

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended: June 30, 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

(State or other jurisdiction of
incorporation or organization)

13-3662955

(I.R.S. Employer
Identification No.)

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

10022
(Zip Code)

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

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

As of June 30, 1999, 19,992,571 shares of Class A Common Stock and 31,250,000
shares of Class B Common Stock were outstanding. 11,250,000 shares of Class A
Common Stock and all the shares of Class B Common Stock were held by REV
Holdings Inc., an indirect wholly owned subsidiary of Mafco Holdings Inc.

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

| ASSETS | JUNE 30, 1999 | DECEMBER 31, 1998 |
|--|------------------|----------------------|
| | (Unaudited) | |
| Current assets: | | |
| Cash and cash equivalents | \$ 26.8 | \$ 34.7 |
| Trade receivables, less allowances of \$26.6 and \$28.5, respectively | 464.7 | 536.0 |
| Inventories | 276.0 | 264.1 |
| Prepaid expenses and other | 67.7 | 69.9 |
| Total current assets | 835.2 | 904.7 |
| Property, plant and equipment, net | 359.1 | 378.9 |
| Other assets | 170.8 | 173.5 |
| Intangible assets, net | 365.8 | 372.9 |
| Total assets | \$ 1,730.9 | \$ 1,830.0 |
| LIABILITIES AND STOCKHOLDERS' DEFICIENCY | | |
| Current liabilities: | | |
| Short-term borrowings - third parties | \$ 34.4 | \$ 27.9 |
| Current portion of long-term debt - third parties | 4.7 | 6.0 |
| Accounts payable | 147.8 | 134.8 |
| Accrued expenses and other | 301.8 | 389.7 |
| Total current liabilities | 488.7 | 558.4 |
| Long-term debt - third parties | 1,688.0 | 1,629.9 |
| Long-term debt - affiliates | 24.1 | 24.1 |
| Other long-term liabilities | 245.9 | 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, 19,992,571 and 19,986,771 issued and outstanding, respectively | 0.2 | 0.2 |
| Capital deficiency | (228.4) | (228.5) |
| Accumulated deficit since June 24, 1992 | (440.1) | (402.0) |
| Accumulated other comprehensive loss | (102.4) | (72.6) |
| Total stockholders' deficiency | (715.8) | (648.0) |
| Total liabilities and stockholders' deficiency | \$ 1,730.9 | \$ 1,830.0 |

See Accompanying Notes to Unaudited Consolidated Condensed Financial Statements.

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|------------|------------------------------|------------|
| | 1999 | 1998 | 1999 | 1998 |
| Net sales | \$ 553.4 | \$ 575.3 | \$ 994.5 | \$ 1,073.1 |
| Cost of sales | 184.9 | 194.0 | 340.6 | 357.3 |
| Gross profit | 368.5 | 381.3 | 653.9 | 715.8 |
| Selling, general and administrative expenses | 324.6 | 329.8 | 597.5 | 635.6 |
| Business consolidation costs and other, net | 9.5 | -- | 17.7 | -- |
| Operating income | 34.4 | 51.5 | 38.7 | 80.2 |
| Other expenses (income): | | | | |
| Interest expense | 35.9 | 33.6 | 71.8 | 70.3 |
| Interest income | (0.4) | (1.1) | (1.5) | (2.4) |
| Amortization of debt issuance costs | 1.2 | 1.2 | 2.5 | 2.8 |
| Foreign currency losses, net | -- | 1.3 | -- | 2.8 |
| Miscellaneous, net | (0.2) | 1.4 | 0.3 | 3.2 |
| Other expenses, net | 36.5 | 36.4 | 73.1 | 76.7 |
| (Loss) income from continuing operations before income taxes | (2.1) | 15.1 | (34.4) | 3.5 |
| Provision for income taxes | 1.8 | 3.4 | 3.7 | 7.1 |
| (Loss) income from continuing operations | (3.9) | 11.7 | (38.1) | (3.6) |
| Loss from discontinued operations | -- | (26.9) | -- | (31.5) |
| Extraordinary items - early extinguishment of debt ... | -- | (13.5) | -- | (51.7) |
| Net loss | \$ (3.9) | \$ (28.7) | \$ (38.1) | \$ (86.8) |
| Basic (loss) income per common share: | | | | |
| (Loss) income from continuing operations | \$ (0.08) | \$ 0.23 | \$ (0.74) | \$ (0.07) |
| Loss from discontinued operations | -- | (0.53) | -- | (0.62) |
| Extraordinary items | -- | (0.26) | -- | (1.01) |
| Net loss per common share | \$ (0.08) | \$ (0.56) | \$ (0.74) | \$ (1.70) |
| Diluted (loss) income per common share: | | | | |
| (Loss) income from continuing operations | \$ (0.08) | \$ 0.22 | \$ (0.74) | \$ (0.07) |
| Loss from discontinued operations | -- | (0.51) | -- | (0.62) |
| Extraordinary items | -- | (0.26) | -- | (1.01) |
| Net loss per common share | \$ (0.08) | \$ (0.55) | \$ (0.74) | \$ (1.70) |
| Weighted average number of common shares outstanding: | | | | |
| Basic | 51,237,829 | 51,218,076 | 51,237,303 | 51,199,226 |
| Dilutive | 51,237,829 | 52,596,798 | 51,237,303 | 51,199,226 |

See Accompanying Notes to Unaudited Consolidated Condensed Financial Statements.

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

| | PREFERRED STOCK | COMMON STOCK | CAPITAL DEFICIENCY | ACCUMULATED DEFICIT | ACCUMULATED OTHER COMPREHENSIVE LOSS (a) | TOTAL STOCKHOLDERS' DEFICIENCY |
|--------------------------------------|--------------------|-----------------|-----------------------|------------------------|---|--------------------------------------|
| Balance, January 1, 1998 | \$ 54.6 | \$ 0.5 | \$(231.1) | \$ (258.8) | \$ (23.7) | \$ (458.5) |
| Issuance of common stock..... | | | 2.6 | | | 2.6 |
| Comprehensive loss: | | | | | | |
| Net loss | | | | (86.8) | | (86.8) |
| Revaluation of marketable securities | | | | | (0.1) | (0.1) |
| Currency translation adjustment..... | | | | | (11.2)(b) | (11.2) |
| Total comprehensive loss..... | | | | | | (98.1) |
| Balance, June 30, 1998..... | <u>\$ 54.6</u> | <u>\$ 0.5</u> | <u>\$(228.5)</u> | <u>\$ (345.6)</u> | <u>\$ (35.0)</u> | <u>\$ (554.0)</u> |
| Balance, January 1, 1999..... | \$ 54.6 | \$ 0.5 | \$(228.5) | \$ (402.0) | \$ (72.6) | \$ (648.0) |
| Issuance of common stock..... | | | 0.1 | | | 0.1 |
| Comprehensive loss: | | | | | | |
| Net loss..... | | | | (38.1) | | (38.1) |
| Revaluation of marketable securities | | | | | (0.6) | (0.6) |
| Currency translation adjustment..... | | | | | (29.2) | (29.2) |
| Total comprehensive loss..... | | | | | | (67.9) |
| Balance, June 30, 1999..... | <u>\$ 54.6</u> | <u>\$ 0.5</u> | <u>\$(228.4)</u> | <u>\$ (440.1)</u> | <u>\$ (102.4)</u> | <u>\$ (715.8)</u> |

(a) Accumulated other comprehensive loss includes a revaluation of marketable securities of \$3.6 and \$0.1 as of June 30, 1999 and 1998, respectively, currency translation adjustments of \$66.3 and \$30.4 as of June 30, 1999 and 1998, respectively, and adjustments for the minimum pension liability of \$32.5 and \$4.5 as of June 30, 1999 and 1998, respectively.

(b) 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 Unaudited Consolidated Condensed Financial Statements.

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

| | SIX MONTHS ENDED JUNE 30, | |
|---|------------------------------|-----------|
| | 1999 | 1998 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net loss | \$ (38.1) | \$ (86.8) |
| Adjustments to reconcile net loss to net cash used for operating activities: | | |
| Depreciation and amortization | 60.8 | 54.9 |
| Loss from discontinued operations | -- | 31.5 |
| Extraordinary items | -- | 51.7 |
| Change in assets and liabilities: | | |
| Decrease in trade receivables | 55.8 | 33.1 |
| Increase in inventories | (20.5) | (29.5) |
| (Increase) decrease in prepaid expenses and other current assets | (0.1) | 10.6 |
| Increase in accounts payable | 18.2 | 0.4 |
| Decrease in accrued expenses and other current liabilities | (95.3) | (88.4) |
| Other, net | (37.0) | (40.6) |
| Net cash used for operating activities | (56.2) | (63.1) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Capital expenditures | (20.0) | (23.9) |
| Acquisition of businesses, net of cash acquired | -- | (57.6) |
| Proceeds from the sale of certain assets | -- | 1.2 |
| Net cash used for investing activities | (20.0) | (80.3) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net increase in short-term borrowings - third parties | 9.1 | 3.4 |
| Proceeds from the issuance of long-term debt - third parties | 393.7 | 1,090.2 |
| Repayment of long-term debt - third parties | (331.4) | (920.0) |
| Net proceeds from issuance of common stock | 0.1 | 1.1 |
| Proceeds from the issuance of debt - affiliates | 62.1 | 77.0 |
| Repayment of debt - affiliates | (62.1) | (81.7) |
| Payment of debt issuance costs | -- | (19.0) |
| Net cash provided by financing activities | 71.5 | 151.0 |
| Effect of exchange rate changes on cash and cash equivalents | (3.2) | (1.8) |
| Net cash used by discontinued operations | -- | (7.4) |
| Net decrease in cash and cash equivalents | (7.9) | (1.6) |
| Cash and cash equivalents at beginning of period | 34.7 | 37.4 |
| Cash and cash equivalents at end of period | \$ 26.8 | \$ 35.8 |
| Supplemental schedule of cash flow information: | | |
| Cash paid during the period for: | | |
| Interest | \$ 69.1 | \$ 67.3 |
| Income taxes, net of refunds | 5.6 | 7.6 |
| Supplemental schedule of noncash investing activities: | | |
| Liabilities assumed in connection with business acquisitions: | | |
| Fair value of assets acquired | \$ -- | \$ 74.5 |
| Cash paid | -- | (57.6) |
| Liabilities assumed | \$ -- | \$ 16.9 |

See Accompanying Notes to Unaudited Consolidated Condensed Financial Statements.

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

(1) BASIS OF PRESENTATION

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

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

The Unaudited Consolidated Condensed Financial Statements include the accounts of the Company after elimination of all material intercompany balances and transactions. The Company has made a number of estimates and assumptions relating to the assets and liabilities, the disclosure of contingent assets and liabilities and the reporting of revenues and expenses to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates. The Unaudited Consolidated Condensed Financial Statements should be read in conjunction with the consolidated financial statements and related notes contained in the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

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

The Company matches advertising and promotion expenses with sales revenues for interim reporting purposes. Advertising and promotion expenses estimated for a full year are charged to earnings for interim reporting purposes in proportion to the relationship that net sales for such period bear to estimated full year net sales. As a result, in the first half of 1999 and 1998, disbursements and commitments for advertising and promotion exceeded advertising and promotion expenses by \$71.1 and \$49.1, respectively, and such amounts were deferred.

Effective January 1999, the Company adopted Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities," which requires that costs incurred during start-up activities, including organization costs, be expensed as incurred. The adoption of this statement did not have a material effect on the Company's financial condition or results of operations.

(2) INVENTORIES

| | JUNE 30, 1999 | DECEMBER 31, 1998 |
|-------------------------------|------------------|----------------------|
| | ----- | ----- |
| Raw materials and supplies... | \$ 86.4 | \$ 78.2 |
| Work-in-process..... | 19.4 | 14.4 |
| Finished goods..... | 170.2 | 171.5 |
| | ----- | ----- |
| | \$ 276.0 | \$ 264.1 |
| | ===== | ===== |

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

(3) BASIC AND DILUTED INCOME (LOSS) PER COMMON SHARE

The basic income (loss) per common share has been computed based upon the weighted average number of shares of common stock outstanding during each of the periods presented. The diluted income (loss) per common share has been computed based upon the weighted average number of shares of common stock outstanding and the dilutive effect of stock options. The Company's outstanding stock options represent the only dilutive potential common stock outstanding. The number of shares used in the calculation of diluted income (loss) per common share was greater than the number of shares used in the calculation of basic income (loss) per common share by 1,378,722 for the three months ended June 30, 1998. The number of shares used in the calculations of basic and diluted loss per common share were the same for the three month and six month periods ended June 30, 1999 and the six month period ended June 30, 1998, respectively, as diluted loss per common share does not include any incremental shares because the effect of those incremental shares assumed to be issued as a result of the exercise of the related stock options would have been antidilutive.

(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. In the first quarter of 1999, the Company recorded a net charge of \$8.2 relating to such restructuring plan, principally for additional employee severance and other personnel benefits, and continued to implement such restructuring plan during the second quarter of 1999 during which it recorded a charge of \$8.5 principally for employee severance and other personnel benefits as well as other costs. Also in the second quarter of 1999, the Company adopted a plan to exit a non-core business as to which a charge of \$1.0 is included in the table below. Of the 720 employees, the 22 employees and the 387 employees for whom severance and other personnel benefits were included in the fourth quarter 1998 charge, the first quarter 1999 charge and the second quarter 1999 charge, respectively, the Company had terminated 592 employees by June 30, 1999.

Details of the restructuring activity during the six month period ended June 30, 1999 are as follows:

| | BALANCE AS OF 1/1/99 | EXPENSES, NET | UTILIZED, NET | | BALANCE AS OF 6/30/99 |
|--|----------------------------|----------------|------------------|-----------------|-----------------------------|
| | | | CASH | NONCASH | |
| Employee severance and other personnel benefits | \$ 24.9 | \$ 17.6 | \$ (20.1) | \$ - | \$ 22.4 |
| Factory, warehouse, office and other costs | 12.1 | 0.1 | (3.5) | (0.2) | 8.5 |
| | <u>\$ 37.0</u> | <u>\$ 17.7</u> | <u>\$ (23.6)</u> | <u>\$ (0.2)</u> | <u>\$ 30.9</u> |

(5) LONG-TERM DEBT

On June 1, 1999, Products Corporation redeemed the \$200.0 principal amount of 9 1/2% Senior Notes due 1999 (the "1999 Notes") with borrowings from the Credit Agreement (as hereinafter defined). In November 1998, Products Corporation issued and sold \$250.0 principal amount of 9% Senior Notes due 2006 (the "9% Notes"), of which \$200.0 was used to temporarily reduce borrowings under the Credit Agreement in anticipation of the redemption referred to above.

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

(6) GEOGRAPHIC INFORMATION

The Company manages its business on the basis of one reportable operating segment. 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 and liabilities are affected by fluctuations in foreign currency exchange rates. The Company's operations in Brazil have accounted for approximately 3.8% and 5.4% of the Company's net sales for the second quarter of 1999 and 1998, respectively, and 4.0% and 5.7% of the Company's net sales for the first half of 1999 and 1998, respectively. Net sales by geographic area are presented by attributing revenues from external customers on the basis of where the products are sold.

| GEOGRAPHIC AREAS: | THREE MONTHS ENDED JUNE 30, | | SIX MONTHS ENDED JUNE 30, | |
|---------------------|--------------------------------|----------------------|------------------------------|------------|
| Net sales: | 1999 | 1998 | 1999 | 1998 |
| United States | \$ 347.3 | \$ 340.3 | \$ 597.1 | \$ 624.0 |
| International | 206.1 | 235.0 | 397.4 | 449.1 |
| | \$ 553.4 | \$ 575.3 | \$ 994.5 | \$ 1,073.1 |
| | ===== | ===== | ===== | ===== |
| | JUNE 30, 1999 | DECEMBER 31, 1998 | | |
| Long-lived assets: | | | | |
| United States | \$ 634.2 | \$ 637.9 | | |
| International | 261.5 | 287.4 | | |
| | \$ 895.7 | \$ 925.3 | | |
| | ===== | ===== | | |

| CLASSES OF SIMILAR PRODUCTS: | THREE MONTHS ENDED JUNE 30, | | SIX MONTHS ENDED JUNE 30, | |
|-------------------------------------|--------------------------------|----------|------------------------------|------------|
| Net sales: | 1999 | 1998 | 1999 | 1998 |
| Cosmetics, skin care and fragrances | \$ 312.4 | \$ 333.8 | \$ 539.7 | \$ 634.2 |
| Personal care and professional..... | 241.0 | 241.5 | 454.8 | 438.9 |
| | \$ 553.4 | \$ 575.3 | \$ 994.5 | \$ 1,073.1 |
| | ===== | ===== | ===== | ===== |

(7) SUBSEQUENT EVENT

On April 7, 1999 the Company announced that it would undertake a review of strategic alternatives available to it to maximize shareholder value. Among such alternatives is the possible sale of one or more businesses of the Company, in which event the Company anticipates that the proceeds would be used to pay down indebtedness. The Company has engaged financial advisors to assist it in its review. On July 27, 1999, the Company confirmed that it is continuing such review and is actively engaged in ongoing discussions with potential purchasers of all or part of the Company's business. There can be no assurance that any transaction will be completed as a result of this review.

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

OVERVIEW

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

RESULTS OF OPERATIONS

The following table sets forth the Company's net sales for the three month and six month periods ended June 30, 1999 and 1998, respectively:

| | THREE MONTHS ENDED JUNE 30, | | SIX MONTHS ENDED JUNE 30, | |
|---------------------|--------------------------------|----------|------------------------------|------------|
| | 1999 | 1998 | 1999 | 1998 |
| Net sales: | | | | |
| United States | \$ 347.3 | \$ 340.3 | \$ 597.1 | \$ 624.0 |
| International | 206.1 | 235.0 | 397.4 | 449.1 |
| | \$ 553.4 | \$ 575.3 | \$ 994.5 | \$ 1,073.1 |

The following sets forth certain statements of operations data as a percentage of net sales for the three months and six months ended June 30, 1999 and 1998, respectively:

| | THREE MONTHS ENDED JUNE 30, | | SIX MONTHS ENDED JUNE 30, | |
|--|--------------------------------|-------|------------------------------|-------|
| | 1999 | 1998 | 1999 | 1998 |
| Cost of sales | 33.4% | 33.7% | 34.2% | 33.3% |
| Gross profit | 66.6 | 66.3 | 65.8 | 66.7 |
| Selling, general and administrative expenses ("SG&A")..... | 58.7 | 57.3 | 60.1 | 59.2 |
| Business consolidation costs and other, net.. | 1.7 | - | 1.8 | - |
| Operating income..... | 6.2 | 9.0 | 3.9 | 7.5 |

NET SALES

Net sales were \$553.4 and \$575.3 for the second quarters of 1999 and 1998, respectively, a decrease of \$21.9, or 3.8% on a reported basis (a decrease of 1.2% on a constant U.S. dollar basis), and were \$994.5 and \$1,073.1 for the first half of 1999 and 1998, respectively, a decrease of \$78.6, or 7.3% on a reported basis (a decrease of 4.7% on a constant U.S. dollar basis).

United States. Net sales in the United States were \$347.3 for the second quarter of 1999 compared to \$340.3 for the second quarter of 1998, an increase of \$7.0, or 2.1%, and were \$597.1 for the first half of 1999 compared to \$624.0 for the first half of 1998, a decrease of \$26.9, or 4.3%. Net sales for the second quarter and first half of 1999 were adversely affected by continuing adjustments in inventory levels by retailers, slower than anticipated category growth and competitive activities. The Company expects retail inventory balancing and reductions to continue to affect sales in 1999.

REVLON brand color cosmetics continued as the number one brand in dollar market share in the U.S. self-select distribution channel. New products in the first half of 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 the Skin Stays Clean attributes, products in the ALMAY ONE COAT collection, MITCHUM COOL DRY antiperspirant and COLORSTAY LIQUID LIP.

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

International. Net sales outside the United States were \$206.1 for the second quarter of 1999 compared to \$235.0 for the comparable 1998 period, a decrease of \$28.9, or 12.3%, on a reported basis (a decrease of 6.1% on a constant U.S. dollar basis), and were \$397.4 for the first half of 1999 compared to \$449.1 for the first half of 1998, a decrease of \$51.7, or 11.5%, on a reported basis (a decrease of 5.4% on a constant U.S. dollar basis). The decrease in net sales for the second quarter and first half of 1999 on a constant dollar basis is primarily due to unfavorable economic conditions in certain markets outside the U.S., which restrained consumer and trade demand, and lower sales in certain markets. The decrease in net sales for the second quarter and first half of 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 and the South African rand. Sales outside the United States are divided into three geographic regions. In Europe, which is comprised of Europe, the Middle East and Africa, net sales decreased by 11.9% on a reported basis to \$93.7 for the second quarter of 1999 as compared to the second quarter of 1998 (a decrease of 7.3% on a constant U.S. dollar basis), and decreased by 11.6% on a reported basis to \$182.2 for the first half of 1999 as compared to the first half of 1998 (a decrease of 8.6% on a constant U.S. dollar basis). In the Western Hemisphere, which is comprised of Canada, Mexico, Central America, South America and Puerto Rico, net sales decreased by 15.0% on a reported basis to \$76.6 for the second quarter of 1999 as compared to the second quarter of 1998 (a decrease of 2.8% on a constant U.S. dollar basis), and decreased by 14.7% on a reported basis to \$146.3 for the first half of 1999 as compared to the first half of 1998 (a decrease of 1.1% on a constant U.S. dollar basis). The Company's operations in Brazil are significant. In Brazil, net sales were \$20.8 on a reported basis for the second quarter of 1999 compared to \$30.8 for the second quarter of 1998, a decrease of \$10.0, or 32.5% (an increase of 1.5% on a constant U.S. dollar basis), and were \$39.4 for the first half of 1999 on a reported basis compared to \$61.2 for the first half of 1998, a decrease of \$21.8, or 35.6% (a decrease of 1.4% 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 7.0% on a reported basis to \$35.8 for the second quarter of 1999 as compared to the second quarter of 1998 (a decrease of 10.2% on a constant U.S. dollar basis), and decreased by 3.6% on a reported basis to \$68.9 for the first half of 1999 as compared to the first half of 1998 (a decrease of 5.3% on a constant U.S. dollar basis). Net sales outside the United States, including, without limitation, in Brazil, were, and may continue to be, 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 33.4% for the second quarter of 1999 compared to 33.7% for the second quarter of 1998, and 34.2% for the first half of 1999 compared to 33.3% for the first half of 1998. The increase in cost of sales as a percentage of net sales for the first half of 1999 compared to the first half of 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 58.7% for the second quarter of 1999 compared to 57.3% for the second quarter of 1998, and were 60.1% for the first half of 1999 compared to 59.2% for the first half of 1998. SG&A expenses were \$324.6 for the second quarter of 1999 compared to \$329.8 for the second quarter of 1998, and were \$597.5 for the first half of 1999 compared to \$635.6 for the first half of 1998. SG&A expenses in the 1999 periods reflect increased brand support as a percentage of net sales offset by reduced general and administrative expenses, due in part to the cost savings achieved from the Company's restructuring program. The Company's advertising and consumer-directed promotion expenditures were incurred to support existing product lines, new product launches and increased distribution.

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. In the first quarter of 1999, the Company recorded a net charge of \$8.2 relating to such restructuring plan, principally for additional employee severance and other personnel benefits and continued to implement such restructuring plan during the second quarter of 1999 during which it recorded a charge of \$8.5 principally for employee severance and other personnel benefits as well as other costs. Also in the second quarter of 1999, the Company adopted a plan to exit a non-core business as to which a charge of \$1.0 is included in business consolidation costs and other, net.

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Operating income

As a result of the foregoing, operating income decreased to \$34.4 for the second quarter of 1999 from \$51.5 for the second quarter of 1998 and decreased to \$38.7 for the first half of 1999 from \$80.2 for the first half of 1998.

Other expenses/income

Interest expense was \$35.9 for the second quarter of 1999 compared to \$33.6 for the second quarter of 1998 and \$71.8 for the first half of 1999 compared to \$70.3 for the first half of 1998. The increase in interest expense for the second quarter and first half of 1999 as compared to the comparable 1998 periods 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 losses, net were nil for the second quarter of 1999 compared to \$1.3 in the second quarter of 1998 and nil for the first half of 1999 compared to \$2.8 for the first half of 1998. Foreign currency losses, net for the second quarter of 1998 were comprised primarily of losses in several markets in Europe. Foreign currency losses, net for the first half of 1998 were comprised primarily of losses in several markets in Europe and Latin America.

Provision for income taxes

The provision for income taxes was \$1.8 for the second quarter of 1999 compared to \$3.4 for the second quarter of 1998 and \$3.7 for the first half of 1999 compared to \$7.1 for the first half of 1998. The decrease was primarily attributable to lower taxable income outside the United States in the second quarter and first half of 1999 as compared with the corresponding prior year periods.

Discontinued operations

During 1998, the Company determined to exit the retail and outlet store business comprised of its approximately 85% ownership interest in The Cosmetic Center, Inc. ("CCI") and accordingly, the results of operations of CCI have been reported as discontinued operations for the 1998 periods. By the end of 1998, the Company completed the disposition of its approximately 85% equity interest in CCI.

Extraordinary items

The extraordinary item of \$13.5 in the second quarter of 1998 resulted from the write-off of deferred financing costs and payment of a call premium associated with the redemption in April 1998 of Products Corporation's 9 3/8% Senior Notes due 2001 (the "Senior Notes"). The first half of 1998 also included an extraordinary item of \$38.2 resulting primarily from the write-off of deferred financing costs and payment of call premiums associated with the redemption in March 1998 of Products Corporation's 10 1/2% Senior Subordinated Notes due 2003 (the "Senior Subordinated Notes").

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash used for operating activities was \$56.2 and \$63.1 for the first half of 1999 and 1998, respectively. The decrease in net cash used for operating activities for the first half of 1999 compared to the first half of 1998 resulted primarily from improved working capital management, partially offset by lower operating income and cash used for business consolidation costs in the first half of 1999.

Net cash used for investing activities was \$20.0 and \$80.3 for the first half of 1999 and 1998, respectively. Net cash used for investing activities in the 1998 period included cash paid in connection with acquisitions. Both periods included capital expenditures.

Net cash provided by financing activities was \$71.5 and \$151.0 for the first half of 1999 and 1998, respectively. Net cash provided by financing activities for the first half of 1999 included cash drawn under the Credit Agreement, partially offset by repayments of borrowings under the Credit Agreement, redemption of the 1999 Notes and repayments under Products Corporation's Japanese yen-denominated credit agreement (the "Yen Credit Agreement"). Net cash provided by financing

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activities for the first half of 1998 included proceeds from the issuance of 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 8 5/8% Notes and 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. During the first half of 1998, net cash used by discontinued operations was \$7.4.

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. The proceeds of loans made under the Credit Agreement were used for the purpose of repaying the loans outstanding under the credit agreement in effect at that time and to redeem Products Corporation's 10 7/8% Sinking Fund Debentures due 2010 and were and will be used for general corporate purposes and, in the case of the Acquisition Facility (as hereinafter defined), the financing of acquisitions. The Credit Agreement provides up to \$748.0 and is comprised 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 \$200.0 revolving acquisition facility, which may also be used for general corporate purposes and which may be increased to \$400.0 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 June 30, 1999, the Company had approximately \$198.0 outstanding under the Term Loan Facilities, \$146.4 outstanding under the Multi-Currency Facility, \$190.0 outstanding under the Acquisition Facility and \$28.8 of issued but undrawn letters of credit under the Special LC Facility.

A 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 June 30, 1999 (approximately \$8.4 U.S. dollar equivalent as of June 30, 1999) after giving effect to the payment of approximately (Yen)539 million (approximately \$4.6 U.S. dollar equivalent) in March 1999. Approximately (Yen)539 million (approximately \$4.5 U.S. dollar equivalent as of June 30, 1999) is due in March 2000 and approximately (Yen) 474 million (approximately \$3.9 U.S. dollar equivalent as of June 30, 1999) is due on December 31, 2000.

On June 1, 1999, Products Corporation redeemed the \$200.0 principal amount of 1999 Notes with borrowings from the Credit Agreement. 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 above.

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 June 30, 1999.

The Company's principal sources of funds are expected to be cash flow generated from operations and borrowings under the Credit Agreement, refinancings and other existing working capital lines. 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.

The Company estimates that capital expenditures for 1999 will be approximately \$60, including upgrades to the Company's management information systems. The Company estimates that cash payments related to the restructuring plans referred to above will be approximately \$55, of which approximately \$35 will be paid in 1999. 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 1999.

Products Corporation enters into forward foreign exchange contracts and option contracts from time to time to hedge certain cash flows denominated in foreign currencies. Products Corporation had forward foreign exchange contracts denominated in various currencies of approximately \$27.6 and \$38.3 (U.S. dollar equivalent) outstanding at June 30, 1999 and 1998, respectively, and option contracts of approximately \$23.9 and \$49.6 outstanding at June 30, 1999 and 1998, respectively. Such

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contracts are entered into to hedge transactions predominantly occurring within twelve months. If Products Corporation had terminated these contracts on June 30, 1999 and 1998 no material gain or loss would have been realized.

Based upon the Company's current level of operations and anticipated growth in net sales and earnings, the Company expects that cash flows from operations and funds from currently available credit facilities and refinancings of existing indebtedness will be sufficient to enable the Company to meet its anticipated cash requirements for the foreseeable future on a consolidated basis, including for debt service. However, there can be no assurance that cash flow from operations and funds from existing credit facilities and refinancings of existing indebtedness 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 assets or operations, or seeking capital contributions or loans from affiliates of the Company or issuing additional shares of capital stock of Revlon, Inc. 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.

YEAR 2000

Commencing in 1997, the Company undertook a business process enhancement program to substantially upgrade management information technology systems in order to provide comprehensive order processing, production and accounting support for the Company's business. The Company also developed a comprehensive plan to address Year 2000 issues. The Year 2000 plan addresses 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). To oversee the process, the Company has established a Steering Committee comprised of senior executives of the Company.

In connection with and as part of the Company's business process enhancement program, certain information technology systems have been and will continue to be upgraded to be Year 2000 compliant. In addition, as part of its Year 2000 plan, the Company has identified potential deficiencies related to Year 2000 in certain of its information technology systems, both hardware and software, and is in the process of addressing them through upgrades and other remediation. The Company currently expects to complete upgrade and remediation and testing of its information systems during the third quarter of 1999. In respect of non-information technology systems with date sensitive operating controls, the Company is in the process of identifying those items which may require remediation or replacement, and has commenced an upgrade and remediation program for systems identified as Year 2000 non-compliant. The Company expects to complete remediation or replacement and testing of these during the third quarter of 1999. The Company has identified and contacted and continues to identify and contact key suppliers, both inventory and non-inventory, key customers and other strategic business partners, such as banks, pension trust managers and marketing data suppliers, either by soliciting written responses to questionnaires and/or by meeting with certain of such third parties. The parties from whom the Company has received responses to date generally have indicated that their systems are or will be Year 2000 compliant.

The Company does not expect 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) will be material. These costs

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are expected to continue to be incurred through fiscal 1999 and include the cost of third party consultants, remediation of existing computer software and replacement and remediation of embedded systems.

The Company believes that at the current time it is difficult to identify specifically the most reasonably likely worst case Year 2000 scenario. As with all manufacturers and distributors of products such as those sold by the Company, a reasonable worst case scenario would be the result of failures of third parties (including, without limitation, governmental entities and entities with which the Company has no direct involvement, as well as the Company's suppliers of goods and services and customers) that continue for more than a brief period in various geographic areas where the Company's products are produced or sold at retail or in areas from which the Company's raw materials and components are sourced. In connection with functions that represent a particular Year 2000 risk, including the production, warehousing and distribution of products and the supply of raw materials and components, the Company is considering various contingency plans. Continuing failures in key geographic areas in the United States and in certain European, South American and Asian countries that limit the Company's ability to produce products, its customers' ability to purchase and pay for the Company's products and/or consumers' ability to shop, would be likely to have a material adverse effect on the Company's results of operations and financial condition, although it would be expected that at least part of any lost sales eventually would be recouped. The extent of such deferred or lost revenue cannot be estimated at this time.

The Company's Year 2000 efforts are ongoing and its overall plan, as well as the consideration of contingency plans, will continue to evolve as new information becomes available. While the Company currently anticipates continuity of its business activities, that continuity will be dependent upon its ability, and the ability of third parties upon which the Company relies directly, or indirectly, to be Year 2000 compliant. There can be no assurance that the Company and such third parties will eliminate potential Year 2000 issues in a timely manner or as to the ultimate cost to the Company of doing so.

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 being 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.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company has exposure to market risk both as a result of changing interest rates and movements in foreign currency exchange rates. The Company's policy is to manage market risk through a combination of fixed and floating rate debt, the use of derivative financial instruments and foreign exchange forward and option contracts. The Company does not hold or issue financial instruments for trading purposes. The qualitative and quantitative information presented in Item 7A of the Company's Annual Report on Form 10-K for the year ended December 31, 1998 describe significant aspects of the Company's financial instrument programs which have material market risk. As referred to above, on June 1, 1999, Products Corporation redeemed the \$200.0 principal amount of 1999 Notes with borrowings from Credit Agreement. As of June 30, 1999 there have been no other substantive changes in the qualitative and quantitative information presented in Item 7A at December 31, 1998.

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FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q for the quarter ended June 30, 1999 as well as other public documents of the Company contain forward-looking statements which involve risks and uncertainties. The Company's actual results may differ materially from those discussed in such forward-looking statements. Such statements include, without limitation, the Company's expectations and estimates as to introduction of new products and expansion into markets, future financial performance, including growth in net sales and earnings, the effect on sales of retail inventory balancing and reductions, 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, information systems upgrades, the Company's plan to address the Year 2000 issue, the costs associated with the Year 2000 issue and the results of Year 2000 non-compliance by the Company or by one or more of the Company's customers, suppliers or other strategic business partners, 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 and refinancings of indebtedness, and capital contributions or loans from affiliates or the sale of assets or operations or additional shares of Revlon, Inc. and Revlon, Inc.'s intent with respect to and the possible results of its review of strategic alternatives. 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 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, including information system upgrades; (v) the inability to refinance indebtedness, 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 a longer than expected duration of retail inventory balancing and reductions; (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; (xiii) difficulties, delays or unanticipated costs in achieving Year 2000 compliance or unanticipated consequences from non-compliance by the Company or one or more of the Company's customers, suppliers or other strategic business partners; and (xiv) difficulties or delays in reviewing strategic alternatives or the failure to complete any transaction in connection therewith.

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. The effect of adopting the statement and the date of such adoption by the Company have not yet been determined. 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.

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PART II - OTHER INFORMATION

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

The 1999 Annual Meeting of Stockholders was held on April 7, 1999. Directors elected at the meeting were Ronald O. Perelman, Donald G. Drapkin, Irwin Engelman, Meyer Feldberg, George Fellows, Howard Gittis, Morton L. Janklow, Vernon E. Jordan, Edward J. Landau, Jerry W. Levin, Linda Gosden Robinson, Terry Semel and Martha Stewart, constituting the entire Board of Directors standing for election. All of the directors were elected without opposition. The only other matters voted upon were the consideration and approval of the Revlon, Inc. Second Amended and Restated 1996 Stock Plan (the "Amended Stock Plan"), which plan was approved, and the ratification of the appointment by the Board of Directors of KPMG LLP as the Company's independent certified public accountants for 1999, which appointment was ratified. There were no broker nonvotes with respect to the election of directors or the ratification of the appointment of KPMG LLP.

The tabulation of votes for each matter is as follows:

1) Election of Directors:

| Nominees for Director ----- | For --- | Against or Withheld ----- | Abstained ----- |
|--------------------------------|-------------|---------------------------------|--------------------|
| Ronald O. Perelman | 331,517,614 | 136,805 | ---- |
| Donald G. Drapkin | 331,518,139 | 136,280 | ---- |
| Irwin Engelman | 331,518,139 | 136,280 | ---- |
| Meyer Feldberg | 331,518,439 | 135,980 | ---- |
| George Fellows | 331,515,460 | 138,959 | ---- |
| Howard Gittis | 331,517,699 | 136,720 | ---- |
| Morton L. Janklow | 331,396,229 | 258,190 | ---- |
| Vernon E. Jordan | 331,515,489 | 138,930 | ---- |
| Edward J. Landau | 331,518,599 | 135,820 | ---- |
| Jerry W. Levin | 331,518,699 | 135,720 | ---- |
| Linda Gosden Robinson | 331,517,339 | 137,080 | ---- |
| Terry Semel | 331,518,639 | 135,780 | ---- |
| Martha Stewart | 331,516,249 | 138,170 | ---- |

2) Approval of Amended Stock Plan:

| For --- | Against ----- | Abstained ----- | Unvoted ----- |
|-------------|------------------|--------------------|------------------|
| 325,180,504 | 2,259,819 | 33,922 | 4,180,174 |

3) Ratification of KPMG LLP:

| For --- | Against ----- | Abstained ----- |
|-------------|------------------|--------------------|
| 331,605,683 | 33,075 | 15,661 |

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(A) EXHIBITS -

*10.23 Employment Agreement amended and restated as of the 10th day of May, 1999, effective as of January 1, 1997, between Revlon Consumer Products Corporation and George Fellows.

*10.24 Employment Agreement amended and restated as of the 10th day of May, 1999, effective as of January 1, 1999, between Revlon Consumer Products Corporation and Irwin Engelman.

*10.25 Employment Agreement amended and restated as of the 10th day of May, 1999, effective as of January 1, 1998, between Revlon Consumer Products Corporation and Wade H. Nichols.

10.26 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).

*Filed herewith.

(B) REPORTS ON FORM 8-K - NONE

S I G N A T U R E S

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

REVLON, INC.
Registrant

By:/s/ Frank J. Gehrmann

By:/s/ Robert F. Sierpinski

Frank J. Gehrmann
Executive Vice President
and Chief Financial Officer

Robert F. Sierpinski
Vice President, Acting Controller
and Acting Chief Accounting Officer

Dated: August 16, 1999

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT amended and restated as of this 10th day of May, 1999, effective as of January 1, 1997, between REVLON CONSUMER PRODUCTS CORPORATION, a Delaware corporation ("RCPC" and, together with its parent Revlon, Inc. and its subsidiaries, the "Company"), and GEORGE FELLOWS (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 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.

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 January 1, 1997 (the "Effective Date") and shall end on such date as is provided pursuant to Section 2.2.

2.2 End-of-Term Provisions. At any time on or after November 30, 2000 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 (other than the provision in Paragraph IIIC(ii) establishing a limit of six months on the lump sum provided for therein, which shall not be applicable 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 \$1,250,000 during 1997, and not less than \$1,800,000 during the balance of the Term (the "Base Salary"). All payments of Base Salary or other compensation hereunder shall be less such deductions or withholdings as are required by applicable law and regulations. In the event that 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 a maximum annual bonus of 100% of the Executive's Base Salary (based upon a target bonus of 100% of the Executive's Base Salary) at the rate in effect during the calendar year in which bonus is earned, based upon achievement of objectives set annually not later than March 31 of such year by the Compensation Committee of the Board of Directors of Revlon, Inc. If the Executive's employment shall end pursuant to Section 4.2 at any time during the Term or pursuant to Section 4.4 at any time prior to the occurrence of a Triggering Event, the Executive's bonus with respect to the calendar year in which the termination occurs shall be an amount equal to the bonus that would have been payable to the Executive with respect to such year if the Executive had remained employed to the date for payment of bonuses under such Plan, multiplied by a fraction of which the numerator is the number of days of the Term during such year and the denominator is 365. If the Executive's employment shall end pursuant to Section 4.4 on or after the occurrence of a Triggering Event, then in addition to the payments in lieu of salary provided for in Section 4.4, the Executive shall be entitled to receive at the same times bi-weekly payments in lieu of target bonus at the annual rate equal to 100% of Base Salary, for the period of such payments in lieu of salary provided for in Section 4.4.

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 an option not later than February 28 of each year of the Term, commencing in 1997, each such option to cover a minimum of 170,000 shares of Revlon common stock, have a term of 10 years and have an option exercise price equal to the market price of the Revlon common stock on the date of grant and otherwise to be on terms (other than number of shares covered) substantially the same as other senior executives of the Company generally, provided that if the Term is to end pursuant to Section 2.2 otherwise than at a calendar year end, the Company 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 this Section 3.3 shall not apply following a Triggering Event as defined in Section 4.4. In connection with any termination of the Executive's employment pursuant to Section 4.2 or 4.4, RCPC shall recommend to the Compensation Committee (or other committee of the Board of Directors at the time administering the Revlon Stock Plan or any successor plan pursuant to which stock options shall have been granted to the Executive) that the Executive shall be treated as having retired with Company consent for all purposes of such plan.

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 use Company-provided private corporate jet aviation for the business and personal air travel of himself and his immediate family and shall be assigned the use of a Company-provided chauffeured automobile during the business week for personal and business use and at other times as required for business purposes, and shall be grossed up for the tax effects of such use. Further, during the Term the Executive shall be entitled to reimbursement for tax preparation and financial counseling services as reasonably required, 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 country 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), and upon the Executive's retirement in accordance with the requirements of the Company's former supplemental employees' retirement plan the Company shall provide to the Executive a death benefit equal to two times the Executive's final Base Salary (which benefit may be provided from insurance or from the Company's unsegregated general funds, as RCPC may elect).

(iv) 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 January 1, 2003 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, any predecessor thereto and any successor thereto, (ii) any other defined benefit retirement plan, whether or not tax qualified, maintained by any present or future affiliate of the present controlling person of MacAndrews & Forbes Holdings, Inc., including Revlon, Inc. while it is so affiliated (a "MacAndrews Group Company"), in each case 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 and 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.

(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 January 1, 2003, 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 January 1, 2003, 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.

(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 supplemental pension shall be payable pursuant to this subsection 3.6(iv), 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 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 clause (iv) shall be made quarterly or at such more frequent intervals as RCPC may elect. RCPC's obligation under this clause (iv) 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.

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, 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 paid group life insurance plan (including supplemental coverage under Section 3.6) and for the Executive and his spouse and children, if any, under the Company's group medical (including executive medical) plan, to the extent permitted by such plans and to the extent such benefits continue to be provided to the Company's senior executives generally.

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, RCPC may at any time by written notice to the Executive terminate the Term and, upon such termination, the Executive shall be entitled to receive no further amounts or benefits hereunder, except as required by law.

4.4 Company Breach; Other Termination. In the event of the breach of any material provision of this Agreement by the Company or the failure of the Compensation Committee (or other appropriate Committee of the 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. In addition, at any time following a Triggering Event, 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 used herein, the term "Good Reason" shall mean any of the following occurring following a Triggering Event which is not agreed to in writing by the Executive: (a) a substantial adverse change in the Executive's assigned responsibilities, (b) 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, (c) 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 (d) 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. 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 Section 3.6) shall be (at the Executive's election by written notice within 10 days after such termination), for RCPC either

(i) to make the payments in lieu of bonus prescribed by Section 3.2, to continue 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 private jet aviation and 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 such benefit continuation is subject to the terms of such plans, provided further that group life insurance continuation is subject to a limit of two years pursuant to the terms thereof, provided further that 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, and provided finally that the Executive shall, as a condition, execute such release, confidentiality, non-competition and other covenants as would be required in order for the Executive to receive payments and benefits under the Policy referred to in clause (ii) below, or

(ii) to make the payments and provide the benefits prescribed by the Executive Severance Policy of the Company as in effect on the date of this Agreement other than the provision in Paragraph IIIC(ii) establishing a limit of six months on the lump sum payment provided for therein, which shall not be applicable to the Executive, upon the Executive's compliance with the terms thereof.

If such termination of employment shall occur prior to a Triggering Event, any compensation earned by the Executive from other employment or a consultancy shall reduce the payments required pursuant to clause (i) above or shall be governed by the terms of the Executive Severance Policy as modified by the foregoing in the case of clause (ii) above, but if the Executive's termination of employment shall occur following a Triggering Event, the Executive 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). In addition to the payments prescribed by clause (i) or (ii) above, on or promptly after the date of termination, RCPC shall transfer to the Executive without charge title to the Company-leased automobile at the time provided to the Executive pursuant to Section 3.6(i) and gross the Executive up for all income taxes due with respect thereto. 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; or

(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.

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 payment in lieu of bonus provided for in Section 3.2 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, provided that (a) except as specified in clause (b) below, such reductions shall not exceed the amount of (i) payments or benefits due solely as a result of this Agreement as amended hereby (and not as a result of this Agreement as theretofore in effect or the Executive's participation in any incentive, benefit or severance plan or arrangement applicable to the Executive without regard to this Agreement), and (ii) benefits arising from the acceleration to February 12, 2000 of the exercisability of the stock options granted to the Executive effective February 12, 1999 (and not as a result of the grant of such stock options), provided that (b) such reductions shall exceed the amount specified in clause (a) above if and to the extent that E&Y determines that on an after-tax basis a further reduction pursuant to this clause (b) is more favorable to the Executive than foregoing such further 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 however that to the extent that any Overpayment would result in a reduction of payments or benefits other than those referred to in subclauses (i), (ii) and (iii) of Section 4.5.1(a), such loan shall be deemed made and the Executive shall be required to repay the same only to the extent that E&Y determines that on an after-tax basis such loan and repayment pursuant to this Section 4.5.2 is more favorable to the Executive than foregoing such loan and repayment, and provided further 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 (i) in all respects fully to 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"), 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 Sections 5.1 or 5.2 hereof, RCPC shall have the following rights and remedies:

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

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

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

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

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

5.6 The parties hereto intend to and hereby confer jurisdiction to enforce the covenants contained in Sections 5.1, 5.2 and 5.3 upon the courts of any state 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/ Wade H. Nichols

Wade H. Nichols III

/s/ George Fellows

George Fellows

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, amended and restated as of May 10, 1999, effective as of January 1, 1999, between REVLON CONSUMER PRODUCTS CORPORATION, a Delaware corporation ("RCPC" and, together with its parent Revlon, Inc. and its subsidiaries, the "Company"), and IRWIN ENGELMAN (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 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 Vice Chairman and Chief Administrative Officer, Revlon, Inc. 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 as of the date hereof (the "Effective Date") and shall end on December 31, 2000, whereupon the Executive shall retire from employment with the Company. Upon termination of employment, the Executive shall provide a release in form and

substance reasonably satisfactory to the Company with respect to any and all liabilities based upon matters arising prior to the date thereof.

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

3. Compensation; Benefits.

3.1 Salary. 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 \$700,000 (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 all purposes of this Agreement.

3.2 Bonus. In addition to the amounts to be paid to the Executive pursuant to Section 3.1, during the Term The Executive shall be eligible to receive a maximum annual performance incentive bonus with respect to each year commencing with calendar year 1999 of 100% of the Executive's Base Salary at the rate in effect during the calendar year in which bonus is earned (with a target bonus equal to 75% of such Base Salary), based upon the degree of achievement of objectives set annually in accordance with the Revlon Executive Bonus Plan or any plan that may succeed it or by the Compensation Committee of the Board of Directors of the Company, as the case may be. Notwithstanding the foregoing, if the Executive's employment shall end pursuant to Section 4.2 at any time during the Term, the Executive's bonus with respect to the calendar year in which the termination occurs shall be an amount equal to the bonus that would have been payable to the Executive with respect to such year if the Executive had remained employed to the date for payment of bonuses under such Plan, multiplied by a fraction of which the numerator is the number of days of the Term during such year and the denominator is 365, and if the Executive's employment shall end pursuant to Section 4.4, the Executive's bonus with respect to the calendar year in which the termination occurs shall be an amount equal to the greater of the full year bonus that would have been payable to the Executive as above described or the Executive's full year target bonus, in either case without proration, notwithstanding any contrary provision of any plan.

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, 1999 to purchase 75,000 shares of Revlon common stock, having a term of 10 years, an option exercise price equal to the market price of the Revlon common stock on the date of grant, and otherwise to be on terms (other than number of shares covered) equivalent to those of options granted to other senior executive officers of the Company, including Plan provisions respecting early termination of the term of outstanding grants.

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 Revlon Executive Medical and Dental Expense programs (the "Executive Programs"), as from time to time in effect, shall be entitled to the use, at the Company's sole expense, of the car and driver currently assigned to the Executive, and shall be entitled to be reimbursed for the dues, assessments and other like charges of membership in the University Club or other club of like cost.

(ii) 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 starting January 1, 2001 as set forth below.

(a) If the Executive is alive on such date, the monthly pension amount shall be \$20,833, 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 all defined benefit retirement plans, whether or not tax qualified, maintained by the Company or by any past, present or future affiliate of the Company (including, without limitation, MacAndrews & Forbes Holdings, Inc. or its other affiliates (collectively, "MacAndrews & Forbes"), 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 and 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.

(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 January 1, 2001, a lifetime pension shall be payable to the spouse to whom the Executive was legally married on the date of his death, if any, in a monthly amount determined as follows: First, determine the pension amount pursuant to subsection (a) above that would have been payable to the Executive starting at January 1, 2001 as if the Executive had survived to that date; second, assume the Executive had then elected to have his benefit paid as an actuarially equivalent joint and 50% survivor annuity with his spouse as beneficiary; and third, the monthly amount so determined shall be reduced by 1.5% times the number of full months by which the month of death precedes January 1, 2001. Following his spouse's death no other pension hereunder shall be paid to any other person.

(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 the Company's primary actuary.

(e) Notwithstanding any other provision of this Agreement, no supplemental pension shall be payable pursuant to this subsection 3.6(ii), 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) the Executive materially breaches this Agreement, (y) RCPC terminates the Executive's employment (under this Agreement or otherwise) for "cause" as set forth in Section 4.3 of this Agreement or (z) the Executive materially breaches the provisions of Section 5, 6 or 7 of this Agreement.

In consideration of the foregoing, the Executive hereby waives eligibility, and releases the Company from any liability, for any severance pay, termination indemnity or like amount other than as set forth in Section 4.4, including without limitation participation in the Company's Executive Severance Policy and basic severance plan as now or hereafter in effect.

(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.

4. Termination.

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

4.2 Disability. If during the Term the Executive shall become physically or mentally disabled, whether totally or partially, such that the Executive is unable to perform the Executive's services hereunder for (i) a period of six consecutive months or (ii) shorter periods aggregating six months during any twelve month period, 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 paid group life insurance plan and the disability insurance provided for in subsection 3.6(iii) and for the Executive and his spouse and children, if any, under the Company's group medical and dental plans, to the extent permitted by such plans, and under the Executive Programs, to the extent such benefits continue to be provided to the Company's senior executives.

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 with 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 and, upon such termination, the Executive shall be entitled to receive no further amounts or benefits hereunder, except as required by law.

4.4 Company Breach; Other Termination. In the event of the breach of any material provision of this Agreement by RCPC or the failure of the Compensation Committee (or other appropriate Committee of the Board of Directors of Revlon, Inc.) to fully implement RCPC's recommendation pursuant to Section 3.3, the Executive shall be entitled to terminate the Term upon 60 days' prior written notice to the Company. In addition, at any time following a Triggering Event, 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 used herein, the term "Good Reason" shall mean any of the following occurring following a Triggering Event which is not agreed to in writing by the Executive: (a) a substantial adverse change in the Executive's assigned responsibilities, (b) 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, (c) 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 (d) 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. 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 the Company 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 Section 3.6) shall be to make the payment prescribed by Section 3.2, and to continue payments in lieu of Base Salary in the amounts prescribed by Section 3.1 and 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 pursuant to Section 2.1, 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 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 shall, as a condition, execute such release, confidentiality, non-competition and other covenants as would be required in order for the Executive to receive payments and benefits under the Revlon Executive Severance Policy. If such termination of employment shall occur prior to a Triggering Event, any compensation earned by the Executive from other employment or a consultancy shall reduce the payments in lieu of salary provided for above, but if the Executive's termination of employment shall occur following a Triggering Event, the Executive 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 above. 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;

(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.

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 payment in lieu of bonus provided for in Section 3.2 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, provided that (a) except as specified in clause (b) below, such reductions shall not exceed the amount of (i) payments or benefits due solely as a result of this Agreement as amended hereby (and not as a result of this Agreement as theretofore in effect or the Executive's participation in any incentive or benefit plan or arrangement applicable to the Executive without regard to this Agreement) and (ii) benefits arising from the acceleration to February 12, 2000 of the exercisability of the stock options granted to the Executive effective February 12, 1999 (and not as a result of the grant of such stock options), provided that (b) such reductions shall exceed the amount specified in clause (a) above if and to the extent that E&Y determines that on an after-tax basis a further reduction pursuant to this clause (b) is more favorable to the Executive than foregoing such further 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 however that to the extent that any Overpayment would result in a reduction of payments or benefits other than those referred to in subclauses (i), (ii) and (iii) of Section 4.5.1(a), such loan shall be deemed made and the Executive shall be required to repay the same only to the extent that E&Y determines that on an after-tax basis such loan and repayment pursuant to this Section 4.5.2 is more favorable to the Executive than foregoing such loan and repayment, and provided further 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 (i) in all respects fully to 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"), whether or not the Executive is a signatory thereof, with the same effect as if the same were set forth herein in full, and (ii) in the event that the Executive shall terminate the Executive's employment otherwise than as provided in Section 4.4, the Executive shall comply with the restrictions set forth in paragraph 9(e) of the Non-Competition Agreement through the date on which the Term would have expired pursuant to Section 2.1, subject only to the Company continuing to make payments equal to the Executive's Base Salary during such period, notwithstanding the limitation otherwise applicable under paragraph 9(d) thereof or any other provision of the Non-Competition Agreement.

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

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

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

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

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

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

5.6 The parties hereto intend to and hereby confer jurisdiction to enforce the covenants contained in Sections 5.1, 5.2 and 5.3 upon the courts of any state 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/ Irwin Engelman

Irwin Engelman

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, amended and restated as of May 10, 1999, effective as of January 1, 1998, between REVLON CONSUMER PRODUCTS CORPORATION, a Delaware corporation ("RCPC" and, together with its parent Revlon, Inc. and its subsidiaries, the "Company"), and WADE H. NICHOLS (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 as chief legal 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 General Counsel, Revlon, Inc. 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 as of the date hereof (the "Effective Date") and shall end on February 28, 2003. During any period that the Executive's employment shall continue following expiration of the Term, (i) the Executive shall be eligible for severance on terms no less favorable than those of the Revlon Executive Severance Plan as in effect on the date of this

Agreement (other than the provision in Paragraph III C(ii) thereof establishing a limit of six months of payments, which shall not apply to the Executive), upon the Executive's compliance with the terms thereof, (ii) RCPC shall treat a voluntary termination of employment following the Term or a termination pursuant to Section 4.4 during the Term as a voluntary retirement with the Company's consent for all purposes of the Revlon, Inc. Second Amended and Restated 1996 Stock Plan (the "Stock Plan") and the retirement and other plans of the Company in which the Executive shall then participate (including post-retirement life insurance referred to in Section 3.6(iii) below), and (iii) the Executive shall be deemed to be an employee at will; provided that as a condition for the promises in clauses (i) and (ii) above and in Section 3.6(iii) below, the Executive shall provide, upon termination of employment, a release in form and substance comparable to the releases currently used under the Executive Severance Plan.

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

3. Compensation; Benefits.

3.1 Salary. 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 \$600,000 (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 all purposes of this Agreement.

3.2 Bonus. In addition to the amounts to be paid to the Executive pursuant to Section 3.1, during the Term the Executive shall receive a maximum annual performance incentive bonus with respect to each year commencing with calendar year 1998 of 100% of the Executive's Base Salary at the rate in effect during the calendar year in which bonus is earned (with a target bonus equal to 75% of such Base Salary), based upon the degree of achievement of objectives set annually not later than February 28 of such year in accordance with the Revlon Executive Bonus Plan or by the Compensation Committee of the Board of Directors of Revlon, Inc., as the case may be. Notwithstanding the foregoing, if the Executive's employment shall end pursuant to Section 4.2 at any time during the Term or pursuant to Section 4.4 at any time prior to the occurrence of a Triggering Event, the Executive's bonus with respect to the calendar year in which the termination occurs shall be an amount equal to the bonus that would have been payable to the Executive with respect to such year if the Executive had remained employed to the date for payment of bonuses under such Plan, multiplied by a fraction of which the numerator is the number of days of the Term during such year and the denominator is 365, and if the Executive's employment shall end pursuant to Section 4.4 on or after the occurrence of a Triggering Event, the Executive's bonus with respect to the calendar year in which the termination occurs shall be an amount equal to the greater of the full year bonus that would have been payable to the Executive as above described or the Executive's full year target bonus, in either case without proration, notwithstanding any contrary provision of any plan. 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.

3.3 Stock Options. The Executive shall be recommended to the Compensation Committee or other committee of the Board administering the 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 1998, 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 the Revlon common stock on the date of grant, and otherwise to be on terms (other than number of shares covered) substantially the same as other senior executives of the Company generally, including Plan provisions respecting early termination of the term of outstanding grants, provided that if the Term shall end otherwise than at a calendar year end, the Company 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 this Section 3.3 shall not apply following a Triggering Event.

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 the Revlon Executive Medical and Dental Programs and 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, 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 having a value not less than that of the automobile currently assigned to the Executive (adjusted as appropriate for inflation), and shall be entitled to be reimbursed for the dues, assessments and other like charges of membership in the University Club or other club of like cost.

(ii) During the Term, RCPC agrees to make available to the Executive additional term life insurance coverage with a face amount 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), and upon the Executive's retirement in accordance with the requirements of the Company's former supplemental employees' retirement plan, in which the Executive was a participant, the Company shall provide to the Executive a death benefit equal to two times the Executive's final Base Salary as provided for in such plan (which benefit may be provided from insurance or from the Company's unsegregated general funds, as the Company may elect).

4. Termination.

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

4.2 Disability. If during the Term the Executive shall become physically or mentally disabled, whether totally or partially, such that the Executive is unable to perform the Executive's services hereunder for (i) a period of six consecutive months or (ii) shorter periods aggregating six months during any twelve month period, 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 paid group life insurance plan (including supplemental coverage under Section 3.6) and for the Executive and his spouse and children, if any, under the Company's group medical (including executive medical) plan, to the extent permitted by such plans and to the extent such benefits continue to be provided to the Company's senior executives generally.

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 with 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 and, upon such termination, the Executive shall be entitled to receive no further amounts or benefits hereunder, except as required by law.

4.4 Company Breach; Other Termination. In the event of the breach of any material provision of this Agreement by RCPC or the failure of the Compensation Committee (or other appropriate Committee of the Board of Directors) to fully implement RCPC's recommendation pursuant to Section 3.3, the Executive shall be entitled to terminate the Term upon 60 days' prior written notice to the Company. In addition, at any time following a Triggering Event, 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 used herein, the term "Good Reason" shall mean any of the following occurring following a Triggering Event which is not agreed to in writing by the Executive: (a) a substantial adverse change in the Executive's assigned responsibilities, (b) 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, (c) 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 (d) 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. In addition, RCPC shall be entitled to terminate the Term and the Executives'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 Section 3.6) shall be (at the Executive's election by written notice within 10 days after such termination), for RCPC either

(i) to make the payment prescribed by Section 3.2 and to continue payments in lieu of Base Salary in the amounts prescribed by Section 3.1 and 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 pursuant to Section 2.1, 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 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 shall, as a condition, execute such release, confidentiality, non-competition and other covenants as would be required in order for the Executive to receive payments and benefits under the Policy referred to in clause (ii) below, or

(ii) to make the payments and provide the benefits prescribed by the Executive Severance Policy of the Company as in effect on the date of this Agreement other than the provision in Paragraph IIIC(ii) establishing a limit of six months on the lump sum payment provided for therein, which shall not be applicable to the Executive, upon the Executive's compliance with the terms thereof.

If such termination of employment shall occur prior to a Triggering Event, any compensation earned by the Executive from other employment or a consultancy shall reduce the payments required pursuant to clause (i) above or shall be governed by the terms of the Executive Severance Policy as modified by the foregoing in the case of clause (ii) above, but if the Executive's termination of employment shall occur following a Triggering Event, the Executive 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 payment in lieu of bonus provided for in Section 3.2 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, provided that (a) except as specified in clause (b) below, such reductions shall not exceed the amount of (i) payments or benefits due solely as a result of this Agreement as amended hereby (and not as a result of this Agreement as theretofore in effect or the Executive's participation in any incentive, benefit or severance plan or arrangement applicable to the Executive without regard to this Agreement) and (ii) benefits arising from the acceleration to February 12, 2000 of the exercisability of the stock options granted to the Executive effective February 12, 1999 (and not as a result of the grant of such stock options), provided that (b) such reductions shall exceed the amount specified in clause (a) above if and to the extent that E&Y determines that on an after-tax basis a further reduction pursuant to this clause (b) is more favorable to the Executive than foregoing such further 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 however that to the extent that any Overpayment would result in a reduction of payments or benefits other than those referred to in subclauses (i), (ii) and (iii) of Section 4.5.1(a), such loan shall be deemed made and the Executive shall be required to repay the same only to the extent that E&Y determines that on an after-tax basis such loan and repayment pursuant to this Section 4.5.2 is more favorable to the Executive than foregoing such loan and repayment, and provided further 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 (i) in all respects fully to 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"), 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 end of the Term provided for in Section 2.1, subject only to the Company continuing to make payments equal to the Executive's Base Salary during such period, notwithstanding the limitation otherwise applicable under paragraph 9(d) thereof or any other provision of the Non-Competition Agreement.

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

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

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

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

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

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

5.6 The parties hereto intend to and hereby confer jurisdiction to enforce the covenants contained in Sections 5.1, 5.2 and 5.3 upon the courts of any state 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/ WADE H. NICHOLS

 Wade H. Nichols

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 JUN-30-1999
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