounts necessary to complete remediation as required by Environmental Laws (and not ancillary expenses for activities not required by Environmental Laws). Sellers shall manage the matter in compliance with Environmental Laws, in good faith and in a responsible and reasonably cost-effective manner, and any activities conducted in connection therewith shall be undertaken promptly and completed expeditiously using commercially reasonable efforts, subject to the schedules and approvals required by the applicable Governmental Entity;

(v) Sellers shall be obligated to indemnify the Buyer Indemnitees only for those claims giving rise to Buyer Damages as to which the Buyer Indemnitees have given Sellers written notice thereof promptly after determination that a claim for Buyer Damages has occurred and, in any event, and, with respect to a breach of a representation and warranty, prior to the end of the Indemnity Period in the event that the Indemnity Period applies to such Buyer Damages. Any written notice delivered by a Buyer Indemnitee to Sellers with respect to Buyer Damages shall set forth with as much specificity as is reasonably available and practicable the basis of the claim for Buyer Damages and, to the extent reasonably available and practicable, a reasonable estimate of the amount thereof;

(vi) Each of the Sellers hereby agrees that Sellers will not make any claim for indemnification against the Buyer, the Business, the Acquired Companies or the Subsidiaries by reason of the fact that the Sellers or any of its Affiliates was a partner, trustee, director, officer, employee, or agent of any such entity or was serving at the request of any such entity as a partner, trustee, director, officer, employee, or agent of another entity (whether such claim is for judgments, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses, or otherwise and whether such claim is pursuant to any statute, charter document, by-law, agreement or otherwise) with respect to any action, suit, proceeding, complaint, claim or demand arising out of this Agreement brought by the Buyer Indemnitees against such Sellers; and

(vii) Other than a claim based on fraud, the remedies expressly provided in this Agreement shall constitute the Buyer Indemnitees' exclusive remedy against Sellers for any and all Buyer Damages. The foregoing indemnification provisions are in addition to, and not in derogation of, any statutory or common law remedy based on fraud and any equitable remedy any party hereto may have with respect to the Business, the Acquired Companies or the Subsidiaries, or the transactions contemplated by this Agreement.

Section 9.3 Buyer's Agreement to Indemnify.

(a) Subject to the terms and conditions set forth herein, from and after the Closing, Buyer shall indemnify, defend and hold harmless Sellers and their Affiliates and their respective directors, officers, employees, agents and representatives and their successors and assigns (collectively, the "Sellers Indemnitees") from and against all Losses and Damages asserted against or incurred by any Sellers Indemnitee (collectively "Sellers Damages") as a result of or arising out of (i) a breach of any representation or warranty of Buyer contained in this Agreement, (ii) a breach of any agreement or covenant of Buyer in this Agreement (other than with respect to matters relating to Taxes for which indemnification will be provided exclusively in accordance with Section 6.9) or any Ancillary Agreement subject to the terms, conditions and damage limitations therein, (iii) any claim made by any Affected Employee related to the benefits accrued by such Affected Employee under the Revlon Savings Plan prior to the Closing Date provided that the assets attributable to the account balance of such Affected Employee have been transferred to the Buyer pursuant to the provisions of Section 6.8(c) hereof, (iv) any claim made by any Affected Employee related to the benefits accrued by such Affected Employee under the Sellers UAW DB Plan prior to the Closing Date provided that the assets attributable to the accrued benefit of such

Affected Employee have been transferred to the Buyer pursuant to the provisions of Section 6.8(d) hereof, (v) any claim made by any Affected Employee for the benefit accrued by any such Affected Employee under any of the four Revlon non-qualified deferred compensation plans identified in Section 6.8(m) prior to the Closing Date provided that the assets attributable to the accrued benefits of such Affected Employee have been transferred to the Buyer pursuant to the provisions of Section 6.8(m) hereof, or (vi) any Assumed Liabilities. The assumption by the Buyer of the Assumed Liabilities, and the transfer thereof by the Sellers shall in no way expand the rights or remedies of any third party against the Buyer or the Sellers or their respective officers, directors, employees, members, managers and advisors as compared to the rights and remedies which such third party would have had against such Parties had the Buyer not assumed such liabilities. Without limiting the generality of the preceding sentence, the assumption by the Buyer of said liabilities shall not create any third party beneficiary rights. The Sellers shall pay and discharge when due out of their own funds, with no right of contribution or recourse against the assets of the Buyer, or contest in good faith at no cost or expense to the Buyer or its Affiliates, all of those Liabilities of the Sellers which the Buyer has not specifically agreed to assume hereunder.

(b) Buyer's obligations to indemnify and defend the Sellers Indemnitees pursuant to Section 9.3 hereof with respect to a breach of a representation or warranty contained in Article V of this Agreement are subject to the following limitations:

(i) Except with respect to the representations and warranties set forth in Sections 5.1 (Organization), 5.2 (Authorization) and 5.7 (Brokers), no indemnification shall be made by Buyer unless and until and only to the extent that the aggregate amount of Sellers Damages exceeds U.S. $6,000,000 (six million dollars);

(ii) In no event shall Buyer's aggregate obligation to indemnify the Sellers Indemnitees exceed 100% of the Purchase Price except with respect to the representations and warranties set forth in Sections 5.1 (Organization), 5.2 (Authorization) and 5.7 (Brokers);

(iii) The Sellers Indemnitees (at Buyer's expense) shall use commercially reasonable best efforts to collect any amounts available under such insurance coverage and from such other party alleged to have responsibility. If a Sellers Indemnitee receives an amount under such insurance coverage or from such other party with respect to Sellers Damages at any time subsequent to any indemnification provided by the Buyer pursuant to this

Section 9.3, then such Sellers Indemnitee shall promptly reimburse the Buyer for any payment made or expense incurred by the Buyer in connection with providing such indemnification up to such amount received by the Sellers Indemnitee, but net of any expenses incurred by such Sellers Indemnitee in collecting such amount; and

(iv) Buyer shall be obligated to indemnify the Sellers Indemnitees only for those claims giving rise to Sellers Damages as to which the Sellers Indemnitees have given Buyer written notice thereof promptly after determination that a claim for Sellers Damages has occurred and, in any event, prior to the end of the Indemnity Period in the event that the Indemnity Period applies to such Sellers Damages. Any written notice delivered by a Sellers Indemnitee to Buyer with respect to Sellers Damages shall set forth with as much specificity as is reasonably available and practicable the basis of the claim for Sellers Damages and, to the extent reasonably available and practicable, a reasonable estimate of the amount thereof.

Section 9.4 Third Party Indemnification. The obligations of any indemnifying party under Sections 9.2 or 9.3 (the "Indemnifying Party") to indemnify any indemnified party (the "Indemnified Party") under this Article IX with respect to Buyer Damages or Sellers Damages, as the case may be, resulting from the assertion of Liability by a third party (a "Claim"), shall be subject to the following terms and conditions:

(a) Any party against which any Claim is asserted shall give the party required to provide indemnity hereunder written notice of any such Claim promptly after learning of such Claim, and the Indemnifying Party may at its option undertake the defense thereof by representatives of its own choosing, provided, that, before the Indemnifying Party assumes control of such defense it must first: enter into an agreement with the Indemnified Party (in form and substance reasonably satisfactory to the Indemnified Party) pursuant to which the Indemnifying Party shall be fully responsible (with no reservation of any rights other than the right to be subrogated to the rights of the Indemnified Party) for all Damages relating to such Claim and unconditionally guarantees the payment of any Liability resulting therefrom; and furnish the Indemnified Party with reasonable evidence that the Indemnifying Party is and will be able to satisfy any such Liability. Failure to give prompt notice of a Claim hereunder shall not relieve the Indemnifying Party from any obligation under this Article IX, except to the extent that the Indemnifying Party is materially prejudiced by such failure to give prompt notice. If the Indemnifying Party, within 15 days after receiving written notice of any such Claim, fails to adequately assume the defense of such Claim (by

either notifying the Indemnified Party thereof, failing to taking action within prescribed time periods in defense of such Claim or otherwise), the Indemnified Party against which such Claim has been made shall (upon further written notice to the Indemnifying Party) have the right to undertake the defense, compromise or settlement of such Claim on behalf of and for the account and risk, and at the expense, of the Indemnifying Party, without obtaining the consent of the Indemnifying Party and the Indemnifying Party shall be responsible for the costs, fees and expenses of counsel to the Indemnified Party in connection therewith. The Indemnified Party shall reasonably cooperate with the Indemnifying Party in connection with any Claim.

(b) Anything in Section 9.4(a) to the contrary notwithstanding:

(i) if any Claim involves solely the recovery of a sum of money (and does not seek injunctive or other equitable relief); or involves the recovery of any combination of money, on the one hand, and seeks injunctive or other equitable relief, on the other, or the Indemnified Party reasonably believes that an adverse determination of such Claim could be detrimental to or injure the Indemnified Party's reputation or future business prospects and notifies the Indemnified Party of such belief; the Indemnifying Party shall not enter into any settlement or compromise of any action, suit or proceeding or consent to the entry of any judgment without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed. In the event the Indemnifying Party receives a bona fide settlement proposal or compromise which includes provisions that would bind the Indemnified Party other than with respect to the payment of monetary damages, or which the Indemnified Party reasonably believes could be detrimental to or injure its reputation or future business prospects, and in either such case which the Indemnifying Party, in good faith reasonably believes would not have an adverse effect on the Indemnified Party, if such settlement or compromise is acceptable to the Indemnifying Party but the non-monetary portion of such compromise or settlement is not acceptable to the Indemnified Party (acting reasonably and without delay), the Indemnified Party must either accept such settlement or compromise or continue the defense of any such matter for its own account, and the costs and expense of such defense from and after the date that the Indemnifying Party notified the Indemnified Party of the terms of such settlement or compromise as well as any Losses and Damages in excess of the amount which the Indemnifying Party would have borne had the settlement proposed by the Indemnifying Party been accepted, shall be for the account of the Indemnified Party; provided that Indemnifying Party shall pay to

the Indemnified Party the full amount of such proposed monetary settlement at the time the Indemnified Party assumes such defense;

(ii) if any Claim solely seeks injunctive or other equitable relief, the Indemnifying Party shall not be entitled to have, and the Indemnified Party shall, subject to the Indemnifying Party's rights pursuant to Section 9.4(a), have the sole right to undertake the defense thereof by representatives of its own choosing by notifying the Indemnifying Party of such election together with its initial notice of the Claim pursuant to Section 9.4;

(iii) No Indemnifying Party shall settle or compromise or consent to the entry of any judgment with respect to any Claim unless such settlement, compromise or consent includes an unconditional written release of the Indemnified Party from all Liability arising out of such Claim.

(c) Notwithstanding Section 9.4(b) above; (i) the Indemnified Party will be entitled to participate in the defense of any Claim and employ counsel of its choice for such purpose at its own expense, beginning five days subsequent to the date upon which the Indemnified Party notified the Indemnifying Party of the existence of such Claim (ii) the Indemnifying Party will not be entitled to assume control of the defense of such Claim and shall enter into a joint defense agreement with the Indemnified Party and will pay the reasonable fees and expenses of legal counsel retained by the Indemnified Party, if the Indemnified Party reasonably believes that there exists or could arise a conflict of interest which, under applicable principles of legal ethics, could prohibit a single legal counsel from representing both the Indemnified Party and the Indemnifying Party in such Claim, and (iii) the Indemnifying Party will not be entitled to assume control of the defense of such Claim, and will pay the reasonable fees and expenses of legal counsel retained by the Indemnified Party, if a court of competent jurisdiction rules that the Indemnifying Party has failed or is failing to prosecute or defend vigorously such Claim.

Section 9.5 Purchase Price Adjustment. All indemnification payments under this Article IX shall be deemed adjustments to the Purchase Price.

ARTICLE X

MISCELLANEOUS

Section 10.1 Fees and Expenses. Whether or not the transactions contemplated herein are consummated pursuant hereto, except as otherwise provided herein, each of Sellers, on the one hand, and Buyer, on the other hand, shall pay all fees and expenses incurred by, or on behalf of, such party in connection with, or in anticipation of, this Agreement and the consummation of the transactions contemplated hereby. Notwithstanding anything to the contrary, the Sellers agree that the Buyer, the Business, the Acquired Companies and the Subsidiaries have not borne or will not bear (i) any of the Sellers' costs and expenses (including any of their legal fees and expenses) in connection with this Agreement, the Ancillary Agreements or any of the transactions contemplated hereby or thereby (including, without limitation, expenses directly or indirectly attributable to the Restructuring) other than as provided in Section 6.9(j), or (ii) any costs or expenses (including any severance costs) incurred between October 1, 1999 and the Closing Date in connection with or arising out of the termination, retirement, layoff, resignation or other separation of employment (for any reason) of any employee of the Sellers, the Acquired Companies, the Subsidiaries and their Affiliates, except to the extent accrued on the September 30, 1999 Statement of Net Assets or the Final Statement of Net Assets.

Section 10.2 Notices. All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be delivered in writing by any of the following methods: (a) personal delivery; (b) registered or certified mail, postage prepaid, return receipt requested; or (c) overnight delivery service, provided that, in each case a copy shall also be sent via facsimile transmission. Notices shall be sent to the appropriate party at its address or facsimile number given below (or at such other address or facsimile number for such party as shall be specified by notice given hereunder):

If to the Buyer, to:

Beauty Care Professional Products Luxembourg, S.a.r.l.
c/o CVC Capital Partners
Hudson House
8-10 Tavistock Street
London WC2E 7PP
England
Fax: +44-171-420-4231
Attention: Hardy M. McLain

Carlos Colomer
Revlon S.A.
Calle Aragon, 499
08013 Barcelona
Spain 13

with copies (which shall not constitute notice to Buyer) to:

Kirkland & Ellis
Citicorp Center
153 East 53rd Street
New York, New York 10022
U.S.A.
Fax: +1-212-446-4900
Attention: Kirk A. Radke
Geoffrey W. Levin

and

Clifford Chance
Paseo de la Castellana
110 28046 Madrid
Spain
Fax: +34-91-590-7575
Attention: Pablo Bieger

If to Sellers, to:

Revlon Consumer Products Corporation
625 Madison Avenue
New York, New York 10022
Fax No. (212) 527-5693
Attention: General Counsel

with a copy (which shall not constitute notice to Sellers) to:

Skadden, Arps, Slate,
Meagher & Flom LLP
Four Times Square
New York, New York 10036-6522
Fax No. (212) 735-2000
Attention: Franklin M. Gittes, Esq. and
Alan C. Myers, Esq.

All such notices, requests, demands, waivers and communications shall be deemed received (i) in the case of personal delivery, upon actual receipt thereof by the addressee, (ii) in the case of overnight delivery, on the day following delivery to the overnight delivery service, (iii) in the case of mail, upon receipt of the return receipt, provided that, in each case, there is issuance by the transmitting facsimile machine of a confirmation slip that the number of pages constituting the notice have been transmitted without error.

Section 10.3 Severability. Should any provision of this Agreement for any reason be declared invalid or unenforceable, such decision shall not affect the validity or enforceability of any of the other provisions of this Agreement, which remaining provisions shall remain in full force and effect and the application of such invalid or unenforceable provision to Persons or circumstances other than those as to which it is held invalid or unenforceable shall be valid and enforced to the fullest extent permitted by law.

Section 10.4 Binding Effect; Assignment. This Agreement and all of the provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, directly or indirectly, including, without limitation, by operation of law, by any party hereto without the prior written consent of Revlon and Buyer, provided, however, that either

party may (i) assign any or all of its rights and interests hereunder to one or more of its Affiliates, (ii) assign this Agreement (or any Ancillary Agreement entered into in connection with the transactions contemplated hereby) or any of its rights and interests hereunder and thereunder in connection with a merger, consolidation or sale involving a transfer of all or substantially all of the assets of the Acquired Companies or Subsidiaries or the Business in the case of Buyer, or, in the case of Sellers, a merger, consolidation or sale involving all or substantially all of their respective assets and (iii) assign its rights under this Agreement (including its right to indemnification) to any of its or its Affiliates' lenders as collateral security; provided further that, (A) nothing in this Section 10.4 shall be construed to allow any of the Sellers to assign its Liability or obligations hereunder to any Person (whether an Affiliate or not) and (B) if any of the Sellers makes an assignment pursuant to this Section 10.4, then such assigning Sellers shall agree in writing to remain, and the transferee shall agree in writing to become, jointly and severally liable with respect to the Liabilities of the Sellers hereunder.

Section 10.5 No Third Party Beneficiaries. This Agreement is solely for the benefit of Sellers and their successors and permitted assigns, with respect to the obligations of Buyer under this Agreement, and for the benefit of Buyer, and its respective successors and permitted assigns, with respect to the obligations of Sellers, under this Agreement, and this Agreement shall not be deemed to confer upon or give to any other third party any remedy, claim, Liability, reimbursement, cause of action or other right.

Section 10.6 Appointment of Seller Representative. By execution of a counterpart of this Agreement, Sellers hereby appoint RCPC to act as their representative (the "Seller Representative") and take all actions in their name and stead in all matters provided for herein, including without limitation the resolution or dispute of any claims or matters related to Article II, Article VI and Article IX. In the event of the bankruptcy, insolvency, incapacity, removal or resignation of RCPC, a successor Seller Representative shall be appointed by the Sellers.

Section 10.7 Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement. Any reference to any domestic or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. If any party hereto has breached any representation, warranty, or covenant contained herein in any respect, the fact that there exists another representation, warranty, or covenant relating to the same subject matter (regardless of the relative levels of specificity) which such party has not breached shall not detract

from or mitigate the fact that such party is in breach of the first representation, warranty, or covenant. The Exhibits, Annexes, Schedules and the Disclosure Letter identified in this Agreement are incorporated herein by reference and made a part hereof. Whenever the last day for the exercise of any privilege or the discharge of any duty hereunder shall fall upon any day which is not a business day in the State of New York or in Barcelona, Spain, the party having such privilege or duty may exercise such privilege or discharge such duty on the next succeeding business day. The word "including" shall mean including without limitation. If there is any inconsistency between this Agreement and the Disclosure Letter attached hereto, then the provisions of this Agreement will control. The parties hereto intend that each representation, warranty, and covenant contained herein shall have independent significance.

Section 10.8 Exclusive Jurisdiction and Consent to Service.

(a) Except as provided in any Ancillary Agreement, any suit, action or proceeding arising out of or relating to this Agreement may only be brought in the state or federal courts of New York;

(b) Each of Sellers and Buyer consents to the exclusive jurisdiction of each such state or federal court of New York in any suit, action or proceeding relating to or arising out of this Agreement, except as provided in any Ancillary Agreement;

(c) Sellers and Buyer shall waive any objection which they may have to the laying of venue in any such suit, action or proceeding in any such state or federal court of New York; and

(d) Service of any court paper may be made in such manner as may be provided under applicable laws or court rules governing service of process.

Section 10.9 Entire Agreement. This Agreement, the Confidentiality Agreement, the Disclosure Letter, and the Exhibits, Annexes, Schedules and the Ancillary Agreements and other documents referred to herein or delivered pursuant hereto which form a part hereof constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all other prior agreements and understandings, both written and oral, between the parties or any of them with respect to the subject matter hereof.

Section 10.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York (regardless of the

laws that might otherwise govern under applicable principles of conflicts of laws thereof) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies.

Section 10.11 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

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

SELLERS:

REVLON, INC.

By:

Name:
Title:

REVLON CONSUMER PRODUCTS CORPORATION

By:

Name:
Title:

REMEA 2 B.V.

By:

Name:
Title:

REVLON EUROPE, MIDDLE EAST AND AFRICA, LTD.

By:

Name:
Title:

REVLON INTERNATIONAL
CORPORATION

By:

Name:
Title:

EUROPEENNE DE PRODUITS DE
BEAUTE S.A.

By:

Name:
Title:

DEUTSCHE REVLON GMBH & CO. K.G.

By:

Name:
Title:

REVLON CANADA, INC.

By:

Name:
Title:

REVLON DE ARGENTINA, S.A.I.C.

By:

Name:
Title:

REVLON SOUTH AFRICA (PROPRIETARY)
LIMITED

By:

Name:
Title:

REVLON (SUISSE) S.A.

By:

Name:
Title:

REVLON OVERSEAS CORPORATION
C.A.

By:

Name:
Title:

CEIL -COMERCIAL, EXPORTADORA,
INDUSTRIAL LTDA.

By:

Name:
Title:

REVLON MANUFACTURING LTD.

By:

Name:
Title:

REVLON BELGIUM N.V.

By:

Name:
Title:

REVLON (CHILE) S.A.

By:

Name:
Title:

REVLON (HONG KONG) LIMITED

By:

Name:
Title:

REVLON, S.A.

By:

Name:
Title:

REVLON NEDERLAND B.V.

By:

Name:
Title:

REVLON NEW ZEALAND LIMITED

By:

Name:
Title:

EUROPEAN BEAUTY PRODUCTS S.p.A.

By:

Name:
Title:

BUYER:

BEAUTY CARE PROFESSIONAL PRODUCTS
LUXEMBOURG, S.a.r.l.

By:

Name: Carlos Colomer
Title:

By:

Name: Hardy McLain
Title:

With respect to Section 6.9 only:

MAFCO HOLDINGS INC.

By:

Name:
Title:

ANNEX A
BRANDS

Note: Marks are listed alphabetically by column.

African Pride
Alfil Set
All Ways Natural
Alpha
Alpha 5 in 1
Alpha Set
American Crew
Arosci
Artistic World
Artwork
Attrezzature
Axium
Biopoint
Biopon
Biotec
Capvit
Citroperm
Citroperm Henry
Clean Touch
Color Clean
Color Lock*
Colorissimo
Cool Blue
Cool Hue
Cool Hue Color
Cosmetic Touch
Creative Nail
Creme of Nature
Creme Superoxide
D:Fi
D:Stressed
Designer Look
Diaffany
Dry & Shine
Eclipse Formation
Eco
Eco 12
Eco 13
Mendex
Midollo
Modern Organic Products or MOP
Moell
Moistcure
Moisture Recovery Treatment
Muscle
Nail Fresh
Nail Intensity
Natural Honey
Natural Wonder
Neutroperm
Nice Change
Oksipul
Oxi Plus
PC2000
Perfect Perm
Perfect Touch
Perm & Care
Perm Life
Perm No Perm
Perm Up
Personal Bio Point
PH7
PH7 Perm
Pointine
Porosity Control
Porosity Equalizer
Licensed Revlon Marks**
Radical Solar Nail
Realistic
Retention+
Roulite
Roux
Roux White
Ryellis
Salon Perfection
Scentsations

Ecologique
Ekinos
Equave
Fabu-laxer
Fabusilk
Fanci-Full
Fanci-Tone
Fashion Onda Fix
Fashion Onda Perm
Fashion Wave Perm
Fermodual
Fermodyl
Fermopoint
Fermostyle
Fiesta
Finisheen
Fixpray
Floid
Free Perm
Frosty Roulite
Gel Bond
Ginseng Miracle
Geniol
Gentle Blonde
Gentle Meche
Great Feeling
Great Feeling Perm
Hair Base
Henry
Herbal Deep Clean
Herbarich
Interactives
Intercosmo
Intragen 5
Iroside
Ivola
Jean Doran
La mouse
Lanocolor
Lanofil
Lash & Brow
Lauripon
Liquid Tex
Lottabody
Scrub
Scrub Fresh
Sensor
Sensor Body
Sensor Perm
Sensor Prestige
Sensor Supreme
Sheer Delight
Solar Nail
Solaroil
Solar Seale
Spa Manicure
Spa Pedicure
Special Feeling
Speed Bond
Speedy
Spritzhold
Super Blonde
Super Quick Out
Super Shiney
Supphold
Surgiva
Synaplex
Thermal Tex
Tiazolin
Tinturex
True Blue
True Cystem
Tween Time
Ultra Clean Touch
Ultra Pointe
Velocity
Voila
Volumage 3
Wrap'n & Tap'n
Young Color
Young Color II
Young Color Cream
Young Color Excel
Young Color Mask
Young Hair
Zelig
Zelig Perm
Zuska

Lovely Color	911
Llongueras (subject to license)	
Luminates	

* Licensed under and subject to the provisions of the License Agreement (Color Lock)

** As defined in the Purchase Agreement, all of which are licensed under and subject to the provisions of the License Agreement (Revlon Marks)

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

Set forth below is a list of certain of the Registrant's subsidiaries. Such subsidiaries are incorporated or organized in the jurisdictions indicated. Revlon Consumer Products Corporation is wholly owned by the Registrant. Each of the other listed subsidiaries is wholly owned by Revlon Consumer Products Corporation directly, or indirectly, and all listed subsidiaries are included in the Registrant's consolidated financial statements. The names of the Registrant's remaining subsidiaries, if any, which may have been omitted from the following list, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

Domestic Subsidiaries

Almay, Inc., a Delaware corporation
*American Crew, Inc., a Delaware corporation
*Amerinail Inc., a Delaware corporation
*A. P. Products, Ltd., a New York corporation
Carrington Parfums Ltd., a Delaware corporation
Charles Revson Inc., a New York corporation
Cosmetics and More Inc., a Delaware Corporation
*Creative Nail Design, Inc., a California corporation
(d/b/a Creative Nail Design Systems and CND Inc. in California)
*Fermodyl Professionals Inc., a Delaware corporation
*Modern Organic Products, Inc., a Delaware corporation
North America Revsale Inc., a New York corporation
Oxford Properties Co., a Delaware corporation
(d/b/a Oxford Properties of Delaware in North Carolina)
Pacific Finance & Development Corp., a California corporation
PPI Two Corporation, a Delaware corporation
Prestige Fragrances, Ltd., a Delaware corporation
*Realistic/Roux Professional Products Inc., a Delaware corporation
Revlon Consumer Corp., a Delaware corporation
Revlon Consumer Products Corporation, a Delaware corporation
Revlon Government Sales, Inc., a Delaware corporation
Revlon International Corporation, a Delaware corporation
Revlon Products Corp., a Delaware corporation
*Revlon Professional, Inc., a Delaware corporation
*Revlon Professional Products Inc., a Delaware corporation
Revlon Real Estate Corporation, a Delaware corporation
Revlon Receivables Subsidiary, Inc., a Delaware corporation
RIROS Corporation, a New York corporation
RIROS Group Inc., a Delaware corporation

RIT Inc., a Delaware corporation
*Roux Laboratories, Inc., a New York corporation
(d/b/a Revlon Professional in New York)

Foreign Subsidiaries

Almay Cosmetics Ltd. (Canada)
Almay Japan Kabushiki Kaisha (Japan)
Alpha Cosmetics B.V. (Netherlands)
Becadis B.V. (Netherlands)
Bozzano - Revlon Comercial Ltda. (Brazil)
CEIL - Comercial, Exportadora, Industrial Ltda. (Brazil)
Cendico B.V. (Netherlands)
Charles of the Ritz Limited (United Kingdom)
Deutsche Revlon GmbH (Germany)
Deutsche Revlon GmbH & Co. KG (Germany)
Eurital S.r.l. (Italy)
European Beauty Products S.p.A. (Italy)
Europeenne de Produits de Beaute, S.A. (France)
*Intercosmo S.p.A.(Italy)
Kenma Holding B.V. (Netherlands)
Korihor (No. 1) Pty. Limited (Australia)
Madison Finanzgesellschaft mbH (Germany)
Madison Produtos Cosmeticos Ltda. (Brazil)
Madison (Services) Pty. Limited (Australia)
Ortran Kosmetikvertrieb GmbH (Germany)
Productos Cosmeticos de Revlon, S.A. (Guatemela)
Promethean Insurance Limited (Bermuda)
REMEA Luxembourg S.A.R.L. (Luxembourg)
REMEA 1 B.V. (Netherlands)
REMEA 2 B.V. (Netherlands)
Revlon AB (Sweden)
Revlon (Aust.) Pty. Limited (Australia)
Revlon (Aust.) Services Pty. Limited (Australia)
Revlon Beauty Products, S.L. (Spain)
Revlon Belgium N.V. (Belgium)
Revlon (Bermuda) Holdings Ltd. (Bermuda)
Revlon B.V. (Netherlands)
Revlon Canada Inc. (Canada)
Revlon (Cayman) Limited (Cayman Islands)

Revlon Chile S.A. (Chile)
Revlon China Holdings Limited (Cayman Islands)
*Revlon Coiffure SNC (France)
Revlon Cosmetics and Fragrances Limited (United Kingdom)
Revlon de Argentina, S.A.I.C. (Argentina)
Revlon Europe, Middle East and Africa Ltd. (Bermuda)
Revlon Finance Ireland (Ireland)
Revlon Gesellschaft mbH (Austria)
Revlon Group Limited (United Kingdom)
Revlon (Hong Kong) Limited (Hong Kong)
Revlon (Israel) Limited (Israel)
Revlon Kabushiki Kaisha (Japan)
Revlon Latin America and Caribbean, Ltd. (Bermuda)
Revlon (Maesteg) Pension Trustee Company Limited (United Kingdom)
Revlon (Malaysia) Sdn. Bhd. (Malaysia)
Revlon Manufacturing Ltd. (Bermuda)
Revlon Manufacturing (U.K.) Limited (United Kingdom)
Revlon Mauritius Ltd. (Mauritius)
Revlon Nederland B.V. (Netherlands)
Revlon New Zealand Limited (New Zealand)
Revlon Offshore Limited (Bermuda)
Revlon Overseas Corporation, C.A. (Venezuela)
Revlon (Panama) S.A. (Panama)
Revlon Pension Trustee Company (U.K.) Limited (United Kingdom)
Revlon Personal Care K.K. (Japan)
*Revlon-Produtos Cosmeticos, Ltda. (Portugal)
*Revlon Profesional, S.A. de C.V. (Mexico)
*Revlon Professional Limited (Ireland)
*Revlon Professional S.p.A. (Italy)
Revlon (Puerto Rico) Inc. (Puerto Rico)
Revlon Real Estate Kabushiki Kaisha (Japan)
*Revlon-Realistic International Limited (Ireland)
*Revlon-Realistic Professional Products Limited (Ireland)
Revlon Russia SNC (France)
Revlon, S.A. (Mexico)
Revlon, S.L. (Spain)
Revlon (Shanghai) Limited (China)
Revlon (Singapore) Pte. Ltd. (Singapore)
Revlon South Africa (Proprietary) Limited (South Africa)
Revlon S.P. Z. O. O. (Poland)
Revlon (Suisse) S.A.(Switzerland)
Revlon Superannuation Pty. Ltd. (Australia)
Revlon Taiwan Limited (Taiwan)
RGI Beauty Products (Namibia) (Proprietary) Ltd. (Namibia)
RGI Beauty Products (Pty.) Limited (South Africa)

RGI (Cayman) Limited (Cayman Islands)
RGI Limited (Cayman Islands)
RIC Pty. Limited (Australia)
R.I.F.C. Bank Limited (Bahamas)
R.O.C. Holding, C.A. (Venezuela)
S.E.F.A.O., S.A. (Spain)
Shanghai Revstar Cosmetic Marketing Services Limited (China)
Tindafil, S.A. (Uruguay)
Ultima II Cosmetics GmbH (Germany)
Ultima II Limited (United Kingdom)
YAE Artistic Packings Industry Ltd (Israel)
YAE Press 2000 (1987) Ltd. (Israel)

*Subsequently disposed of in connection with the sale of the Company's professional products line.

The Board of Directors
Revlon, Inc.:

We consent to incorporation by reference in the registration statement (No. 333-76267) on Form S-8 of Revlon, Inc. (the "Company") of our report dated March 30, 2000, relating to the consolidated balance sheets of the Company and subsidiaries as of December 31, 1999, and 1998, and the related consolidated statements of operations, stockholders' deficiency and comprehensive loss, and cash flows for each of the years in the three-year period ended December 31, 1999, and the related schedule, which report appears in the December 31, 1999, annual report on Form 10-K of the Company.

/s/ KPMG LLP

New York, New York
March 30, 2000

Exhibit 24.1

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Laurence Winoker and Glenn P. Dickes or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1999 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 29th day of February, 2000.

/s/ RONALD O. PERELMAN

RONALD O. PERELMAN

Exhibit 24.2

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Laurence Winoker and Glenn P. Dickes or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1999 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 29th day of February, 2000.

/s/ DONALD G. DRAPKIN

DONALD G. DRAPKIN

Exhibit 24.3

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Laurence Winoker and Glenn P. Dickes or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1999 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 29th day of February, 2000.

/s/ MEYER FELDBERG

MEYER FELDBERG

Exhibit 24.4

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Laurence Winoker and Glenn P. Dickes or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1999 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 29th day of February, 2000.

/s/ HOWARD GITTIS

HOWARD GITTIS

Exhibit 24.5

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Laurence Winoker and Glenn P. Dickes or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1999 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this ____ day of _____, 2000.

/s/ MORTON L. JANKLOW

MORTON L. JANKLOW

Exhibit 24.6

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Laurence Winoker and Glenn P. Dickes or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1999 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 4th day of February, 2000.

/s/ VERNON E. JORDAN, JR.
VERNON E. JORDAN, JR.

Exhibit 24.7

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Laurence Winoker and Glenn P. Dickes or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1999 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 29th day of February, 2000.

/s/ EDWARD J. LANDAU

EDWARD J. LANDAU

Exhibit 24.8

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Laurence Winoker and Glenn P. Dickes or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1999 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 8th day of February, 2000.

/s/ JERRY W. LEVIN

JERRY W. LEVIN

Exhibit 24.9

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Laurence Winoker and Glenn P. Dickes or any of them, each acting alone, her true and lawful attorney-in-fact and agent, with full power of substitution, for her and her name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1999 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 8th day of February, 2000.

/s/ LINDA GOSDEN ROBINSON

LINDA GOSDEN ROBINSON

Exhibit 24.10

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Laurence Winoker and Glenn P. Dickes or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1999 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 29th day of February, 2000.

/s/ TERRY SEMEL

TERRY SEMEL

Exhibit 24.11

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Laurence Winoker and Glenn P. Dickes or any of them, each acting alone, her true and lawful attorney-in-fact and agent, with full power of substitution, for her and her name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1999 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 29th day of February, 2000.

/s/ MARTHA STEWART

MARTHA STEWART

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1,000

12-MOS
DEC-31-1999
JAN-01-1999
DEC-31-1999
25,400
0
359,800
27,200
278,300
687,600
594,900
258,500
1,558,300
597,300
1,737,800
0
54,600
500
(1,070,000)
1,558,300
1,861,300
1,861,300
686,100
686,100
0
7,700
147,900
(362,400)
9,100
(371,500)
0
0
0
(371,500)
(7.25)
(7.25)