SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

(MARK ONE)

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1997
OR

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 1-11178

REVLON, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	13-3662955
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
625 Madison Avenue, New York, New York	10022
(Address of principal executive offices)	(Zip Code)

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

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

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

INDICATE BY CHECK MARK WHETHER THE REGISTRANT: (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES X NO
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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

AS OF FEBRUARY 2, 1998, 19,887,350 SHARES OF CLASS A COMMON STOCK AND 31,250,000 SHARES OF CLASS B COMMON STOCK WERE OUTSTANDING. 11,250,000 SHARES OF CLASS A COMMON STOCK AND ALL OF THE SHARES OF CLASS B COMMON STOCK WERE HELD BY REV HOLDINGS INC., AN INDIRECTLY WHOLLY OWNED SUBSIDIARY OF MAFCO HOLDINGS INC. THE AGGREGATE MARKET VALUE OF THE REGISTRANT'S CLASS A COMMON STOCK HELD BY NON-AFFILIATES (USING NEW YORK STOCK EXCHANGE, INC. CLOSING PRICE AS OF FEBRUARY 2, 1998) WAS APPROXIMATELY $378,424,000.

ITEM 1. DESCRIPTION OF BUSINESS

BACKGROUND

Revlon, Inc. (and together with its subsidiaries, the "Company") operates in a single business segment with many different products, which include an extensive array of glamorous, exciting and innovative cosmetics and skin care, fragrance, personal care and professional products. REVLON is one of the world's best known names in cosmetics and is a leading mass market cosmetics brand. The Company's vision is to provide glamour, excitement and innovation through quality products at affordable prices. To pursue this vision, the Company's management team combines the creativity of a cosmetics and fashion company with the marketing, sales and operating discipline of a consumer packaged goods company. The Company believes that its global brand name recognition, product quality and marketing experience have enabled it to create one of the strongest consumer brand franchises in the world, with products sold in approximately 175 countries and territories. The Company's products are marketed under such well-known brand names as REVLON, COLORSTAY, REVLON AGE DEFYING, ALMAY and ULTIMA II in cosmetics; MOON DROPS, ETERNA 27, ALMAY TIME-OFF, ULTIMA II, JEANNE GATINEAU and NATURAL HONEY in skin care; CHARLIE and FIRE & ICE, in fragrances; FLEX, OUTRAGEOUS, AQUAMARINE, MITCHUM, COLORSTAY, COLORSILK, JEAN NATE, PLUSBELLE, BOZZANO and COLORAMA in personal care products; and ROUX FANCI-FULL, REALISTIC, CREME OF NATURE, CREATIVE NAIL and AMERICAN CREW in professional products. To further strengthen its consumer brand franchises, the Company markets each core brand with a distinct and uniform global image, including packaging and advertising, while retaining the flexibility to tailor products to local and regional preferences.

The Company was founded by Charles Revson, who revolutionized the cosmetics industry by introducing nail enamels matched to lipsticks in fashion colors over 65 years ago. Today, the Company has leading market positions in many of its principal product categories in the United States self-select distribution channel. The Company's leading market positions for its REVLON brand products include the number one positions in the United States self-select distribution channel in lip makeup and nail enamel (which the Company has occupied for the past 21 years) for 1997. The Company has the number two position in face makeup in the United States self-select distribution channel for 1997. Propelled by the success of its new product launches and market share gains in its existing product lines, the Company captured in 1996 and continued to hold in 1997 the number one position overall in color cosmetics (consisting of lip, eye and face makeup and nail enamel) in the United States self-select distribution channel, where its market share was 21.6% for 1997. The Company also has leading market positions in several product categories in certain markets outside of the United States, including in Argentina, Australia, Brazil, Canada, Mexico and South Africa.

In the United States, the self-select distribution channel, in which consumers select their own purchases without the assistance of an in-store demonstrator, includes independent drug stores and chain drug stores (such as Walgreens, CVS, Eckerds and Rite Aid), mass volume retailers (such as Wal-Mart, Target Stores and Kmart) and supermarkets and combination supermarket/drug stores (such as Pathmark, Albertson's, Kroger's and Smith's). Internationally, the self-select distribution channel includes retailers such as Boots in the United Kingdom and Western Europe, Shoppers Drug Mart in Canada and Wal-Mart worldwide. The foregoing retailers, among others, sell the Company's products.

The Company operates in a single business segment with many different products, which include cosmetics and skin care, fragrance and personal care products ("consumer products"), and hair and nail care products principally for use in and resale by professional salons ("professional products"). The Company presents its business geographically as its United States operation, which comprises the Company's business in the United States, and its International operation, which comprises its business outside of the United States.

On February 2, 1998, Revlon Escrow Corp. ("Revlon Escrow"), an affiliate of Revlon Consumer Products Corporation (together with its subsidiaries, "Products Corporation"), issued and sold in a private placement $650 million aggregate principal amount of 8 5/8% Senior Subordinated Notes due 2008 (the "8 5/8% Notes") and $250 million aggregate principal amount of 8 1/8% Senior Notes due 2006 (the "8 1/8% Notes" and, together with the 8 5/8% Notes, the "Notes"), with the net proceeds deposited into escrow. The proceeds from the sale of the Notes will be used to finance the redemption of Products Corporation's $555 million aggregate principal amount of 10 1/2% Senior Subordinated Notes due 2003 (the "Senior Subordinated Notes") and $260 million aggregate principal

amount of 9 3/8% Senior Notes due 2001 (the "Senior Notes" and, together with the Senior Subordinated Notes, the "Old Notes"). Products Corporation delivered a redemption notice to the holders of the Senior Subordinated Notes for the redemption of the Senior Subordinated Notes on March 4, 1998, at which time Products Corporation assumed the obligations under the 8 5/8% Notes and the related indenture (the "8 5/8% Notes Assumption"), and to the holders of the Senior Notes for the redemption of the Senior Notes on April 1, 1998, at which time Products Corporation will assume the obligations under the 8 1/8% Notes and the related indenture (the "8 1/8% Notes Assumption" and, together with the 8 5/8% Notes Assumption, the "Assumption"). On or before March 19, 1998 either Revlon Escrow or Products Corporation is required to file a registration statement with the Securities and Exchange Commission (the "Commission") with respect to an offer to exchange the Notes for registered notes with substantially identical terms (the "Exchange Offer"). The Exchange Offer is expected to occur on or before July 2, 1998.

On April 25, 1997, Prestige Fragrance & Cosmetics, Inc. ("PFC"), a wholly owned subsidiary of Products Corporation, and The Cosmetic Center, Inc. ("CCI") completed the merger of PFC with and into CCI (the "Cosmetic Center Merger") with CCI (subsequent to the Cosmetic Center Merger, "Cosmetic Center") surviving the Cosmetic Center Merger. In the Cosmetic Center Merger, Products Corporation received in exchange for all of the capital stock of PFC newly issued Class C Common Stock of Cosmetic Center constituting approximately 85.0% of Cosmetic Center's outstanding common stock. Accordingly, the Cosmetic Center Merger was accounted for as a reverse acquisition using the purchase method of accounting, so that PFC is considered the acquiring entity for accounting purposes even though Cosmetic Center is the surviving legal entity. The results of the Company for 1997 include the results of operations of Cosmetic Center from and after the effective date of the Cosmetic Center Merger.

In May 1997, Products Corporation entered into a credit agreement (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 (the "1996 Credit Agreement") and to redeem Products Corporation's 10 7/8% Sinking Fund Debentures due 2010 (the "Sinking Fund Debentures") and were and will be used for general corporate purposes or, in the case of the Acquisition Facility (as defined herein), the financing of acquisitions. The Credit Agreement provides up to $750.0 million and is comprised of five senior secured facilities: $200.0 million in two term loan facilities (the "Term Loan Facilities"), a $300.0 million multi-currency facility (the "Multi-Currency Facility"), a $200.0 million revolving acquisition facility, which may be increased to $400.0 million under certain circumstances with the consent of a majority of the lenders (the "Acquisition Facility"), and a $50.0 million special standby letter of credit facility (the "Special LC Facility").

On March 5, 1996, the Company completed an initial public equity offering (the "Revlon IPO") in which it issued and sold 8,625,000 shares of its Class A Common Stock for $24.00 per share. The proceeds, net of underwriters' discount and related fees and expenses, of $187.8 million were contributed to Products Corporation and used to repay borrowings outstanding under the credit agreement in effect at that time (the "1995 Credit Agreement") and to pay fees and expenses related to entering into the 1996 Credit Agreement.

On June 24, 1992, the Company succeeded to assets and liabilities of the cosmetics and skin care, fragrance and personal care products business of Revlon Holdings Inc. ("Holdings"). Holdings retained certain small brands that historically had not been profitable (the "Retained Brands") and certain other assets and liabilities. Unless the context otherwise requires, references to the Company or Revlon relating to dates or periods prior to the formation of the Company mean the cosmetics and skin care, fragrance and personal care products business of Holdings to which the Company has succeeded. The Company's business is conducted exclusively through its wholly owned subsidiary, Products Corporation. Unless the context otherwise requires, all references in this Form 10-K to the Company or Revlon mean Revlon, Inc. and its subsidiaries.

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

BUSINESS STRATEGY

The Company's business strategy, which implements its vision and is intended to continue to improve operating performance, is to:

- Strengthen and broaden its core brands through globalization of marketing and advertising, product development and manufacturing and through increasing its emphasis on advertising and promotion.

- Lead the industry in the development and introduction of technologically advanced innovative products that set new trends.

- Expand the Company's presence in all markets in which the Company competes and enter new and emerging markets.

- Continue to reduce costs and improve operating efficiencies, customer service and product quality by reducing overhead, rationalizing factory operations, upgrading management information systems, globally sourcing raw materials and components and carefully managing working capital.

- Continue to expand market share and product lines through possible strategic acquisitions or joint ventures.

PRODUCTS

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

BRAND	COSMETICS	SKIN CARE	FRAGRANCES	PERSONAL CARE PRODUCTS	PROFESSIONAL PRODUCTS
Revlon	Revlon, ColorStay, Revlon Age Defying, StreetWear, Super Lustrous, Moon Drops, Velvet Touch, Line & Shine, New Complexion, Overtime Eyes, Touch & Glow, Top Speed, Lashful, Lengthwise, Naturally Glamorous, Custom Eyes, Timeliner, Revlon Implements	Moon Drops, Revlon Results, Eterna 27, Revlon Age Defying	Charlie, Charlie Red, Charlie White, Charlie Sunshine, Fire & Ice, Fire & Ice Cool, Jontue, Ciara, Body Kisses	Flex, Outrageous, Aquamarine, Mitchum, Lady Mitchum, Hi & Dri, ColorStay, Colorsilk, Frost & Glow, Revlon Shadings, Jean Nate, Roux Fanci-full, Realistic, Creme of Nature, Herba Rich, Fabu-laxer	Revlon Professional, Roux Fanci-full, Realistic, Creme of Nature, Sensor Perm, Perfect Perm, Fermodyl, Perfect Touch, Salon Perfection, Revlonissimo, Voila, Young Color, Creative Nail, Contours, American Crew, R PRO, True Cystem
Almay	Almay, Time-Off, Almay Clear Complexion Makeup, Amazing, One Coat	Sensitive Care, Oil Control, Time-Off, Moisture Balance, Moisture Renew, Almay Clear Complexion Skin Care		Almay	
Ultima II	Ultima II, Beautiful Nutrient, Wonderwear, The Nakeds	Ultima II, Vital Radiance, Interactives, CHR			
Significant Regional Brands	Colorama(b), Juvena(b), Jeanne Gatineau(b)	Jeanne Gatineau(b), Natural Honey	Floid(b), Versace(a), Charlie Gold	Plusbelle(b), Bozzano(b), Juvena(b), Geniol(b), Colorama(b), Llongueras(b), Bain de Soleil(b), ZP-11	Colomer(b), Intercosmo(b), Personal Bio Point, Natural Wonder, Llongueras(b)

(a) License held for distribution in certain countries outside the United States.
(b) Trademark owned in certain markets outside the United States.

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

The Company markets several different lines of REVLON lip makeup (which includes lipstick, lip gloss and liner). The Company's breakthrough COLORSTAY lipcolor, which uses patented transfer-resistant technology that provides long wear, is produced in 40 shades. SUPER LUSTROUS lipstick is produced in 60 shades. MOON DROPS, a moisturizing lipstick, is produced in 57 shades. LINE & SHINE, which was introduced in 1997, is a product that utilizes an innovative product form, combining lipliner and lip gloss in one package, and is produced in 8 shades.

The Company's nail color and nail care lines include enamels, cuticle preparations and enamel removers. The Company's flagship REVLON nail enamel is produced in 85 shades and uses a patented formula that provides consumers with improved wear, application, shine and gloss in a toluene-free and formaldehyde-free formula. TOP SPEED nail enamel, launched in 1997, is produced in 52 shades and contains a patented speed drying polymer formula which sets in 90 seconds. STRONG WEAR, a patented strengthening nail enamel formula produced in 27 shades, contains ingredients that provide protection against splitting, chipping and breaking. Revlon has the number one position in nail enamel in the United States self-select distribution channel. The Company also sells NAIL BUILDERS, which includes nail strengtheners, hardeners and fortifiers.

The Company sells face makeup, including foundation, powder, blush and concealers, under such REVLON brand names as REVLON AGE DEFYING, which is targeted for women in the over 35 age bracket; COLORSTAY foundation, which uses patent-pending transfer-resistant technology that provides long wear; and NEW COMPLEXION, for consumers in the 25 to 49 age bracket.

The Company's eye makeup products include mascaras, eye shadows, brow color and liners. COLORSTAY eyecolor, mascara and brow color, LASHFUL and LENGTHWISE mascaras, SOFTSTROKE eyeliners and REVLON CUSTOM EYES and OVERTIME SHADOW eye shadows are targeted for women in the 18 to 49 age bracket, and REVLON AGE DEFYING eye color is targeted for women over 35.

The Company's ALMAY brand consists of a complete line of hypo-allergenic, dermatologist-tested, fragrance-free cosmetics and skin care products targeted for consumers who want "healthy looking skin." The Company positions the ALMAY brand as the clean, natural-looking and healthy choice. ALMAY products include lip makeup, nail color and nail care products, eye and face makeup, skin care products, and sunscreen lotions and creams, including TIME-OFF makeup and skin care and the ALMAY AMAZING collection, which includes ALMAY AMAZING LASTING lip makeup, which includes the Company's proprietary transfer-resistant technology developed for COLORSTAY, ALMAY AMAZING LASH mascara, ALMAY AMAZING eye makeup, ALMAY AMAZING LASTING makeup, and ALMAY CLEAR COMPLEXION SKIN CARE and MAKEUP and ALMAY EASY-TO-WEAR eyecolor and ALMAY ONE COAT mascara. The Company targets ALMAY for value conscious consumers by offering benefits comparable to higher priced products, such as Clinique, at affordable prices. ALMAY is the leading brand in the hypo-allergenic market in the United States self-select distribution channel.

The Company's STREETWEAR brand consists of a line of nail enamels, mascaras, lip and eye liners and lip glosses which are targeted for the trend conscious consumer. STREETWEAR was developed in response to the recent trend in color and fashion coming from the street.

The Company sells implements, which include nail and eye grooming tools such as clippers, scissors, files, tweezers and eye lash curlers. The Company's implements are sold individually and in sets under the REVLON brand name.

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

The Company's skin care products, including moisturizers, are sold under brand names, including ETERNA 27, MOON DROPS, REVLON RESULTS, ALMAY TIME-OFF REVITALIZER, CLEAR COMPLEXION and ULTIMA II VITAL RADIANCE, a skin care collection introduced in 1997. In addition, the Company sells skin care products in international markets under internationally recognized brand names and under regional brands, including NATURAL HONEY.

The Company's premium priced cosmetics and skin care products are sold under the ULTIMA II brand name, which is the Company's flagship premium priced brand sold throughout the world, and the JEANNE GATINEAU brand name, which is sold outside the United States. The ULTIMA II line includes the WONDERWEAR collection, which includes a long-wearing foundation that uses patent-pending technology, cheek and eyecolor products that use proprietary technology that provides long wear, and WONDERWEAR LIPSEXXXY lipstick, which uses patented transfer-resistant technology that provides long wear, the BEAUTIFUL NUTRIENT collection, a complete line of nourishing makeup that provides advanced nutrient protection against dryness and THE NAKEDS makeup, a trend-setting line of makeup emphasizing neutral colors.

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

Personal Care Products. The Company sells a broad line of personal care consumer products which complements its core cosmetics lines and enables the Company to meet the consumer's broader beauty care needs. In the self-select distribution channel, the Company sells haircare, anti-perspirant and other personal care products, including the FLEX, OUTRAGEOUS and AQUAMARINE haircare lines throughout the world and the COLORAMA, PLUSBELLE, JUVENA, LLONGUERAS and NATURAL HONEY brands outside the United States; the breakthrough, patent-pending COLORSTAY and the COLORSILK, REVLON SHADINGS, FROST & GLOW and ROUX FANCI-FULL hair coloring lines throughout most of the world; and the MITCHUM, LADY MITCHUM and HI & DRI anti-perspirant brands throughout the world. Certain hair care products, including ROUX FANCI-FULL hair coloring and PERFECT TOUCH and SALON PERFECTION home permanents, were originally developed for professional use. The Company also markets hypo-allergenic personal care products, including sunscreens, moisturizers and anti-perspirants, under the ALMAY brand.

Professional Products. The Company sells a comprehensive line of salon products, including permanent wave preparations, hair relaxers, temporary and permanent hair coloring products, shampoos, conditioners, styling products and hair conditioners, to professional salons and beauty supply stores under the REVLON brand as well as other brand names such as ROUX FANCI-FULL, REALISTIC, REVLONISSIMO, CREME OF NATURE, FABU-LAXER, LOTTABODY, NATURAL WONDER, SENSOR and INTERCOSMO. Most of the Company's salon products in the United States currently are distributed in the non-exclusive distribution channels, in contrast to those products that are distributed exclusively to professional salons. Two recent acquisitions, Creative Nail Design, Inc. ("Creative Nail"), acquired in November 1995, and American Crew, Inc., acquired in April 1996, increase the Company's strength in the exclusive distribution channel. Through Creative Nail, the Company sells nail enhancement systems and nail color and treatment products and services for use by the professional salon industry under the CREATIVE NAIL brand name. Through American Crew, Inc. the Company sells men's shampoos, conditioners, gels, and other hair care products for use by professional salons under the AMERICAN CREW brand name. The Company also sells retail hair care products under the LLONGUERAS, PERSONAL BIO POINT, GENIOL, FIXPRAY and LANOFIL brands outside the United States. The Company markets in salons, beauty supply stores and the self-select distribution channel several lines of hair relaxers, styling products, hair conditioners and other hair care products under such names as FABU-LAXER and CREME OF NATURE designed for the particular needs of ethnic consumers. The Company also developed a new exclusive line of ethnic products, AROSCI, which was launched in 1996. The Company also sells wigs and hair pieces to retail outlets and certain professional salons under the REVLON brand and, pursuant to a license, under the ADOLFO brand.

MARKETING

The Company's vision is to provide glamour, excitement and innovation through quality products at affordable prices. The Company's marketing efforts are designed to implement this vision. The Company has formed Global Marketing Committees, consisting of managers from the Company's marketing, research and development, operations, advertising and finance departments from the United States and abroad, which develop strategies for the Company's current and new brands and products. The Global Marketing Committees coordinate the Company's globalization efforts while allowing sufficient flexibility to tailor products to local and regional preferences.

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

The Company uses print and television advertising and point-of-sale merchandising, including displays and samples. The Company has shifted a significant portion of its marketing to appeal to a broader audience and has increased media advertising, particularly national television advertising. Advertising and consumer-directed promotion expenditures increased by 11.8% in 1997 over 1996 levels and by 17.4% in 1996 over 1995 levels. The Company's marketing emphasizes a uniform global image and product for its portfolio of core brands, including REVLON, COLORSTAY, REVLON AGE DEFYING, ALMAY, ULTIMA II, FLEX, CHARLIE, OUTRAGEOUS and MITCHUM. The Company coordinates advertising campaigns with in-store promotional and other marketing activities. The Company develops jointly with retailers carefully tailored advertising, point-of-purchase and other focused marketing programs. In the self-select distribution channel, the Company uses network and spot television advertising, national cable advertising and print advertising in major general interest, women's fashion and women's service magazines, as well as coupons, magazine inserts and point-of-sale testers. In the demonstrator-assisted distribution channel, the Company principally uses cooperative advertising programs with retailers, supported by Company-paid or Company-subsidized demonstrators, and coordinated in-store promotions and displays.

The Company also has developed unique marketing materials such as the "Revlon Report," a glossy, color pamphlet distributed in magazines and on merchandising units, available in 34 countries and 18 languages, which highlights seasonal and other fashion and color trends, describes the Company's products that address those trends and contains coupons, rebate offers and other promotional material to encourage consumers to try the Company's products. The Company has created on-the-road beauty sampling and information vehicles that travel to major retailers throughout the United States, at which Company trainers educate consumers on the latest product and shade offerings. These vehicles create consumer and retail excitement about the Company's new and existing products and encourage trial and purchase by consumers. Other marketing materials designed to introduce the Company's newest products to consumers and encourage trial and purchase include point-of-sale testers on the Company's display units that provide information about, and permit consumers to test, the Company's products, thereby achieving the benefits of an in-store demonstrator without the corresponding cost; magazine inserts containing samples of the Company's newest products; trial size products and "shade samplers," which are collections of trial size products in different shades. Additionally, the Company's website at http://www.revlon.com features current product and promotional information and was recently recognized by a major national business magazine as one of the top corporate sites on the World Wide Web. Revlon was the only cosmetics company to receive this recognition.

Professional Products. Professional products are marketed through educational seminars on their application and benefits and through advertising, displays and samples to communicate to professionals and consumers the quality and performance characteristics of such products. The Company's shift to exclusive line distributors is intended to significantly reinforce the Company's marketing and educational efforts with salon professionals. The Company believes that its presence in the professional markets benefits its consumer products business since the Company is able to anticipate consumer trends in hair, nail and skin care, which often appear first in salons.

NEW PRODUCT DEVELOPMENT AND RESEARCH AND DEVELOPMENT

The Company believes that it is an industry leader in the development of innovative and technologically-advanced consumer and professional products. The Company's marketing and research and development groups identify consumer needs and shifts in consumer preferences in order to develop new product introductions, tailor line extensions and promotions and redesign or reformulate existing products to satisfy such needs or preferences. The Company's Advanced Concept Group consists of a select cross-functional group that conducts research on a wide range of areas to develop new and innovative technology. The Company independently develops substantially all of its new products. The Company also has entered into joint research projects with major universities and commercial laboratories to develop advanced technologies.

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

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

As of December 31, 1997, the Company employed approximately 200 people in its research and development activities, including specialists in pharmacology, toxicology, chemistry, microbiology, engineering, biology, dermatology and quality control. In 1997, 1996 and 1995 the Company spent approximately $29.7 million, $26.3 million and $22.3 million, respectively, on research and development activities.

In certain instances, proprietary technology developed by the Company for use in products and packaging is available for licensing to third parties through the Company's Revlon Technologies division. In 1995, the Company received the Innovation Award from the Coalition of NorthEast Governors ("CONEG") for its patented and patent-pending ENVIROGLUV glass decorating technology (which resulted in significant cost reductions in decorating REVLON AGE DEFYING and COLORSTAY makeup bottles and REVLON nail enamel bottles and which is being offered for licensing to qualified glass decorators). The CONEG challenge awards program is a nationwide competition to recognize companies that make significant contributions to packaging and source reduction.

MANUFACTURING AND RELATED OPERATIONS AND RAW MATERIALS

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

The Company manufactures REVLON brand color cosmetics, personal care products and fragrances for sale in the United States, Japan and most of the countries in Latin America and Southeast Asia at its Phoenix, Arizona facility and its Canadian facility. The Company manufactures ULTIMA II cosmetics and skin treatment products for sale in the United States and most of the countries in Latin America and Southeast Asia, personal care products for sale in the United States and ALMAY brand products for sale throughout the world at its Oxford, North Carolina facility. Nail care products for sale through salons worldwide are manufactured and distributed through the Vista, California facility. Personal care implements for sale throughout the world are manufactured at the Company's Irvington, New Jersey facility. The Company manufactures salon and retail professional products and personal care consumer products for sale in the United States and Canada at the Company's Jacksonville, Florida facility. The Phoenix and Oxford facilities have been ISO-9002 certified. An ISO-9002 certification is an internationally recognized standard for manufacturing

facilities, which signifies that the manufacturing facility has achieved and maintains certain performance and quality commitment standards.

The Company manufactures its entire line of consumer products (except implements) for sale in most of Europe at its Maesteg, South Wales facility. Local production of cosmetics and personal care products takes place at the Company's facilities in Spain, Canada, Venezuela, Mexico, New Zealand, Brazil, Italy, Argentina, France and South Africa. The manufacture of professional products for sale by retailers outside the United States has been centralized principally at the Company's facilities in Ireland, Spain, Italy and Mexico. Production of color cosmetics for Japan and Mexico has been shifted primarily to the United States while production of REVLON brand personal care products for Argentina has been centralized in Brazil. The Maesteg and Irish facilities have been certified by the British equivalent of ISO-9002.

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

The Company's improvements in manufacturing, sourcing and related operations have contributed to improved customer service, including an improvement in the percentage of timely order fulfillment from most of the Company's principal manufacturing facilities and the timeliness and accuracy of new product and promotion deliveries. To promote the Company's understanding of, and responsiveness to the needs of its retail customers, the Company assigns members of senior operations management to lead inter-departmental teams that visit significant accounts, and has provided retail accounts with a designated customer service representative.

The Company emphasizes safety and increased training of employees resulting in an improved safety record. The Company anticipates that the globalization of, and continued improvement in, the quality of its manufacturing operations will result in lower manufacturing costs.

BUSINESS PROCESS ENHANCEMENTS

The Company's management information systems have been substantially upgraded to provide comprehensive order processing, production and accounting support for the Company's business. The Company's expenditures on improvements to its management information systems were approximately $12 million for 1997, and the Company anticipates a similar level of expenditure in 1998. Systems improvements have been and the Company anticipates that they will continue to be instrumental in contributing to the reduction of the time from order entry to shipment, improved forecasting of demand and improved operating efficiencies.

The Company has made an evaluation of steps necessary to address issues related to required changes in computer systems for the Year 2000. While the Company has determined that it currently has computer systems that require modification to be Year 2000 compliant, many of the modifications are being accomplished as part of the systems improvements referred to above. As to its systems which are not impacted by the improvements referred to above, the Company is identifying those which require modification or replacement to address the Year 2000 issue. Management believes that there is no material risk that the Company will fail to address the Year 2000 issues in a timely manner. Additionally, the Company believes that the Year 2000 issue will not have a material effect on its financial condition.

DISTRIBUTION

As a result of its improved customer service and consumer traffic generated by its products and innovative marketing programs, the Company believes that its relationships with self-select distribution cosmetic retailers are the best in the cosmetics industry.

The Company's products are sold in approximately 175 countries and territories. The Company's worldwide sales force had approximately 2,900 people as of December 31, 1997, including a dedicated sales force for cosmetics, skin care and fragrance products in the self-select distribution channel, for the demonstrator-assisted distribution channel, for personal care products distribution, for salon distribution, and for retail stores. In addition, the Company utilizes sales representatives and independent distributors to serve specialized markets and related distribution channels.

United States. The United States operation's net sales accounted for approximately 60.8% of the Company's 1997 net sales, a majority of which were made in the self-select distribution channel. The Company also sells a broad range of consumer and retail professional products to United States Government military exchanges and commissaries. The Company licenses its trademarks to select manufacturers for products that the Company believes have the potential to extend the Company's brand names and image. As of December 31, 1997, 19 licenses were in effect relating to 21 product categories to be marketed in the self-select distribution channel. Pursuant to the licenses, the Company retains strict control over product design and development, product quality, advertising and use of its trademarks. These licensing arrangements offer opportunities for the Company to generate revenues and cash flow through earned royalties, royalty advances and, in some cases, up-front licensing fees. Products designed for professional use or resale by beauty salons are sold through wholesale beauty supply distributors and directly to professional salons. Various hair care products, such as ethnic hair relaxers, scalp conditioners, shampoos and hair coloring products and wigs and hairpieces are sold directly and through wholesalers to chain drug stores and mass volume retailers. Wigs and hairpieces are also sold through mail order direct marketing, retail outlet malls, salons and certain department stores.

The Company also operates retail stores through Cosmetic Center. As of December 31, 1997, Cosmetic Center's retail (or Cosmetic Center) division operated 66 specialty retail stores in the middle Atlantic region and in Chicago and its outlet (or Prestige Fragrance & Cosmetics) division operated 201 retail outlet stores throughout the United States. The stores in the Cosmetic Center division offer a broad range of brand name prestige and mass merchandised cosmetics products at value prices. The stores in the Prestige Fragrance & Cosmetics division operate in factory outlet malls, rural areas and other similar locations that are not disruptive to the Company's principal distribution channels. In these stores, Cosmetic Center sells the Company's first quality, first quality excess, returned and refurbished, and discontinued consumer products and retail professional products, as well as similar products of other cosmetics companies.

International. The International operation's net sales accounted for approximately 39.2% of the Company's 1997 net sales. The International operation's ten largest countries in terms of these sales, which include, among others, Brazil, Spain, the United Kingdom, Australia, South Africa, Canada and Japan, accounted for approximately 28% of the Company's net sales in 1997, with Brazil accounting for approximately 5.5% of the Company's net sales. The International operation is increasing distribution through the expanding self-select distribution channels outside the United States, such as drug stores/chemists, hypermarkets/mass volume retailers and variety stores, as these channels gain importance. The International operation also distributes through department stores and specialty stores such as perfumeries. The International operation's professional products are sold directly to beauty salons by the Company's direct sales force in Spain, France, Germany, Portugal, Italy, Mexico and Ireland and through distributors in other countries. As of December 31, 1997, the Company actively sold its products through wholly owned subsidiaries established in 26 countries outside of the United States, through joint ventures in India and Indonesia, and through a large number of distributors and licensees elsewhere around the world. The Company continues to pursue strategies to establish its presence in new emerging markets. Such new and emerging markets include Eastern Europe; Russia; and China, where in 1996 the Company established a subsidiary with a local minority partner. In addition, the Company is building a franchise through local distributorships in northern and central Africa, where the Company intends to expand the distribution of its products by capitalizing on its market strengths in South Africa.

CUSTOMERS

The Company's principal customers include chain drug stores and large mass volume retailers, including such well known retailers as Wal-Mart, Walgreens, Kmart, Target, CVS, Drug Emporium, American Drug Stores, Eckerds, and Rite Aid in the self-select distribution channel, J.C. Penney in the demonstrator-assisted distribution channel, Sally's Beauty Company for professional products, Boots in the United Kingdom and Western Europe and Wal-Mart worldwide. The foregoing principal customers each accounted for 1% or more of the Company's net sales in 1997 and are representative of the Company's customers.

COMPETITION

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

SEASONALITY

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

PATENTS, TRADEMARKS AND PROPRIETARY TECHNOLOGY

The Company's major trademarks are registered in the United States and in many other countries, and the Company considers trademark protection to be very important to its business. Significant trademarks include REVLON, COLORSTAY, REVLON AGE DEFYING, STREETWEAR, FLEX, PLUSBELLE, MITCHUM, ETERNA 27, ULTIMA II, ALMAY, CHARLIE, JEAN NATE, REVLON RESULTS, COLORAMA, FIRE & ICE, MOON DROPS, SUPER LUSTROUS and WONDERWEAR LIPSEXXXY for consumer products and REVLON, ROUX FANCI-FULL, REALISTIC, FERMODYL, CREATIVE NAIL, AMERICAN CREW and INTERCOSMO for professional products.

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

GOVERNMENT REGULATION

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

INDUSTRY SEGMENTS, FOREIGN AND DOMESTIC OPERATIONS

The Company operates in a single business segment. Certain geographic, financial and other information of the Company is set forth in Note 18 of the Notes to Consolidated Financial Statements of the Company.

EMPLOYEES

As of December 31, 1997, the Company employed the equivalent of approximately 16,000 full-time persons. Approximately 2,100 of such employees in the United States are covered by collective bargaining agreements. The Company will be negotiating collective bargaining agreements or portions thereof covering employees in eleven countries outside the United States during 1998 (namely, Australia, Brazil, England, France, Ireland, Israel, Italy, Japan, Mexico, South Africa and Spain). Although there can be no assurance, the Company expects that such agreements will be renewed in the ordinary course, and further believes that its employee relations are satisfactory. Although the Company has experienced minor work stoppages of limited duration in the past in the ordinary course of business, such work stoppages have not had a material effect on the Company's results of operations or financial condition.

ITEM 2. PROPERTIES

The following table sets forth as of December 31, 1997 the Company's major manufacturing, research and warehouse/distribution facilities, all of which are owned except where otherwise noted.

LOCATION	USE	APPROXIMATE FLOOR SPACE SQ. FT.
United States:		
Oxford, North Carolina	Manufacturing, warehousing, distribution and office	1,012,000
Phoenix, Arizona	Manufacturing, warehousing, distribution and office (partially leased)	706,000
Jacksonville, Florida	Manufacturing, warehousing, distribution, research and office	526,000
Columbia, Maryland	Warehousing, distribution and office (leased)	200,000
Edison, New Jersey	Research and office (leased)	133,000
Irvington, New Jersey	Manufacturing, warehouse and office	96,000
International:		
Sao Paulo, Brazil	Manufacturing, warehousing, distribution, office and research	435,000
Maesteg, South Wales	Manufacturing,.distribution and office	316,000
Mississauga, Canada	Manufacturing, warehousing, distribution and office	245,000
Santa Maria, Spain	Manufacturing and warehousing	173,000
Caracas, Venezuela	Manufacturing, distribution and office	145,000
Kempton Park, South Africa	Warehousing, distribution and office (leased)	127,000
Canberra, Australia	Warehousing, distribution and office	125,000
Isando, South Africa	Manufacturing, warehousing, distribution and office	94,000
Escobar, Argentina	Manufacturing, warehousing, distribution and office	75,000
Argenteuil, France	Warehousing and distribution (leased)	73,000
Bologna, Italy	Manufacturing, warehousing, distribution and office	60,000
Dublin, Ireland	Manufacturing, warehousing, distribution and office	32,500

In addition to the facilities described above, additional facilities are owned and leased in various areas throughout the world, including the lease for the Company's executive offices in New York, New York (345,000 square feet, of which approximately 57,000 square feet are currently sublet to affiliates of the Company and approximately 27,000 square feet are sublet to an unaffiliated third party). Management considers the Company's facilities to be well-maintained and satisfactory for the Company's operations, and believes that the Company's facilities provide sufficient capacity for its current and expected production requirements. Products Corporation leases from Holdings on arms' length terms its research and development facility located in Edison, New Jersey.

ITEM 3. LEGAL PROCEEDINGS

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

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

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

PART II

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

MacAndrews & Forbes Holdings Inc. ("MacAndrews Holdings"), which is indirectly wholly owned by Ronald O. Perelman, through REV Holdings Inc. ("REV Holdings"), beneficially owns 11,250,000 shares of the Company's Class A Common Stock (representing 56.6% of the outstanding shares of Class A Common Stock) and all of the outstanding 31,250,000 shares of Class B Common Stock, which together represent 83.1% of the outstanding shares of the Company's Common Stock and have approximately 97.4% of the combined voting power of the outstanding shares of the Company's Common Stock. The remaining 8,637,350 shares of Class A Common Stock outstanding at February 2, 1998 are owned by the public. As of February 2, 1998, there were 529 holders of record of Class A Common Stock. No dividends were declared or paid during 1997 or 1996. The terms of the Credit Agreement, the Senior Subordinated Notes, the Senior Notes and the 9 1/2% Senior Notes Due 1999 (the "1999 Notes") currently restrict, and, after the Assumption, the terms of the Notes will restrict, the ability of Products Corporation to pay dividends or make distributions to Revlon, Inc. See the Consolidated Financial Statements of the Company and the Notes thereto.

The table below shows the Company's high and low quarterly stock prices for the years ended December 31, 1997 and 1996.

	1997 Quarterly Stock Prices (1)			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
High	$ 42 3/8	$ 51 13/16	$ 54 1/8	49
Low	29 5/8	33 1/4	45 3/8	33 1/8

	1996 Quarterly Stock Prices (1)			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
High	$ 28 1/4	$ 31 3/8	$ 31 1/8	$ 36 1/2
Low	25 1/2	24 3/4	23 1/2	28 5/8

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

ITEM 6. SELECTED FINANCIAL DATA

The Consolidated Statements of Operations Data for each of the years in the five-year period ended December 31, 1997 and the Balance Sheet Data as of December 31, 1997, 1996, 1995, 1994 and 1993 are derived from the Consolidated Financial Statements of the Company, which have been audited by KPMG Peat Marwick LLP, independent certified public accountants. The Selected Consolidated Financial Data should be read in conjunction with the Consolidated Financial Statements of the Company and the Notes to the Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Year Ended December 31,				
	1997	1996	1995	1994	1993
	(dollars in millions, except share data)				
Statements of Operations Data:					
Net sales	$ 2,390.9	$ 2,169.5	$ 1,940.0	$ 1,736.7	$ 1,595.2
Operating income	$ 213.3(a)	$ 200.6	$ 145.6	$ 107.4	$ 50.5
Income (loss) before extraordinary items and cumulative effect of accounting changes	$ 58.5	$ 24.8	$ (41.2)	$ (75.0)	$ (130.2)
Extraordinary items - early extinguishments of debt	(14.9)	(6.6)	-	-	(9.5)
Cumulative effect of accounting changes	-	-	-	(28.8)(b)	$ (6.0)(c)
Net income (loss)	$ 43.6	$ 18.2	$ (41.2)	$ (103.8)	$ (145.7)
Basic income (loss) per common share:					
Income (loss) before extraordinary items	$ 1.14	$ 0.50	$ (0.97)	$ (1.76)	$ (3.07)
Extraordinary items	(0.29)	(0.13)	-	-	(0.22)
Cumulative effect of accounting changes	-	-	-	(0.68)	(0.14)
Net income (loss) per common share	$ 0.85	$ 0.37	$ (0.97)	$ (2.44)	$ (3.43)
Diluted income (loss) per common share:					
Income (loss) before extraordinary items	$ 1.14	$ 0.50	$ (0.97)	$ (1.76)	$ (3.07)
Extraordinary items	(0.29)	(0.13)	-	-	(0.22)
Cumulative effect of accounting changes	-	-	-	(0.68)	(0.14)
Net income (loss) per common share	$ 0.85	$ 0.37	$ (0.97)	$ (2.44)	$ (3.43)
Weighted average common shares outstanding: (d)					
Basic	51,131,440	49,687,500	42,500,000	42,500,000	42,500,000
Dilutive	51,544,318	49,818,792	42,500,000	42,500,000	42,500,000

	December 31,				
	1997	1996	1995	1994	1993
	(dollars in millions)				
Balance Sheet Data:					
Total assets	$ 1,834.6	$ 1,621.9	$ 1,536.0	$ 1,419.4	$ 1,551.1
Long-term debt, excluding current portion	1,458.7	1,352.2	1,467.5	1,327.5	1,203.8
Total stockholders' deficiency	(458.5)	(497.1)	(702.3)	(656.2)	(554.2)

(a) In 1997, the Company incurred business consolidation costs and other, net, of approximately $7.6 million in connection with the implementation of its business strategy to rationalize factory and warehouse operations, including primarily severance and other related costs in certain operations and the consolidation of certain warehouse, distribution and headquarter operations related to the Cosmetic Center Merger partially offset by a settlement of a claim of $12.7 million and gains associated with the sale of certain facilities related to the rationalizations.

(b) Effective January 1, 1994, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 112, "Employers' Accounting for Postemployment Benefits." The Company recognized a charge of $28.8 million in the first quarter of 1994 to reflect the cumulative effect of the accounting change, net of income tax benefit.

(c) Effective January 1, 1993, the Company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," for its retiree benefit plan in the United States. Accordingly, the Company recognized a charge of $6.0 million in the first quarter of 1993 to reflect the cumulative effect of the accounting change.

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

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

(DOLLARS IN MILLIONS)

OVERVIEW

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

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

RESULTS OF OPERATIONS

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

	Year Ended December 31,		
Net sales:	1997 *	1996 *	1995 *
United States	$ 1,452.5	$ 1,259.7	$ 1,115.4
International	938.4	909.8	824.6
	$ 2,390.9	$ 2,169.5	$ 1,940.0

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

	Year Ended December 31,		
	1997 **	1996 **	1995 **
Cost of sales	34.8%	33.5%	33.7%
Gross profit	65.2	66.5	66.3
Selling, general and administrative expenses	56.0	57.3	58.8
Business consolidation costs and other, net	0.3	-	-
Operating income	8.9	9.2	7.5

* The results of Cosmetic Center, after giving effect to certain intercompany adjustments for 1997, 1996 and 1995, were as follows, respectively: Net sales of $152.3, $77.4 and $72.7, cost of sales of $89.5, $37.6 and $38.0, S,G&A expenses of $61.9, $38.4 and $36.5, and operating (loss) income of ($3.1), $1.4 and ($1.8). 1997 includes business consolidation costs of $4.0 in the operating (loss).

** Excluding the results of Cosmetic Center, after giving effect to certain intercompany adjustments for 1997, 1996 and 1995, the above percentages would have been, respectively: cost of sales of 33.2%, 32.9% and 32.9%, gross profit of 66.8%, 67.1% and 67.1%, S,G&A expenses of 57.0%, 57.6 % and 59.2%, business consolidation costs and other, net, of 0.1%, 0% and 0% and operating income of 9.7%, 9.5% and 7.9%.

YEAR ENDED DECEMBER 31, 1997 COMPARED WITH YEAR ENDED DECEMBER 31, 1996

NET SALES

Net sales were $2,390.9 and $2,169.5 for 1997 and 1996, respectively, an increase of $221.4, or 10.2% or 12.6% on a constant U.S. dollar basis, primarily as a result of successful new product introductions worldwide, increased demand in the United States, the impact of the Cosmetic Center Merger, increased distribution internationally into the expanding self-select distribution channel and the further development of new international markets.

United States. The United States operation's net sales increased to $1,452.5 for 1997 from $1,259.7 for 1996, an increase of $192.8, or 15.3%. Net sales improved for 1997, primarily as a result of continued consumer acceptance of new product offerings, general improvement in consumer demand for the Company's color cosmetics and the impact of the Cosmetic Center Merger. These results were partially offset by a decline in the Company's fragrance business caused by downward trends in the mass fragrance industry and the Company's strategy to de-emphasize new fragrance products. Even though consumer sell-through for the REVLON and ALMAY brands, as described below in more detail, has increased significantly, the Company's sales to its customers have been during 1997 and may continue to be impacted by retail inventory balancing and reductions resulting from consolidation in the chain drugstore industry in the U.S.

REVLON brand color cosmetics continued as the number one brand in dollar market share in the self-select distribution channel with a share of 21.6% for 1997 versus 21.4% for 1996. Market share, which is subject to a number of conditions, can vary from quarter to quarter as a result of such things as timing of new product introductions and advertising and promotional spending. New product introductions (including, in 1997, certain products launched during 1996) generated incremental net sales in 1997, principally as a result of launches of products in the COLORSTAY collection, including COLORSTAY eye makeup and face products such as powder and blush, COLORSTAY haircolor, launched in the third quarter of 1997, TOP SPEED nail enamel, launched in the third quarter of 1997, and launches of REVLON AGE DEFYING line extensions, the STREETWEAR collection, NEW COMPLEXION face makeup, LINE & SHINE lip makeup and launches of products in the ALMAY AMAZING collection, including lip makeup, eye makeup, face makeup and concealer, ALMAY ONE COAT, and ALMAY TIME-OFF REVITALIZER.

International. The International operation's net sales increased to $938.4 for 1997 from $909.8 for 1996, an increase of $28.6, or 3.1% on a reported basis or 8.8% on a constant U.S. dollar basis. Net sales improved for 1997, principally as a result of increased distribution into the expanding self-select distribution channel, successful new product introductions, including the continued roll-out of the COLORSTAY cosmetics collection and the further development of new international markets. This was partially offset by the Company's decision to exit the unprofitable demonstrator-assisted channel in Japan in the second half of 1996, unfavorable economic conditions in several international markets, and, on a reported basis, the unfavorable effect on sales of a stronger U.S. dollar against certain foreign currencies, primarily the Spanish peseta, the Italian lira and several other European currencies, the Australian dollar, the South African rand and the Japanese yen. New products such as COLORSTAY haircolor and STREETWEAR were introduced in select international markets in the second half of 1997. During 1997, the International operation's sales were divided into the following geographic areas: Europe, which is comprised of Europe, the Middle East and Africa (in which net sales increased by 3.4% on a reported basis to $417.9 for 1997 as compared to 1996 or an increase of 11.3% on a constant U.S. dollar basis); the Western Hemisphere, which is comprised of Canada, Mexico, Central America, South America and Puerto Rico (in which net sales increased by 11.1% on a reported basis to $346.6 for 1997 as compared to 1996 or an increase of 14.5% on a constant U.S. dollar basis); and the Far East (in which net sales decreased by 10.3% on a reported basis to $173.9 for 1997 as compared to 1996 or a decrease of 5.5% on a constant U.S. dollar basis). Excluding in both periods the effect of the Company's strategy of exiting the demonstrator-assisted distribution channel in Japan, Far East net sales on a constant U.S. dollar basis for 1997 would have been at approximately the same level as those in 1996.

The Company's operations in Brazil are significant and, along with operations in certain other countries, have been subject to, and may continue to be subject to, significant political and economic uncertainties. In Brazil, net sales, operating income and income before taxes were $130.9, $16.0 and $7.7, respectively, for 1997 compared to $132.7, $25.1 and $20.0, respectively, for 1996. Results of operations in Brazil for 1997 were adversely

impacted by competitive activity affecting the Company's toiletries business.

Cost of sales

As a percentage of net sales, cost of sales was 34.8% for 1997 compared to 33.5% for 1996. The increase in cost of sales as a percentage of net sales is due primarily to the impact of the Cosmetic Center Merger. Excluding the results of Cosmetic Center, as a percentage of net sales, cost of sales would have been 33.2% for 1997 compared to 32.9% for 1996. Other factors which increased cost of sales as a percentage of net sales included factors which enhanced overall operating income, including increased sales of the Company's higher cost, enhanced-performance, technology-based products and increased export sales and other factors including the effect of weaker local currencies on the cost of imported purchases and competitive pressures on the Company's toiletries business in certain International markets. These factors were partially offset by the benefits of improved overhead absorption against higher production volumes and more efficient global production and purchasing.

S,G&A expenses

As a percentage of net sales, S,G&A expenses were 56.0% for 1997, an improvement from 57.3% for 1996. S,G&A expenses other than advertising and consumer-directed promotion expenses, as a percentage of net sales, improved to 39.3% for 1997 compared with 40.9% for 1996, primarily as a result of reduced general and administrative expenses, improved productivity and lower distribution costs in 1997 compared with those in 1996. In accordance with its business strategy, the Company increased advertising and consumer-directed promotion expenditures in 1997 compared with 1996 to support growth in existing product lines, new product launches and increased distribution in the self-select distribution channel in many of the Company's markets in the International operation. Advertising and consumer-directed promotion expenses increased by 11.8% to $397.4, or 16.6% of net sales, for 1997 from $355.5, or 16.4% of net sales, for 1996.

Business consolidation costs and other, net

Business consolidation costs and other, net, in 1997 include severance and other costs in connection with the consolidation of certain warehouse, distribution and headquarter operations related to the Cosmetic Center Merger, severance, writedowns of certain assets to their estimated net realizable value and other related costs to rationalize factory operations in certain operations in accordance with the Company's business strategy, partially offset by related gains from the sales of certain factory operations and an approximately $12.7 settlement of a claim in the second quarter of 1997. These business consolidations are intended to lower the Company's operating costs and increase efficiency in the future.

Operating income

As a result of the foregoing, operating income increased by $12.7, or 6.3%, to $213.3 for 1997 from $200.6 for 1996.

Other expenses/income

Interest expense was $136.2 for 1997 compared to $133.4 for 1996. The slight increase in interest expense in 1997 is due to higher average outstanding borrowings, partially offset by lower interest rates.

Gain on sale of subsidiary stock of $6.0 was recognized in the second quarter of 1997 as a result of the Cosmetic Center Merger.

Foreign currency losses, net, were $6.4 for 1997 compared to $5.7 for 1996. The increase in foreign currency losses for 1997 as compared to 1996 resulted primarily from a non recurring gain recognized in 1996 in connection with the Company's simplification of its international corporate structure and from the strengthening of the U.S. dollar versus currencies in the Far East and most European currencies, partially offset by the stabilization of the Venezuelan bolivar and Mexican peso versus the devaluations which occurred during 1996.

Provision for income taxes

The provision for income taxes was $9.4 and $25.5 for 1997 and 1996, respectively. The decrease was primarily attributable to lower taxable income in certain International operations, partially as a result of the implementation of tax planning, including the utilization of net operating loss carryforwards in certain International operations, and benefits from net operating loss carryforwards domestically.

Extraordinary item

The extraordinary item in 1997 resulted from the write-off in the second quarter of 1997 of deferred financing costs associated with the early extinguishment of borrowings under the 1996 Credit Agreement prior to maturity with proceeds from the Credit Agreement, and costs of approximately $6.3 in connection with the redemption of Products Corporation's Sinking Fund Debentures. The extraordinary item in 1996 resulted from the write-off in the first quarter of 1996 of deferred financing costs associated with the early extinguishment of borrowings under the 1995 Credit Agreement prior to maturity with the net proceeds from the Revlon IPO and proceeds from the 1996 Credit Agreement.

YEAR ENDED DECEMBER 31, 1996 COMPARED WITH YEAR ENDED DECEMBER 31, 1995

Net sales

Net sales were $2,169.5 and $1,940.0 for 1996 and 1995, respectively, an increase of $229.5, or 11.8%, primarily as a result of successful new product introductions worldwide, increased demand in the United States, acquisitions of certain exclusive line professional product businesses, increased distribution internationally into the expanding self-select distribution channel and the further development of new international markets.

United States. The United States operation's net sales increased to $1,259.7 for 1996 from $1,115.4 for 1995, an increase of $144.3, or 12.9%. Net sales improved for 1996 primarily as a result of continued consumer acceptance of new product offerings, general improvement in consumer demand for the Company's color cosmetics in the United States and acquisitions of certain exclusive line professional product businesses, partially offset by overall softness in the fragrance industry and lower sales of one of the Company's prestige brands. The Company improved the dollar share of its REVLON brand cosmetics in the color cosmetics business in the United States self-select distribution channel to 21.4% for 1996 from 19.5% for 1995, moving into the leading position in market share. Market share, which is subject to a number of conditions, can vary from quarter to quarter as a result of such things as timing of new product introductions and advertising and promotional spending. New product introductions (including, in 1996, certain products launched during 1995) generated incremental net sales in 1996, principally as a result of launches of products in the COLORSTAY collection, including COLORSTAY foundation, lip makeup, eye makeup and COLORSTAY LASHCOLOR mascara, launches of products in the ALMAY AMAZING collection, including lip makeup, eye makeup, face makeup and concealer, and launches of Cherish fragrance and MITCHUM CLEAR and ALMAY CLEAR COMPLEXION line extensions.

International. The International operation's net sales increased to $909.8 for 1996 from $824.6 for 1995, an increase of $85.2, or 10.3% on a reported basis or 12.6% on a constant U.S. dollar basis. Net sales improved principally as a result of successful new product introductions, including the continued roll-out of the COLORSTAY cosmetics collection and REVLON AGE DEFYING makeup, increased distribution into the expanding self-select distribution channel, the further development of new international markets, partially offset, on a reported basis, by the unfavorable effect on sales of a stronger U.S. dollar against certain foreign currencies, primarily the South African rand, Japanese yen, and several European currencies. During 1996, the International operation's sales were divided into the following geographic areas: Europe, which is comprised of Europe, the Middle East and Africa (in which net sales increased to $404.0 for 1996 from $374.6 for 1995, an increase of $29.4, or 7.8%); the Western Hemisphere, which is comprised of Canada, Mexico, Central America, South America and Puerto Rico (in which net sales increased to $311.9 for 1996 from $275.4 for 1995, an increase of $36.5, or 13.3%); and the Far East (in which net sales increased to $193.9 for 1996 from $174.6 for 1995, an increase of $19.3, or 11.1%).

The Company's operations in Brazil are significant and, along with operations in certain other countries, have been subject to, and may continue to be subject to, significant political and economic uncertainties. In Brazil, net sales,

operating income and income before taxes were $132.7, $25.1 and $20.0, respectively, for 1996 compared to $118.6, $22.8 and $19.8, respectively, for 1995. In Mexico, net sales for 1996 and 1995 were adversely affected by the December 1994 devaluation of the Mexican peso and related economic weakness. In Venezuela, net sales and income before taxes for 1996 and 1995 were adversely affected by high inflation and in the 1996 period by a currency devaluation.

Cost of sales

As a percentage of net sales, cost of sales was 33.5% for 1996 compared to 33.7% for 1995, respectively. The improvement for 1996 resulted from the benefits of improved overhead absorption against higher production volumes and more efficient global production and purchasing. This improvement was partially offset by changes in product mix involving an increase in sales of the Company's higher cost technology-based products, an increase in export sales, lower margin products (such as those products sold in Brazil), the effect of weaker local currencies on the cost of imported purchases and competitive pressures on the Company's toiletries business in certain international markets in Europe and the Far East. The aforementioned increases in sales that negatively impacted cost of sales were, however, more profitable to the Company's overall operating results.

S,G&A expenses

As a percentage of net sales, S,G&A expenses were 57.3% for 1996, an improvement from 58.8% for 1995. S,G&A expenses other than advertising and consumer-directed promotion expenses, as a percentage of net sales, improved to 40.9% for 1996 compared with 43.2% for 1995 primarily as a result of reduced general and administrative expenses, improved productivity and lower distribution costs in 1996 compared with 1995, partially offset by additional costs incurred in Japan in 1996 in connection with the Company's strategy of exiting the demonstrator-assisted distribution channel. In accordance with its business strategy, the Company increased advertising and consumer-directed promotion expenditures in 1996 compared with 1995 to support growth in existing product lines, new product launches and increased distribution in the self-select distribution channel in many of the Company's markets in the International operation. Advertising and consumer-directed promotion expenses increased by 17.4% to $355.5, or 16.4% of net sales, for 1996 compared to $302.9, or 15.6% of net sales, for 1995.

Operating income

As a result of the foregoing, operating income increased by $55.0, or 37.8%, to $200.6 for 1996 from $145.6 for 1995.

Other expenses/income

Interest expense was $133.4 for 1996 compared to $142.6 for 1995. The reduction in interest expense is attributable to lower average outstanding borrowings as a result of the paydown of debt under the 1996 Credit Agreement and under the 1995 Credit Agreement with the use of proceeds from the Revlon IPO in the 1996 period and lower interest rates under the 1996 Credit Agreement than under the 1995 Credit Agreement.

Foreign currency losses, net, were $5.7 for 1996 compared to $10.9 for 1995. The reduction in the foreign currency loss in 1996 as compared to 1995 was due to lower foreign currency losses primarily in Mexico and Venezuela and the Company's simplification of its international corporate structure, which resulted in $2.1 of gains, previously deferred in the currency translation account, partially offset by the strengthening of the U.S. dollar against the Spanish peseta and the strengthening of the U.K. pound against several European currencies.

Miscellaneous, net, was $6.3 for 1996 compared to $1.8 for 1995. The increase relates primarily to the Company's continued investment in certain emerging markets.

Extraordinary item

The extraordinary item resulted from the write-off recorded in the first quarter of 1996 of deferred financing costs associated with the early extinguishment of the 1995 Credit Agreement prior to its maturity with the net proceeds from the Revlon IPO and borrowings under the 1996 Credit Agreement.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by (used for) operating activities was $6.9, ($9.6) and ($52.1) for 1997, 1996 and 1995, respectively. The increase in net cash provided by operating activities for 1997 compared with net cash used in 1996 resulted primarily from higher operating income and improved working capital management, partially offset by increased spending on merchandise display units in connection with the Company's continued expansion into the self-select distribution channel. The decrease in net cash used for operating activities for 1996 compared with 1995 resulted primarily from higher operating income, lower restructuring payments ($13.3 for 1996 compared with $24.2 for 1995) and improved management of inventory relative to business growth, partially offset by higher trade receivable balances as a result of higher net sales and increased spending on merchandise display units in connection with the Company's continued expansion into the self-select distribution channel.

Net cash used for investing activities was $108.4, $65.1 and $72.5 for 1997, 1996 and 1995, respectively. Net cash used for investing activities for 1997, 1996 and 1995 included capital expenditures of $56.5, $58.0 and $54.3, respectively, and $60.4, $7.1 and $21.2, respectively, used for acquisitions. Net cash used for acquisitions in 1997 consisted primarily of cash paid to the CCI shareholders in connection with the cash election pursuant to the Cosmetic Center Merger and cash paid for the acquisition of a South American hair care manufacturer and its distributor.

Net cash provided by financing activities was $109.3, $77.9 and $125.6 for 1997, 1996 and 1995, respectively. Net cash provided by financing activities for 1997 included cash drawn under the 1996 Credit Agreement, the Credit Agreement and Cosmetic Center's credit facility, partially offset by the repayment of borrowings under the 1996 Credit Agreement, the payment of fees and expenses related to entering into the Credit Agreement, the repayment of borrowings under the Company's Japanese yen-denominated credit agreement (the "Yen Credit Agreement"), the repayment of borrowings under CCI's former credit agreement and the redemption of the Sinking Fund Debentures. Net cash provided by financing activities for 1996 included the net proceeds from the Revlon IPO, cash drawn under the 1995 Credit Agreement and under the 1996 Credit Agreement, partially offset by the repayment of borrowings under the 1995 Credit Agreement, the payment of fees and expenses related to the 1996 Credit Agreement and the repayment of borrowings under the Yen Credit Agreement. Net cash provided by financing activities for 1995 consisted primarily of borrowings under the credit agreement of Products Corporation in effect prior to the 1995 Credit Agreement and borrowings under the 1995 Credit Agreement, partially offset by repayments of cash drawn under those credit agreements, repayments under the Yen Credit Agreement and payment of debt issuance costs under the 1995 Credit Agreement.

In May 1997, Products Corporation entered into the Credit Agreement with a syndicate of lenders, whose individual members change from time to time. The proceeds of loans made under the Credit Agreement were used for the purpose of repaying the loans outstanding under the 1996 Credit Agreement and to redeem the Sinking Fund Debentures and were and will be used for general corporate purposes or, in the case of the Acquisition Facility, the financing of acquisitions. See Note 10(a) to the Consolidated Financial Statements. At December 31, 1997 Products Corporation had approximately $200.0 outstanding under the Term Loan Facilities, $102.7 outstanding under the Multi-Currency Facility, $41.9 outstanding under the Acquisition Facility and $34.8 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 4.3 billion as of December 31, 1997 (approximately $33.3 U.S. dollar equivalent as of December 31, 1997). In accordance with the terms of the Yen Credit Agreement, approximately Yen 539 million (approximately $5.2 U.S. dollar equivalent) was paid in January 1996 and approximately Yen 539 million (approximately $4.6 U.S. dollar equivalent) was paid in January 1997. In June 1997, Products Corporation amended and restated the Yen Credit Agreement to extend the term to December 31, 2000 subject to earlier termination under certain circumstances. In accordance with the terms of the Yen Credit Agreement, as amended

and restated, approximately Yen 539 million (approximately $4.2 U.S. dollar equivalent as of December 31, 1997) is due in each of March 1998, 1999 and 2000 and Yen 2.7 billion (approximately $20.7 U.S. dollar equivalent as of December 31, 1997) is due on December 31, 2000.

Products Corporation made an optional sinking fund payment of $13.5 and redeemed all of the outstanding $85.0 principal amount Sinking Fund Debentures during 1997 with the proceeds of borrowings under the Credit Agreement. $9.0 aggregate principal amount of previously purchased Sinking Fund Debentures were used for the mandatory sinking fund payment due July 15, 1997.

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

On February 2, 1998, Revlon Escrow issued and sold the Notes in a private placement, with the net proceeds deposited into escrow. The proceeds from the sale of the Notes will be used to finance the redemptions of the Old Notes. Products Corporation delivered a redemption notice to the holders of the Senior Subordinated Notes for the redemption of the Senior Subordinated Notes on March 4, 1998, at which time Products Corporation consummated the 8 5/8% Notes Assumption, and to the holders of the Senior Notes for the redemption of the Senior Notes on April 1, 1998, at which time Products Corporation will consummate the 8 1/8% Notes Assumption. On or before March 19, 1998 either Revlon Escrow or Products Corporation is required to file a registration statement with the Commission with respect to the Exchange Offer, which is expected to occur on or before July 2, 1998. In connection with the early redemptions of the Old Notes, the Company expects to record an extraordinary loss of up to $52 in 1998. The indentures governing the 8 5/8% Notes (the "8 5/8% Notes Indenture") and the 8 1/8% Notes (the "8 1/8% Notes Indenture" and, together with the 8 5/8% Notes Indenture, the "Notes Indentures") contain covenants that, after the Assumption among other things, limit (i) the issuance of additional debt and redeemable stock by Products Corporation, (ii) the incurrence of liens, (iii) the issuance of debt and preferred stock by Products Corporation's subsidiaries, (iv) the payment of dividends on capital stock of Products Corporation, (v) the sale of assets and subsidiary stock, (vi) transactions with affiliates, (vii) consolidations, mergers and transfers of all or substantially all Products Corporation assets and (viii) in the case of the 8 5/8% Notes Indenture, the issuance of additional subordinated debt that is senior in right of payment to the 8 5/8% Notes. The Notes Indentures also prohibit certain restrictions on distributions from Products Corporation and subsidiaries of Products Corporation. All of these limitations and prohibitions, however, are subject to a number of important qualifications.

The Company's principal sources of funds are expected to be cash flow generated from operations and borrowings under the Credit Agreement and other existing working capital lines. The Credit Agreement and the Senior Notes, the 1999 Notes and the Senior Subordinated Notes currently contain, and, following the Assumption, the Notes will 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 and debt service payments.

The Company estimates that capital expenditures for 1998 will be approximately $65, including upgrades to the Company's management information systems. Pursuant to a tax sharing agreement (see "Certain Relationships and Related Transactions-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 taxes pursuant to the tax sharing agreement will be required for 1998.

As of December 31, 1997, Products Corporation was party to a series of interest rate swap agreements totaling a notional amount of $225.0 in which Products Corporation agreed to pay on such notional amount a variable interest rate equal to the six month LIBOR to its counterparties and the counterparties agreed to pay on such notional amounts fixed interest rates averaging approximately 6.03% per annum. Products Corporation entered

into these agreements in 1993 and 1994 (and in the first quarter of 1996 extended a portion equal to a notional amount of $125.0 through December 2001) to convert the interest rate on $225.0 of fixed-rate indebtedness to a variable rate. If Products Corporation had terminated these agreements, which Products Corporation considered to be held for other than trading purposes, on December 31, 1997 and 1996, a loss of approximately $0.1 and $3.5, respectively, would have been realized. Certain other swap agreements were terminated in 1993 for a gain of $14.0 and were amortized over the original lives of the agreements through 1997. The amortization of the 1993 realized gain in 1997, 1996, and 1995 was approximately $3.1, $3.2 and $3.2, respectively. Cash flow from the agreements outstanding at December 31, 1997 was approximately break even for 1997. Products Corporation terminated these agreements in January 1998 and realized a gain of approximately $1.6, which will be recognized upon repayment of the hedged indebtedness.

Products Corporation enters into forward foreign exchange contracts and option contracts from time to time to hedge certain cash flows denominated in foreign currencies. At December 31, 1997 and 1996, Products Corporation had forward foreign exchange contracts denominated in various currencies of approximately $90.1 and $62.0, respectively, and option contracts of approximately $94.9 outstanding at December 31, 1997. Such contracts are entered into to hedge transactions predominantly occurring within twelve months. If Products Corporation had terminated these contracts on December 31, 1997 and 1996, no material gain or loss would have been realized.

Based upon the Company's current level of operations and anticipated growth in net sales and earnings as a result of its business strategy, the Company expects that cash flows from operations and funds from currently available credit facilities and refinancings of existing indebtedness will be sufficient to enable the Company to meet its anticipated cash requirements for the foreseeable future on a consolidated basis, including for debt service. However, there can be no assurance that cash flow from operations and funds from existing credit facilities and refinancing of existing indebtedness will be sufficient to meet the Company's cash requirements on a consolidated basis. If the Company is unable to satisfy such cash requirements, the Company could be required to adopt one or more alternatives, such as reducing or delaying capital expenditures, restructuring indebtedness, selling assets or operations, seeking capital contributions or loans from affiliates of the Company or issuing additional shares of capital stock of 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 dividends or distributions 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 Senior Subordinated Notes, the 1999 Notes and the Senior Notes generally restrict and, after the Assumption, the terms of the Notes generally will 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 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. 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.

FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K for the year ended December 31, 1997 as well as other public documents of the Company contain forward-looking statements which involve risks and uncertainties. The Company's actual results may differ materially from those discussed in such forward-looking statements. Such statements include, without limitation, the Company's expectations and estimates as to introduction of new products and expansion into markets, future financial performance, including growth in net sales and earnings, and the effect on sales of inventory balancing and consolidation in the chain drugstore industry in the U.S., cash flows from operations, improved results from business consolidations, information system upgrades and globalization of the Company's manufacturing operations, capital expenditures, the availability of funds from currently available credit facilities and refinancings of indebtedness, capital contributions or loans from affiliates, the sale of assets or additional shares of Revlon, Inc., and the cost and timely implementation of the Company's Year 2000 compliance modifications. Readers are urged to consider that statements which use the terms "believes," "does not believe," "no reason to believe," "expects," "plans," "intends," "estimates," "anticipated," "anticipates" and similar expressions, as they relate to the Company or the Company's management, are intended to identify forward-looking statements. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. In addition to factors that may be described in the Company's Commission filings, including this filing, the following factors, among others, could cause the Company's actual results to differ materially from those expressed in any forward-looking statements made by the Company: (i) difficulties or delays in developing and introducing new products or failure of customers to accept new product offerings; (ii) changes in consumer preferences, including reduced consumer demand for the Company's color cosmetics and other current products; (iii) difficulties or delays in the Company's continued expansion into the self-select distribution channel and 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, and to globalize its manufacturing operations; (v) the inability to refinance indebtedness, secure capital contributions or loans from affiliates or sell assets or additional shares of Revlon, Inc.; (vi) effects of and changes in economic conditions, including inflation and monetary conditions, and in trade, monetary, fiscal and tax policies in countries outside of the U.S. in which the Company operates, including Brazil; (vii) actions by competitors, including business combinations, technological breakthroughs, new product offerings and marketing and promotional successes; (viii) combinations among significant customers or the loss, insolvency or failure to pay its debts by a significant customer or customers; (ix) difficulties or delays in realizing improved results from business consolidations; (x) lower than expected sales as a result of inventory balancing and consolidation in the chain drugstore industry in the U.S.; and (xi) unanticipated costs or difficulties or delays in implementing the Company's Year 2000 compliance modifications. The Company assumes no responsibility to update forward-looking information contained herein.

EFFECT OF NEW ACCOUNTING STANDARD

In June 1997, the Financial Accounting Standards Board issued SFAS 130 "Reporting Comprehensive Income," which establishes standards for reporting and displaying comprehensive income and its components in a full set of general-purpose financial statements. The Company will adopt SFAS 130 in fiscal 1998.

INFLATION

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

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

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

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

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

NAME	POSITION
Ronald O. Perelman	Chairman of the Executive Committee of the Board and Director
George Fellows	President, Chief Executive Officer and Director
Jerry W. Levin	Chairman of the Board and Director
William J. Fox	Senior Executive Vice President and Director
Frank J. Gehrmann	Executive Vice President and Chief Financial Officer
Wade H. Nichols III	Executive Vice President and General Counsel
M. Katherine Dwyer	Senior Vice President
Ronald H. Dunbar	Senior Vice President, Human Resources
Donald G. Drapkin	Director
Meyer Feldberg	Director
Howard Gittis	Director
Morton L. Janklow	Director
Vernon E. Jordan	Director
Henry A. Kissinger	Director
Edward J. Landau	Director
Linda G. Robinson	Director
Terry Semel	Director
Martha Stewart	Director

The name, age, principal occupation for the last five years and selected biographical information for each of the Directors and executive officers of the Company are set forth below. Information is as of February 13, 1998.

Mr. Perelman (55) has been Chairman of the Executive Committee of the Board of the Company and of Products Corporation since November 1995, and a Director of the Company and of Products Corporation since their respective formations in 1992. Mr. Perelman was Chairman of the Board of the Company and of Products Corporation from their respective formations in 1992 until November 1995. Mr. Perelman has been Chairman of

the Board and Chief Executive Officer of Mafco Holdings Inc. ("Mafco Holdings") and MacAndrews Holdings and various of its affiliates for more than the past five years. Mr. Perelman also is Chairman of the Executive Committees of the Boards of The Coleman Company, Inc. ("Coleman"), Consolidated Cigar Holdings Inc. ("Cigar Holdings") and M&F Worldwide Corp. ("M&F Worldwide") and Chairman of the Board of Meridian Sports Incorporated ("Meridian"). Mr. Perelman is a Director of the following corporations which file reports pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"): California Federal Bank, a Federal Savings Bank ("Cal Fed"), Cigar Holdings, CLN Holdings Inc. ("CLN"), Coleman, Coleman Worldwide Corporation ("Coleman Worldwide"), Consolidated Cigar Corporation ("Consolidated Cigar"), First Nationwide Holdings Inc. ("FN Holdings"), First Nationwide (Parent) Holdings Inc. ("First Nationwide Parent"), M&F Worldwide, Meridian, Products Corporation and REV Holdings. (On December 27, 1996, Marvel Entertainment Group, Inc. ("Marvel"), Marvel Holdings Inc. ("Marvel Holdings"), Marvel (Parent) Holdings Inc. ("Marvel Parent") and Marvel III Holdings Inc. ("Marvel III"), of which Mr. Perelman was a Director on such date, and several subsidiaries of Marvel filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code.)

Mr. Fellows (55) has been President and Chief Executive Officer of the Company and of Products Corporation since January 1997. He was President and Chief Operating Officer of the Company and Products Corporation from November 1995 until January 1997 and has been a Director of the Company since November 1995 and a Director of Products Corporation since September 1994. Mr. Fellows was Senior Executive Vice President of the Company and of Products Corporation and President and Chief Operating Officer of the Company's Consumer Group from February 1993 until November 1995. From 1989 through January 1993, he was a senior executive officer of Mennen Corporation and then Colgate-Palmolive Company, which acquired Mennen Corporation in 1992. From 1986 to 1989 he was Senior Vice President of Holdings. Mr. Fellows is a Director of Cosmetic Center, Products Corporation and VF Corporation, each of which files reports pursuant to the Exchange Act.

Mr. Levin (53) has been Chairman of the Board of the Company and of Products Corporation since November 1995 and a Director of the Company and of Products Corporation since their respective formations in 1992. Mr. Levin was Chief Executive Officer of the Company and of Products Corporation from their respective formations in 1992 until January 1997 and President of the Company and of Products Corporation from their respective formations in 1992 until November 1995. Mr. Levin has been Executive Vice President of MacAndrews Holdings since March 1989. Mr. Levin has been Chairman of the Board and Chief Executive Officer of Coleman since February 1997 and has been Chairman of the Board of Cosmetic Center since April 1997. For 15 years prior to joining MacAndrews Holdings, he held various senior executive positions with The Pillsbury Company. Mr. Levin is a Director of the following corporations which file reports pursuant to the Exchange Act: Coleman, Coleman Worldwide, Cosmetic Center, Ecolab, Inc., U.S. Bancorp, Inc., Meridian and Products Corporation.

Mr. Fox (41) was appointed President, Strategic and Corporate Development, Revlon Worldwide, of the Company and of Products Corporation and Chief Executive Officer, Revlon Technologies in January 1998. He has been Senior Executive Vice President of the Company and of Products Corporation since January 1997. Mr. Fox was Chief Financial Officer of the Company and of Products Corporation from their respective formations in 1992 until January 1998 and was also Executive Vice President of the Company and of Products Corporation from their respective formations in 1992 until January 1997. Mr. Fox was elected as a Director of the Company in November 1995 and of Products Corporation in September 1994. He has been Senior Vice President of MacAndrews Holdings since August 1990. He was Vice President of MacAndrews Holdings from February 1987 to August 1990 and was Treasurer of MacAndrews Holdings from February 1987 to September 1992. Prior to February 1987, he was Vice President and Assistant Treasurer of MacAndrews Holdings. Mr. Fox joined MacAndrews & Forbes Group, Incorporated in 1983 as Assistant Controller, prior to which time he was a certified public accountant at the international auditing firm of Coopers & Lybrand. Mr. Fox is Vice Chairman of the Board and a Director of Cosmetic Center, and a Director of The Hain Food Group, Inc. and Products Corporation, each of which files reports pursuant to the Exchange Act.

Mr. Gehrmann (43) was elected as Executive Vice President and Chief Financial Officer of the Company and of Products Corporation in January 1998. From January 1997 until January 1998 he had been Vice President of the Company and of Products Corporation. Prior to January 1997 he served in various appointed senior executive positions for the Company and for Products Corporation, including Executive Vice President and Chief Financial

Officer of Products Corporation's Operating Groups from August 1996 to January 1998, Executive Vice President and Chief Financial Officer of Products Corporation's Worldwide Consumer Products business from January 1995 to August 1996, and Executive Vice President and Chief Financial Officer of Products Corporation's Revlon North America unit from September 1993 to January 1994. From 1983 through September 1993, Mr. Gehrmann held positions of increasing responsibility in the financial organizations of Mennen Corporation and the Colgate-Palmolive Company, which acquired Mennen Corporation in 1992. Prior to 1983, Mr. Gehrmann served as a certified public accountant at the international accounting firm of Ernst & Young.

Mr. Nichols (55) has been Executive Vice President and General Counsel of the Company and of Products Corporation since January 1998 and served as Senior Vice President and General Counsel of the Company and Products Corporation from their respective formations in 1992 until January 1998. Mr. Nichols has been Vice President of MacAndrews Holdings since 1988. Mr. Nichols is a Director of Cosmetic Center, which files reports pursuant to the Exchange Act.

Ms. Dwyer (48) was appointed President of Products Corporation's United States Consumer Products business in January 1998. Ms Dwyer was elected Senior Vice President of the Company and of Products Corporation in December 1996. Prior to December 1996 she served in various appointed senior executive positions for the Company and for Products Corporation, including President of Products Corporation's United States Cosmetics unit from November 1995 to December 1996 and Executive Vice President and General Manager of Products Corporation's Mass Cosmetics unit from June 1993 to November 1995. From 1991 to 1993, Ms. Dwyer was Vice President, Marketing, of Clairol, a division of Bristol-Myers Squibb Company. Prior to 1991, she served in various senior positions for Victoria Creations, Avon Products Inc., Cosmair, Inc. and The Gillette Company. Ms. Dwyer is a Director of WestPoint Stevens Inc. and, as of February 24, 1998, Reebok International Ltd., each of which files reports pursuant to the Exchange Act.

Mr. Dunbar (60) has been Senior Vice President, Human Resources of the Company and of Products Corporation since their respective formations in 1992. He was elected Senior Vice President, Human Resources of Holdings in July 1991. Mr. Dunbar was Vice President and General Manager of Arnold Menn and Associates, a New York City career management consulting and executive outplacement firm, from 1989 to 1991 and Executive Vice President and Chief Human Resources Officer of Ryder System, Inc., a highway transportation firm, from 1978 to 1989. Prior to that, Mr. Dunbar served in senior executive human resources positions at Xerox Corporation and Ford Motor Company.

Mr. Drapkin (49) has been a Director of the Company and of Products Corporation since their respective formations in 1992. He has been Vice Chairman of the Board of MacAndrews Holdings and various of its affiliates since March 1987. Mr. Drapkin was a partner in the law firm of Skadden, Arps, Slate, Meagher & Flom for more than five years prior to March 1987. Mr. Drapkin is a Director of the following corporations which file reports pursuant to the Exchange Act: Algos Pharmaceutical Corporation, BlackRock Asset Investors, Cardio Technologies, Inc., Coleman, Coleman Worldwide, Cosmetic Center, Genta, Inc., Playboy Enterprises, Inc., Products Corporation, VIMRx Pharmaceuticals Inc. and Weider Nutrition International, Inc. (On December 27, 1996, Marvel, Marvel Holdings, Marvel Parent and Marvel III, of which Mr. Drapkin was a Director on such date, and several subsidiaries of Marvel filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code.)

Professor Feldberg (55) has been a Director of the Company since February 1997. Professor Feldberg has been the Dean of Columbia Business School, New York City, for more than the past five years. Professor Feldberg is a Director of the following corporations which file reports pursuant to the Exchange Act: Federated Department Stores, Inc., PRIMEDIA Inc. and Paine Webber Group, Inc. (28 directorships within such fund complex).

Mr. Gittis (63) has been a Director of the Company and of Products Corporation since their respective formations in 1992. He has been Vice Chairman of the Board of MacAndrews Holdings and various of its affiliates for more than five years. Mr. Gittis is a Director of the following corporations which file reports pursuant to the Exchange Act: Cal Fed, CLN, Cigar Holdings, Consolidated Cigar, First Nationwide Parent, FN Holdings, Jones Apparel Group, Inc., Loral Space & Communications Ltd., M&F Worldwide, Products Corporation, REV Holdings and Rutherford-Moran Oil Corporation.

Mr. Janklow (67) has been a Director of the Company since July 1997. He has been of counsel to Janklow, Newborn & Ashley and Senior Partner of Janklow & Nesbit Associates, a New York City-based literary agency, since 1989 and Chairman of the Board and Chief Executive Officer of Morton L. Janklow Associates, Inc., New York City since 1977. Mr. Janklow is also trustee of the Managed Accounts Services Portfolio Trust/Pace.

Mr. Jordan (62) has been a Director of the Company since June 1996. Mr. Jordan is a Senior Partner in the Washington, D.C. law firm of Akin, Gump, Strauss, Hauer & Feld, LLP where he has practiced law since 1982. He is a Director of the following corporations which file reports pursuant to the Exchange Act: American Express Company, Bankers Trust Company, Bankers Trust New York Company, Corning Incorporated, Dow Jones & Company, Inc., J.C. Penney Company, Inc., Ryder System, Inc., Sara Lee Corporation, Union Carbide Corporation and Xerox Corporation. He is also trustee of the Ford Foundation and Howard University.

Dr. Kissinger (74) has been a Director of the Company since June 1996. Dr. Kissinger has been Chairman of the Board and Chief Executive Officer of Kissinger Associates, Inc., a New York City-based international consulting firm, since 1982. Dr. Kissinger is an Advisor to the Board of Directors of American Express Company, serves as Counselor to the Chase Manhattan Bank and is a member of its International Advisory Committee. He is Chairman of the International Advisory Board of American International Group, Inc. and is a Director of Continental Grain Company, Freeport-McMoran Copper and Gold, Inc., Gulfstream Aerospace Corporation and Hollinger International Inc., all of which file reports pursuant to the Exchange Act.

Mr. Landau (68) has been a Director of the Company since June 1996. Mr. Landau has been a Senior Partner in the law firm of Wolf, Block, Schorr and Solis-Cohen LLP (previously Lowenthal, Landau, Fischer & Bring, P.C.) for more than the past five years. He has been a Director of Products Corporation since June 1992. Mr. Landau is a Director of Offitbank Investment Fund, Inc. and Products Corporation, each of which files reports pursuant to the Exchange Act.

Ms. Robinson (45) has been a Director of the Company since June 1996. Ms. Robinson has been Chairman of the Board and Chief Executive Officer of Robinson Lerer & Montgomery, LLC, a New York City strategic communications consulting firm, since May 1996. For more than five years prior to May 1996 she was Chairman of the Board and Chief Executive Officer of Robinson Lerer Sawyer Miller Group, or its predecessors. Ms. Robinson is a Director of VIMRx Pharmaceuticals Inc. and Group Practice Services Corporation, each of which files reports pursuant to the Exchange Act, and is also a trustee of New York University Medical Center.

Mr. Semel (54) has been a Director of the Company since June 1996. Mr. Semel has been Chairman of the Board and Co-Chief Executive Officer of the Warner Bros. Division of Time Warner Entertainment LP ("Warner Brothers"), Los Angeles, since March 1994 and of Warner Music Group, Los Angeles, since November 1995. For more than ten years prior to that he was President of Warner Brothers or its predecessor, Warner Bros. Inc. Mr. Semel is a Director of Polo Ralph Lauren Corporation, which files reports pursuant to the Exchange Act.

Ms. Stewart (56) has been a Director of the Company since June 1996. Ms. Stewart is the Chairman of the Board of Martha Stewart Living Omnimedia, LLC, New York City. She has been an author, founder of the magazine Martha Stewart Living, creator of a syndicated television series, a syndicated newspaper column and a catalog company, and a lifestyle consultant and lecturer for more than the past five years.

BOARD OF DIRECTORS AND ITS COMMITTEES

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

The Executive Committee consists of Messrs. Perelman, Gittis, Fellows and Levin. The Executive Committee may exercise all of the powers and authority of the Board, except as otherwise provided under the Delaware General Corporation Law ("DGCL"). The Executive Committee also serves as the Company's nominating committee for Board membership. The Audit Committee, consisting of Mr. Landau, Professor Feldberg and Ms. Robinson, makes recommendations to the Board of Directors regarding the engagement of the Company's

independent auditors, reviews the plan, scope and results of the audit, and reviews with the auditors and management the Company's policies and procedures with respect to internal accounting and financial controls, changes in accounting policy and the scope of the non-audit services which may be performed by the Company's independent auditors, among other things. The Audit Committee also monitors policies to prohibit unethical, questionable or illegal activities by the Company's employees. The Compensation Committee, consisting of Messrs. Gittis, Drapkin, Janklow (since July 1997) and Semel, makes recommendations to the Board of Directors regarding compensation and incentive arrangements (including performance-based arrangements) for the Chief Executive Officer, other executive officers, and officers and other key managerial employees of the Company. The Compensation Committee also considers and recommends awards of stock options to purchase shares of Class A Common Stock pursuant to the Revlon, Inc. Amended and Restated 1996 Stock Plan (the "Stock Plan") and administers the Stock Plan.

During 1997, the Board of Directors held four meetings, the Executive Committee acted twice by unanimous written consent, the Audit Committee held five meetings and the Compensation Committee held two meetings and acted five times by unanimous written consent. During 1997, all Directors attended 75% or more of the meetings of the Board of Directors and of the Committees of which they were members.

COMPENSATION OF DIRECTORS

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

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth information for the years indicated concerning the compensation awarded to, earned by or paid to the persons who served as Chief Executive Officer of the Company during 1997 and the four most highly paid executive officers, other than the Chief Executive Officer, who served as executive officers of the Company as of December 31, 1997 (collectively, the "Named Executive Officers"), for services rendered in all capacities to the Company and its subsidiaries during such periods.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION (A) SALARY ($)	BONUS ($)	OTHER ANNUAL COMPEN-SATION ($)	LONG-TERM COMPENSATION AWARDS SECURITIES UNDER-LYING OPTIONS	ALL OTHER COMPEN-SATION ($)
George Fellows	1997	1,250,000	1,250,000	22,191	170,000	30,917
President and Chief Executive	1996	1,025,000	870,000	15,242	120,000	4,500
Officer (b)	1995	841,667	531,700	68,559	0	4,500
Jerry W. Levin	1997	825,000	0	20,811	170,000	160,871
Chairman of the Board (c)	1996	1,500,000	1,500,000	93,801	170,000	307,213
	1995	1,450,000	1,450,000	42,651	0	308,002
William J. Fox	1997	825,000	772,300	55,159	50,000	71,590
Senior Executive Vice President	1996	750,000	598,600	50,143	50,000	56,290
and Chief Financial Officer (d)	1995	660,000	455,000	54,731	0	56,290
M. Katherine Dwyer	1997	500,000	800,000	5,948	125,000	18,377
Senior Vice President (e)	1996	500,000	326,100	90,029	45,000	4,500
Carlos Colomer	1997	700,000	330,700	0	37,000	62,645
Executive Vice President (f)	1996	700,000	192,600	0	37,000	3,062
	1995	600,000	135,200	0	0	0

(a) The amounts shown in Annual Compensation for 1997, 1996 and 1995 reflect salary, bonus and other annual compensation awarded to, earned by or paid to the persons listed for services rendered to the Company and its subsidiaries. The Company has a bonus plan (the "Executive Bonus Plan") in which executives participate (including the Chief Executive Officer and the other Named Executive Officers). The Executive Bonus Plan provides for payment of cash compensation upon the achievement of predetermined corporate and/or business unit and individual performance goals during the calendar year established pursuant to the Executive Bonus Plan or by the Compensation Committee.

(b) Mr. Fellows became Chief Executive Officer of the Company in January 1997. The amount shown for Mr. Fellows under Other Annual Compensation for 1997 reflects payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile and for taxes on imputed income arising out of premiums paid or reimbursed by the Company in respect of life insurance.

The amount shown for Mr. Fellows under All Other Compensation for 1997 reflects $11,117 in respect of life insurance premiums, $4,800 in respect of matching contributions under the Revlon Employees' Savings, Profit Sharing and Investment Plan (the "401(k) Plan") and $15,000 in respect of matching contributions under the Revlon Excess Savings Plan for Key Employees (the "Excess Plan"). The amount shown for Mr. Fellows under Other Annual Compensation for 1996 reflects payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile and for taxes on imputed income arising out of premiums paid or reimbursed by the Company in respect of life insurance. The amount shown for Mr. Fellows under All Other Compensation for 1996 reflects matching contributions under the 401(k) Plan. The amount shown for Mr. Fellows under Other Annual Compensation for 1995 includes $43,251 in respect of membership fees and related expenses for personal use of a health and country club and $9,458 in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile. The amount shown for Mr. Fellows under All Other Compensation for 1995 reflects matching contributions under the 401(k) Plan.

(c) Mr. Levin was Chief Executive Officer of the Company during 1995, 1996 and January 1997 and Chairman of the Board during the remainder of 1997. The amount shown for Mr. Levin under Other Annual Compensation for 1997 reflects payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile. The amount shown for Mr. Levin under All Other Compensation for 1997 reflects $150,971 in respect of split-dollar life insurance premiums (under which the Company is entitled to reimbursement of such premiums or the cash surrender value of such insurance, whichever is less), $2,400 in respect of matching contributions under the 401(k) Plan and $7,500 in respect of matching contributions under the Excess Plan. The amount shown for Mr. Levin under Other Annual Compensation for 1996 includes $26,400 in respect of personal use of a Company-provided automobile, payments in respect of gross ups for taxes on imputed income arising out of personal use of such Company-provided automobile and payments for taxes on imputed income arising out of premiums paid or reimbursed by the Company in respect of life insurance. The amount shown for Mr. Levin under All Other Compensation for 1996 reflects $302,713 in respect of life insurance premiums and $4,500 in respect of matching contributions under the 401(k) Plan. The amount shown for Mr. Levin under Other Annual Compensation for 1995 reflects payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile and for taxes on imputed income arising out of premiums paid or reimbursed by the Company in respect of life insurance. The amount shown for Mr. Levin under All Other Compensation for 1995 reflects $303,502 in respect of life insurance premiums and $4,500 in respect of matching contributions under the 401(k) Plan.

(d) Mr. Fox became Senior Executive Vice President of the Company in January 1997. Mr. Fox served as Chief Financial Officer of the Company during 1995, 1996 and 1997. In January 1998 Mr. Fox was appointed President, Strategic and Corporate Development, Revlon Worldwide, and Mr. Gehrmann was elected Chief Financial Officer of the Company. The amount shown for Mr. Fox under Bonus for 1997 includes an additional payment of $125,000 based upon Mr. Fox's performance. The amount shown for Mr. Fox under Other Annual Compensation for 1997 reflects payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile and payments for taxes on imputed income arising out of premiums paid or reimbursed by the Company in respect of life insurance. The amount shown for Mr. Fox under All Other Compensation for 1997 reflects $51,790 in respect of life insurance premiums, $4,800 in respect of matching contributions under the 401(k) Plan and $15,000 in respect of matching contributions under the Excess Plan. The amount shown for Mr. Fox under Other Annual Compensation for 1996 reflects payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile and for taxes on imputed income arising out of premiums paid or reimbursed by the Company in respect of life insurance. The amount shown for Mr. Fox under All Other Compensation for 1996 reflects $51,790 in respect of life insurance premiums and $4,500 in respect of matching contributions under the 401(k) Plan. The amount shown for Mr. Fox under Other Annual Compensation for 1995 reflects payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile and for taxes on imputed income arising out of premiums paid or reimbursed by the Company in respect of life insurance. The amount shown for Mr. Fox under All Other Compensation for 1995 reflects $51,790 in respect of life insurance premiums and $4,500 in respect of matching contributions under the 401(k) Plan.

(e) Ms. Dwyer became an executive officer of the Company in December 1996. The amount shown for Ms. Dwyer under Bonus for 1997 includes an additional payment of $300,000 pursuant to her employment agreement. The amount shown for Ms. Dwyer under Other Annual Compensation for 1997 reflects payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile and payments for taxes on imputed income arising out of premiums paid or reimbursed by the Company in respect of life insurance. The amount shown for Ms. Dwyer under All Other Compensation for 1997 reflects $4,800 in respect of matching contributions under the 401(k) Plan, $10,857 in respect of matching contributions under the Excess Plan and $2,720 in respect of life insurance premiums. The amount shown for Ms. Dwyer under Other Annual Compensation for 1996 reflects $57,264 in expense reimbursements and payments in respect of gross ups for taxes on imputed income arising out of personal use of a Company-provided automobile. The amount shown for Ms. Dwyer under All Other Compensation for 1996 reflects matching contributions under the 401(k) Plan.

(f) Mr. Colomer was an executive officer of the Company during 1995, 1996 and 1997. The amount shown for Mr. Colomer under Bonus for 1997 includes $148,815 which is being deferred at Mr. Colomer's election. The amount shown for Mr. Colomer under All Other Compensation for 1997 reflects $59,583 in respect of an expatriate travel and hardship allowance and $3,062 in respect of life insurance premiums. The amount shown for Mr. Colomer under All Other Compensation for 1996 reflects life insurance premiums.

OPTION GRANTS IN THE LAST FISCAL YEAR

During 1997, the following grants of stock options were made pursuant to the Stock Plan to the executive officers named in the Summary Compensation Table:

	INDIVIDUAL GRANTS				GRANT DATE VALUE (A)
NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED (#)	PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE ($/SH)	EXPIRATION DATE	GRANT DATE PRESENT VALUE $
George Fellows President and Chief Executive Officer (b)	170,000	11%	$31.375	1/08/07	$2,703,255
Jerry W. Levin Chairman of the Board (b)	170,000	11%	$31.375	1/08/07	$2,703,255
William J. Fox Senior Executive Vice President and Chief Financial Officer (b)	50,000	3%	$31.375	1/08/07	$795,075
M. Katherine Dwyer Senior Vice President (b)	125,000	8%	$31.375	1/08/07	$1,987,688
Carlos Colomer Executive Vice President	37,000	2%	$31.375	1/08/07	$588,356

The grants made during 1997 under the Stock Plan to Messrs. Fellows, Levin, Fox and Colomer and Ms. Dwyer were made on January 9, 1997 and consist of non-qualified options having a term of 10 years. The options vest 25% each year beginning on the first anniversary of the grant date and will become 100% vested on the fourth anniversary of the grant date and have an exercise price equal to the New York Stock Exchange ("NYSE") closing price per share of the Class A Common Stock on the grant date, as indicated in the table above. During 1997, the Company also granted an option to purchase 300,000 shares of the Company's Class A Common Stock pursuant to the Stock Plan to Mr. Perelman, Chairman of the Executive Committee. The option will vest in full on the fifth anniversary of the grant date and has an exercise price of $34.875, the NYSE closing price per share of the Class A Common Stock on April 4, 1997, the date of the grant.

(a) Present values were calculated using the Black-Scholes option pricing model. The model as applied used the grant date of January 9, 1997. The model also assumes (i) a risk-free rate of return of 6.41%, which was the rate as of the grant date for the U.S. Treasury Zero Coupon Bond issues with a remaining term similar to the expected term of the options, (ii) stock price volatility of 39.34% based upon the volatility of the Company's stock price, (iii) a constant dividend rate of zero percent and (iv) that the options normally would be exercised on the final day of their seventh year after grant. No adjustments to the theoretical value were made to reflect the waiting period, if any, prior to vesting of the stock options or the transferability (or restrictions related thereto) of the stock options.

(b) Mr. Fellows served as President during all of 1997 and became Chief Executive Officer in January 1997. Mr. Levin served as Chairman of the Board during all of 1997 and as Chief Executive Officer during January 1997. Mr. Fox was appointed President, Strategic and Corporate Development, Revlon Worldwide in January 1998. Ms. Dwyer was appointed President of Products Corporation's United States Consumer Products business in January 1998.

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

The following chart shows the number of stock options exercised during 1997 and the 1997 year-end value of the stock options held by the executive officers named in the Summary Compensation Table:

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED ($)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR-END (#) EXERCISABLE/ UNEXERCISABLE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FISCAL YEAR-END EXERCISABLE/ UNEXERCISABLE (a) ($)
George Fellows President and Chief Executive Officer	0	0	0/290,000	0/2,026,875
Jerry W. Levin Chairman of the Board	0	0	0/340,000	0/2,592,500
William J. Fox Senior Executive Vice President and Chief Financial Officer	0	0	0/100,000	0/762,500
M. Katherine Dwyer Senior Vice President	0	0	0/170,000	0/1,001,250
Carlos Colomer Executive Vice President	0	0	0/74,000	0/564,250

(a) Amounts shown represent the market value of the underlying shares of Class A Common Stock at year-end calculated using the December 31, 1997 NYSE closing price per share of Class A Common Stock of $35 5/16 minus the exercise price of the stock option. The actual value, if any, an executive may realize is dependent upon the amount by which the market price of shares of Class A Common Stock exceeds the exercise price per share when the stock options are exercised. The actual value realized may be greater or less than the value shown in the table.

EMPLOYMENT AGREEMENTS AND TERMINATION OF EMPLOYMENT ARRANGEMENTS

Each of the Chief Executive Officer and the other Named Executive Officers entered into an executive employment agreement with the Company's wholly owned subsidiary, Products Corporation (except Mr. Colomer, who entered into an executive employment agreement with a subsidiary of Products Corporation), which became effective upon consummation of the Revlon IPO, providing for their continued employment. Effective January 1, 1997, Mr. Fellows' employment agreement was amended to provide that he will serve as the President and Chief Executive Officer of the Company at a base salary of $1,250,000 for 1997; $1,350,000 for 1998; $1,450,000 for 1999; $1,550,000 for 2000 and $1,700,000 for 2001 and thereafter, and that management recommend to the Compensation Committee that he be granted options to purchase 170,000 shares of Class A Common Stock each year during the term of the agreement. At any time after January 1, 2001, the Company may terminate the term of Mr. Fellows' agreement by 12 months' prior notice of non-renewal. In connection with his assumption of management responsibility for an affiliate, Mr. Levin and the Company agreed to terminate his employment agreement as of June 30, 1997, with Mr. Levin continuing as Chairman of the Board of the Company (the "Levin

Amendment"). Pursuant to the Levin Amendment, Mr. Levin received a base salary of $825,000 for services provided to the Company in 1997. Effective January 1, 1998, Mr. Colomer's employment agreement was amended to provide that he will serve as Chairman, Revlon Professional Worldwide Strategic Committee and Chairman, Revlon Professional International at a base salary of not less than $700,000 for 1998 and thereafter, and that management recommend to the Compensation Committee that he be granted options to purchase 37,000 shares of Class A Common Stock each year during the term of the agreement. Mr. Colomer's agreement further provides that at any time on or after the second anniversary of the effective date of his agreement, the Company may terminate the term by 12 months' prior notice of non-renewal. Mr. Fox's agreement provides for a base salary of not less than $750,000 and that management recommend to the Compensation Committee that Mr. Fox be granted options to purchase 50,000 shares of Class A Common Stock each year during the term of the agreement, and further provides that at any time on or after the second anniversary of the effective date of his agreement, the Company may terminate the term by 12 months' prior notice of non-renewal. Effective January 1, 1998, Mr. Fox was appointed President, Strategic and Corporate Development, Revlon Worldwide, and Chief Executive Officer, Revlon Technologies. Effective January 1, 1998, Ms. Dwyer's employment agreement was amended to provide that she will serve as President of Products Corporation's United States Consumer Products business at a base salary of $875,000 per annum for 1998 to be increased as of January 1 of each year by not less than $75,000, and that management recommend to the Compensation Committee that she be granted options to purchase 75,000 shares of Class A Common Stock each year during the term of the agreement. At any time on or after the fourth anniversary of the effective date of her agreement, the Company may terminate Ms. Dwyer's agreement by 12 months' prior notice of non-renewal. All of the agreements currently in effect provide for participation in the Executive Bonus Plan, continuation of life insurance and executive medical insurance coverage in the event of permanent disability and participation in other executive benefit plans on a basis equivalent to senior executives of the Company generally. Pursuant to the Levin Amendment, Mr. Levin is entitled to continued disability insurance and life insurance as well as certain other benefits. The agreements with Messrs. Fellows and Colomer and Ms. Dwyer provide for Company-paid supplemental term life insurance during employment in the amount of three times base salary, while the terms of the agreements with Mr. Levin and Mr. Fox provide that, in lieu of any participation in Company-paid pre-retirement life insurance coverage, Products Corporation will pay premiums and gross ups for taxes thereon in respect of, in the case of Mr. Levin, whole life insurance policies on his life in the amount of $14,100,000 under a split dollar arrangement pursuant to which Products Corporation would be repaid the amount of premiums it paid up to the cash surrender value of the policies from insurance proceeds payable under the policies and, in the case of Mr. Fox, a whole life insurance policy on his life in the amount of $5,000,000 under an arrangement providing for all insurance proceeds to be paid to the designated beneficiary under such policy. The agreements currently in effect provide that in the event of termination of the term of the relevant executive employment agreement by Products Corporation (otherwise than for "cause" as defined in the employment agreements or disability) or by the executive for failure of the Compensation Committee to adopt and implement the recommendations of management with respect to stock option grants, the executive would be entitled to severance pursuant to and subject to the terms of the Executive Severance Policy as in effect on January 1, 1997 (see "--Executive Severance Policy") (or, at his or her election, to continued base salary payments throughout the term in the case of Mr. Fellows and Ms. Dwyer). In addition, the employment agreement with Mr. Fellows provides that if he remains continuously employed by Products Corporation or its affiliates until age 60, then upon any subsequent retirement he will be entitled to a supplemental pension benefit in a sufficient amount so that his annual pension benefit from all qualified and non-qualified pension plans of Products Corporation and its affiliates (expressed as a straight life annuity) equals $500,000. Upon any earlier retirement with Products Corporation's consent or any earlier termination of employment by Products Corporation otherwise than for "good reason" (as defined in the Executive Severance Policy), Mr. Fellows will be entitled to a reduced annual payment in an amount equal to the product of multiplying $28,540 by the number of anniversaries, as of the date of retirement or termination, of Mr. Fellows' fifty-third birthday (but in no event more than would have been payable to Mr. Fellows under the foregoing provision had he retired at age 60). In each case, Products Corporation reserves the right to treat Mr. Fellows as having deferred payment of pension for purposes of computing such supplemental payments.

As of December 31, 1997, 1996, and 1995, Mr. Colomer had a loan outstanding from the Company's subsidiary in Spain in the amount of 25.0 million Spanish pesetas (approximately $165,050 U.S. dollar equivalent as of December 31, 1997) dating from 1991 pursuant to a management retention program grandfathered under a 1992 change in the Spanish tax law which currently covers certain executives of such subsidiary, including Mr. Colomer. Pursuant to this management retention program, outstanding loans do not bear interest but an amount equal to the

one-year government bond interest rate in effect at the beginning of the year is deducted from the executives' annual compensation, and loans must be repaid in full upon termination of employment. The amount deducted from Mr. Colomer's compensation was 1.4 million Spanish pesetas (approximately $9,210 U.S. dollar equivalent as of December 31, 1997) for 1997; 2.15 million Spanish pesetas (approximately $16,988 U.S. dollar equivalent as of December 31, 1996) for 1996 and 2.25 million Spanish pesetas (approximately $18,097 U.S. dollar equivalent as of December 31, 1995) for 1995.

EXECUTIVE SEVERANCE POLICY

Products Corporation's Executive Severance Policy, as amended effective January 1, 1996, provides that upon termination of employment of eligible executive employees, including the Chief Executive Officer and the other Named Executive Officers, other than voluntary resignation or termination by Products Corporation for good reason, in consideration for the execution of a release and confidentiality agreement and the Company's standard Employee Agreement as to Confidentiality and Non-Competition (the "Non-Competition Agreement"), the eligible executive will be entitled to receive, in lieu of severance under any employment agreement then in effect or under Products Corporation's basic severance plan, a number of months of severance pay in semi-monthly installments based upon such executive's grade level and years of service reduced by the amount of any compensation from subsequent employment, unemployment compensation or statutory termination payments received by such executive during the severance period, and, in certain circumstances, by the actuarial value of enhanced pension benefits received by the executive, as well as continued participation in medical and certain other benefit plans for the severance period (or in lieu thereof, upon commencement of subsequent employment, a lump sum payment equal to the then present value of 50% of the amount of base salary then remaining payable through the balance of the severance period). Pursuant to the Executive Severance Policy, upon meeting the conditions set forth therein, Messrs. Fellows, Levin, Fox and Colomer and Ms. Dwyer would be entitled to severance pay equal to two years of base salary at the rate in effect on the date of employment termination plus continued participation in the medical and dental plans for two years on the same terms as active employees.

DEFINED BENEFIT PLANS

The following table shows the estimated annual retirement benefits payable (as of December 31, 1997) at normal retirement age (65) to a person retiring with the indicated average compensation and years of credited service, on a straight life annuity basis, after Social Security offset, under the Revlon Employees' Retirement Plan (the "Retirement Plan"), including amounts attributable to the Pension Equalization Plan, each as described below:

HIGHEST CONSECUTIVE FIVE-YEAR AVERAGE COMPENSATION DURING FINAL 10 YEARS	ESTIMATED ANNUAL STRAIGHT LIFE ANNUITY BENEFITS AT RETIREMENT WITH INDICATED YEARS OF CREDITED SERVICE (a)				
	15	20	25	30	35
600,000	$151,974	$202,632	$253,290	$303,948	$303,948
700,000	177,974	237,299	296,623	355,948	355,948
800,000	203,974	271,965	339,957	407,948	407,948
900,000	229,974	306,632	383,290	459,948	459,948
1,000,000	255,974	341,299	426,623	500,000	500,000
1,100,000	281,974	375,965	469,957	500,000	500,000
1,200,000	307,974	410,632	500,000	500,000	500,000
1,300,000	333,974	445,299	500,000	500,000	500,000
1,400,000	359,974	479,965	500,000	500,000	500,000
1,500,000	385,974	500,000	500,000	500,000	500,000
2,000,000	500,000	500,000	500,000	500,000	500,000
2,500,000	500,000	500,000	500,000	500,000	500,000

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

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

The Employee Retirement Income Security Act of 1974, as amended, places certain maximum limitations upon the annual benefit payable under all qualified plans of an employer to any one individual. In addition, the Omnibus Budget Reconciliation Act of 1993 limits the annual amount of compensation that can be considered in determining the level of benefits under qualified plans. The Pension Equalization Plan, as amended effective January 1, 1996, is a non-qualified benefit arrangement designed to provide for the payment by the Company of the difference, if any, between the amount of such maximum limitations and the annual benefit that would be payable under the Retirement Plan but for such limitations, up to a combined maximum annual straight life annuity benefit at age 65 under the Retirement Plan and the Pension Equalization Plan of $500,000. Benefits provided under the Pension Equalization Plan are conditioned on the participant's compliance with his or her Non-Competition Agreement and, in any case, on the participant not competing with Products Corporation for one year after termination of employment.

The number of years of credited service under the Retirement Plan and the Pension Equalization Plan as of January 1, 1998 (rounded to full years) for Mr. Fellows is nine years (which includes credit for prior service with Holdings), for Mr. Fox is 14 years (which includes credit for service with MacAndrews Holdings) and for Ms. Dwyer is four years, and as of June 30, 1997 for Mr. Levin is eight years (which includes credit for service with MacAndrews Holdings). Pursuant to the Levin Amendment, Mr. Levin retains all benefits under the Retirement Plan and the Pension Equalization Plan accrued by him as of June 30, 1997. Mr. Colomer does not participate in the Retirement Plan or the Pension Equalization Plan. Mr. Colomer participates in the Revlon Foreign Service Employees Pension Plan (the "Foreign Pension Plan"). The Foreign Pension Plan is a non-qualified defined benefit plan. The Foreign Pension Plan is designed to provide an employee with 2% of final average salary for each year of credited service, up to a maximum of 30 years, reduced by the sum of all other Company-provided retirement benefits and social security or other government-provided retirement benefits. Credited service includes all periods of employment with the Company or a subsidiary prior to retirement. Final average salary is defined as average annual base salary during the five consecutive calendar years in which base salary was highest out of the last 10 years prior to retirement. The normal form of payment under the Foreign Pension Plan is a life annuity. Mr. Colomer's credited service as of January 1, 1998 (rounded to full years) under the Foreign Pension Plan is 18 years (which includes credit for service with Holdings).

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Compensation Committee (made up of Messrs. Gittis, Drapkin, Janklow (since July 1997) and Semel) determined compensation of executive officers of the Company for 1997.

Products Corporation has used an airplane which is owned by a corporation of which Messrs. Gittis and Drapkin are the sole stockholders. See "Certain Relationships and Related Transactions - Other."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of February 9, 1998, the number of shares of Common Stock beneficially owned, and the percent so owned, by (i) each person known to the Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock, (ii) each director of the Company, (iii) the Chief Executive Officer during 1997 and each of the other Named Executive Officers during 1997 and (iv) all current directors and executive officers of the Company as a group. The number of shares owned are those beneficially owned, as determined under the rules of the Commission, and such information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares of Common Stock as to which a person has sole or shared voting power or investment power and any shares of Common Stock which the person has the right to acquire within 60 days through the exercise of any option, warrant or right, through conversion of any security or pursuant to the automatic termination of a power of attorney or revocation of a trust, discretionary account or similar arrangement.

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Ronald O. Perelman 35 E. 62nd St. New York, NY 10021	42,500,000 (Class A and Class B)1	83.1%
Carlos Colomer	9,250 (Class A)2	*
Donald Drapkin	12,000 (Class A)3	*
M. Katherine Dwyer	34,664 (Class A)4	*
Meyer Feldberg	0	
George Fellows	50,972 (Class A)5	*
William J. Fox	22,968 (Class A)6	*
Howard Gittis	15,000 (Class A)	*
Morton L. Janklow	0	
Vernon E. Jordan	0	
Henry A. Kissinger	0	
Edward J. Landau	100	*

* Less than one percent.

1 Mr. Perelman through Mafco Holdings (which through REV Holdings) beneficially owns 11,250,000 shares of Class A Common Stock (representing 56.6% of the outstanding shares of Class A Common Stock) and all of the outstanding 31,250,000 shares of Class B Common Stock, which together represent 83.1% of the outstanding shares of Common Stock and has approximately 97.4% of the combined voting power of the outstanding shares of Common Stock. All of the shares of Common Stock owned by REV Holdings are pledged by REV Holdings to secure obligations, and shares of intermediate holding companies are or may from time to time be pledged to secure obligations of Mafco Holdings or its affiliates.

2 Reflects 9,250 shares which may be acquired under options which vested on January 9, 1998.

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

4 Includes 414 shares acquired pursuant to the Company matching under the 401(k) Plan and the Excess Plan, and 31,250 shares which may be acquired under options which vested on January 9, 1998.

5 Includes 472 shares acquired pursuant to the Company matching under the 401(k) Plan and the Excess Plan and 42,500 shares which may be acquired under options which vested on January 9, 1998.

6 Includes 5,800 shares owned by Mr. Fox's wife and 4,200 shares owned by his children as to which beneficial ownership is disclaimed, 4686 shares acquired pursuant to the Company matching under the 401(k) Plan and the Excess Plan and 12,500 shares which may be acquired under options which vested on January 9, 1998.

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Jerry W. Levin	68,989 (Class A)7	*
Linda Gosden Robinson	0	
Terry Semel	5,000 (Class A)8	*
Martha Stewart	0	
Massachusetts Financial Services Company	1,146,480 (Class A)9	5.8%
All Directors and Executive Officers as a Group (19 Persons)	11,508,941 (Class A)10	57.9%
	31,250,000 (Class B)	100%

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

MacAndrews Holdings, a corporation wholly owned indirectly through Mafco Holdings (Mafco Holdings, together with MacAndrews Holdings, "MacAndrews & Forbes") beneficially owns shares of Common Stock having approximately 97.4% of the combined voting power of the outstanding shares of Common Stock. As a result, MacAndrews & Forbes is able to elect the entire Board of Directors of the Company and control the vote on all matters submitted to a vote of the Company's stockholders. MacAndrews & Forbes is wholly owned by Ronald O. Perelman, who is Chairman of the Executive Committee of the Board and a Director of the Company.

TRANSFER AGREEMENTS

In June 1992, Revlon, Inc. and Products Corporation entered into an asset transfer agreement with Holdings and certain of its wholly owned subsidiaries (the "Asset Transfer Agreement"), and Revlon, Inc. and Products Corporation entered into a real property asset transfer agreement with Holdings (the "Real Property Transfer Agreement" and, together with the Asset Transfer Agreement, the "Transfer Agreements"), and pursuant to such agreements, on June 24, 1992 Holdings transferred assets to Products Corporation and Products Corporation assumed all the liabilities of Holdings, other than certain specifically excluded assets and liabilities (the liabilities excluded are referred to as the "Excluded Liabilities"). Holdings retained the Retained Brands. Holdings agreed to indemnify Revlon, Inc. and Products Corporation against losses arising from the Excluded Liabilities, and Revlon, Inc. and Products Corporation agreed to indemnify Holdings against losses arising from the liabilities assumed by Products Corporation. The amount reimbursed by Holdings to Products Corporation for the Excluded Liabilities for 1997 was $0.4 million.

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* Less than one percent.

7 Includes 1,000 shares owned by Mr. Levin's daughter as to which beneficial ownership is disclaimed, 489 shares acquired under the 401(k) Plan and the Excess Plan and 42,500 shares which may be acquired under options which vested on January 9, 1998.

8 Includes 2,000 shares owned by Mr. Semel's children as to which beneficial ownership is disclaimed.

9 Based upon a Schedule 13G filed by Massachussetts Financial Services Company in February 1998, Massachussetts Financial Services Company has sole voting power as to 1,137,280 shares and sole dispositive power as to all 1,146,480 shares.

10 Includes 49,249 shares owned by executive officers not listed in the table as to which beneficial ownership is disclaimed for 750 shares. Included in this share number for such executive officers not listed in the table are 7,250 shares which may be acquired under options which vested on February 28, 1997, 15,750 shares which may be acquired under options which vested on January 9, 1998, 7,250 shares which may be acquired under options which vest on February 28, 1998, and 1,446 shares acquired under the 401(k) Plan and the Excess Plan.

OPERATING SERVICES AGREEMENT

In June 1992, Revlon, Inc., Products Corporation and Holdings entered into an operating services agreement (as amended and restated, and as subsequently amended, the "Operating Services Agreement") pursuant to which Products Corporation manufactures, markets, distributes, warehouses and administers, including the collection of accounts receivable, the Retained Brands for Holdings. Pursuant to the Operating Services Agreement, Products Corporation is reimbursed an amount equal to all of its and Revlon, Inc.'s direct and indirect costs incurred in connection with furnishing such services, net of the amounts collected by Products Corporation with respect to the Retained Brands, payable quarterly. The net amount reimbursed by Holdings to Products Corporation for such direct and indirect costs for 1997 was $1.4 million. Holdings also pays Products Corporation a fee equal to 5% of the net sales of the Retained Brands, payable quarterly. The fees paid by Holdings to Products Corporation pursuant to the Operating Services Agreement for services with respect to the Retained Brands for 1997 was approximately $0.3 million.

REIMBURSEMENT AGREEMENTS

Revlon, Inc., Products Corporation and MacAndrews Holdings have entered into reimbursement agreements (the "Reimbursement Agreements") pursuant to which (i) MacAndrews Holdings is obligated to provide (directly or through affiliates) certain professional and administrative services, including employees, to Revlon, Inc. and its subsidiaries, including Products Corporation, and purchase services from third party providers, such as insurance and legal and accounting services, on behalf of Revlon, Inc. and its subsidiaries, including Products Corporation, to the extent requested by Products Corporation, and (ii) Products Corporation is obligated to provide certain professional and administrative services, including employees, to MacAndrews Holdings (and its affiliates) and purchase services from third party providers, such as insurance and legal and accounting services, on behalf of MacAndrews Holdings (and its affiliates) to the extent requested by MacAndrews Holdings, provided that in each case the performance of such services does not cause an unreasonable burden to MacAndrews Holdings or Products Corporation, as the case may be. The Company reimburses MacAndrews Holdings for the allocable costs of the services purchased for or provided to the Company and its subsidiaries and for reasonable out-of-pocket expenses incurred in connection with the provision of such services. MacAndrews Holdings (or such affiliates) reimburses the Company for the allocable costs of the services purchased for or provided to MacAndrews Holdings (or such affiliates) and for the reasonable out-of-pocket expenses incurred in connection with the purchase or provision of such services. In addition, in connection with certain insurance coverage provided by MacAndrews Holdings, Products Corporation obtained letters of credit (which aggregated approximately $27.7 million as of December 31, 1997) to support certain self-funded risks of MacAndrews Holdings and its affiliates, including the Company, associated with such insurance coverage. The costs of such letters of credit are allocated among, and paid by, the affiliates of MacAndrews Holdings, including the Company, which participate in the insurance coverage to which the letters of credit relate. The Company expects that these self-funded risks will be paid in the ordinary course and, therefore, it is unlikely that such letters of credit will be drawn upon. MacAndrews Holdings has agreed to indemnify Products Corporation to the extent amounts are drawn under any of such letters of credit with respect to claims for which neither Revlon, Inc. nor Products Corporation is responsible. The net amount reimbursed by MacAndrews Holdings to the Company for the services provided under the Reimbursement Agreements for 1997 was $4.0 million. Each of Revlon, Inc. and Products Corporation, on the one hand, and MacAndrews Holdings, on the other, has agreed to indemnify the other party for losses arising out of the provision of services by it under the Reimbursement Agreements other than losses resulting from its willful misconduct or gross negligence. The Reimbursement Agreements may be terminated by either party on 90 days' notice. The Company does not intend to request services under the Reimbursement Agreements unless their costs would be at least as favorable to the Company as could be obtained from unaffiliated third parties.

TAX SHARING AGREEMENT

Revlon, Inc., for federal income tax purposes, is included in the affiliated group of which Mafco Holdings is the common parent, and Revlon, Inc.'s federal taxable income and loss is included in such group's consolidated tax return filed by Mafco Holdings. Revlon, Inc. also may be included in certain state and local tax returns of Mafco Holdings or its subsidiaries. In June 1992, Holdings, Revlon, Inc. and certain of its subsidiaries, and Mafco Holdings entered into a tax sharing agreement (as subsequently amended, the "Tax Sharing Agreement"), pursuant

to which Mafco Holdings has agreed to indemnify Revlon, Inc. against federal, state or local income tax liabilities of the consolidated or combined group of which Mafco Holdings (or a subsidiary of Mafco Holdings other than Revlon, Inc. or its subsidiaries) is the common parent for taxable periods beginning on or after January 1, 1992 during which Revlon, Inc. or a subsidiary of Revlon, Inc. is a member of such group. Pursuant to the Tax Sharing Agreement, for all taxable periods beginning on or after January 1, 1992, Revlon, Inc. will pay to Holdings amounts equal to the taxes that Revlon, Inc. would otherwise have to pay if it were to file separate federal, state or local income tax returns (including any amounts determined to be due as a result of a redetermination arising from an audit or otherwise of the consolidated or combined tax liability relating to any such period which is attributable to Revlon, Inc.), except that Revlon, Inc. will not be entitled to carry back any losses to taxable periods ending prior to January 1, 1992. No payments are required by Revlon, Inc. if and to the extent Products Corporation is prohibited under the Credit Agreement from making tax sharing payments to Revlon, Inc. The Credit Agreement prohibits Products Corporation from making such tax sharing payments other than in respect of state and local income taxes. Since the payments to be made by Revlon, Inc. under the Tax Sharing Agreement will be determined by the amount of taxes that Revlon, Inc. would otherwise have to pay if it were to file separate federal, state or local income tax returns, the Tax Sharing Agreement will benefit Mafco Holdings to the extent Mafco Holdings can offset the taxable income generated by Revlon, Inc. against losses and tax credits generated by Mafco Holdings and its other subsidiaries. There were no cash payments in respect of federal taxes made by Revlon, Inc. pursuant to the Tax Sharing Agreement for 1997. The Company has a liability of $0.9 million to Holdings in respect of federal taxes for 1997 under the Tax Sharing Agreement.

REGISTRATION RIGHTS AGREEMENT

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

OTHER

Pursuant to a lease dated April 2, 1993 (the "Edison Lease"), Holdings leases to Products Corporation the Edison research and development facility for a term of up to 10 years with an annual rent of $1.4 million and certain shared operating expenses payable by Products Corporation which, together with the annual rent, are not to exceed $2.0 million per year. Pursuant to an assumption agreement dated February 18, 1993, Holdings agreed to assume all costs and expenses of the ownership and operation of the Edison facility as of January 1, 1993, other than (i) the operating expenses for which Products Corporation is responsible under the Edison Lease and (ii) environmental claims and compliance costs relating to matters which occurred prior to January 1, 1993 up to an amount not to exceed $8.0 million (the amount of such claims and costs for which Products Corporation is responsible, the "Environmental Limit"). In addition, pursuant to such assumption agreement, Products Corporation agreed to indemnify Holdings for environmental claims and compliance costs relating to matters which occurred prior to January 1, 1993 up to an amount not to exceed the Environmental Limit and Holdings agreed to indemnify Products Corporation for environmental claims and compliance costs relating to matters which occurred prior to January 1, 1993 in excess of the Environmental Limit and all such claims and costs relating to matters occurring on or after January 1, 1993. Pursuant to an occupancy agreement, during 1997 Products Corporation rented from Holdings a

portion of the administration building located at the Edison facility and space for a retail store of Products Corporation. Products Corporation provides certain administrative services, including accounting, for Holdings with respect to the Edison facility pursuant to which Products Corporation pays on behalf of Holdings costs associated with the Edison facility and is reimbursed by Holdings for such costs, less the amount owed by Products Corporation to Holdings pursuant to the Edison Lease and the occupancy agreement. The net amount reimbursed by Holdings to Products Corporation for such costs with respect to the Edison facility for 1997 was $0.7 million.

During 1997, a subsidiary of Products Corporation sold an inactive subsidiary to an affiliate for approximately $1.0 million.

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

In June 1997, Products Corporation borrowed from Holdings approximately $0.5 million, representing certain amounts received by Holdings from the sale of a brand and inventory relating thereto. Such amount is evidenced by a noninterest bearing promissory note. Holdings agreed not to demand payment under such note so long as any indebtedness remains outstanding under Products Corporation's Credit Agreement.

On February 2, 1998, Revlon Escrow issued and sold the Notes in a private placement, with the net proceeds deposited into escrow. The proceeds from the sale of the Notes will be used to finance the redemptions of the Old Notes. Products Corporation delivered a redemption notice to the holders of the Senior Subordinated Notes for the redemption of the Senior Subordinated Notes on March 4, 1998, at which time Products Corporation consummated the 8-5/8% Notes Assumption, and to the holders of the Senior Notes for the redemption of the Senior Notes on April 1, 1998, at which time Products Corporation will consummate the 8-1/8% Notes Assumption. On or before March 19, 1998 either Revlon Escrow or Products Corporation is required to file a registration statement with the Commission with respect to the Exchange Offer, which is expected to occur on or before July 2, 1998. In connection with these matters, Products Corporation entered into a Purchase Agreement and a Registration Agreement with Revlon Escrow and the initial purchasers of the Notes and entered into an agreement with Revlon Escrow pursuant to which each of Products Corporation and Revlon Escrow agree to take all actions required under the Purchase Agreement, the Registration Agreement and the other documents governing the sale of the Notes, the redemptions of the Old Notes and the Assumption within the periods prescribed in order to effect such transactions in accordance with their terms. A nationally recognized investment banking firm rendered its written opinion that the Assumption, upon consummation of the redemptions of the Old Notes, and the subsequent release from escrow to Products Corporation of any remaining net proceeds from the sale of the Notes are fair from a financial standpoint to Products Corporation under the indenture governing the 1999 Notes.

During 1997, Products Corporation leased certain facilities to MacAndrews & Forbes or its affiliates pursuant to occupancy agreements and leases. These included space at Products Corporation's New York headquarters and at Products Corporation's offices in London and Hong Kong. The rent paid by MacAndrews & Forbes or its affiliates to Products Corporation for such leases and agreements for 1997 was $3.8 million.

Products Corporation's Credit Agreement is supported by, among other things, guarantees from Holdings and certain of its subsidiaries. The obligations under such guarantees are secured by, among other things, (i) the capital stock and certain assets of certain subsidiaries of Holdings and (ii) a mortgage on Holdings' Edison, New Jersey facility.

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

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

During 1997, Products Corporation purchased products from an affiliate, for which it paid approximately $0.9 million.

During 1997, Products Corporation provided licensing services to an affiliate, for which Products Corporation has been paid approximately $0.7 million.

An affiliate of the Company assembles lipstick cases for Products Corporation. Products Corporation paid approximately $0.9 million for such services in 1997.

The law firm of which Mr. Jordan is a senior partner provided legal services to Revlon, Inc. and its subsidiaries during 1997, and it is anticipated that it will provide legal services to Revlon, Inc. and its subsidiaries during 1998.

Revlon, Inc. believes that the terms of the foregoing transactions are at least as favorable to Revlon, Inc. or Products Corporation, as applicable, as those that could be obtained from unaffiliated third parties.

PART IV

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

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

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

(2) Financial Statement Schedule:
See Index on page F-1
All other schedules are omitted as they are inapplicable or the required information is furnished in the Consolidated Financial Statements of the Company or the Notes thereto.

(3) List of Exhibits:

EXHIBIT NO.	DESCRIPTION
3.	CERTIFICATE OF INCORPORATION AND BY-LAWS.
3.1	Amended and Restated Certificate of Incorporation of Revlon, Inc. dated March 4, 1996. (Incorporated by reference to Exhibit 3.4 to the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1996 of Revlon, Inc. (the "Revlon 1996 First Quarter 10-Q")).
3.2	Amended and Restated By-Laws of Revlon, Inc. dated January 30, 1997 (Incorporated by reference to Exhibit 3.2 to the Annual Report on Form 10-K for the year ended December 31, 1996 of Revlon, Inc. (the "Revlon 1996 10-K")).
4.	INSTRUMENTS DEFINING THE RIGHT OF SECURITY HOLDERS, INCLUDING INDENTURES.
4.1	Indenture, dated as of February 15, 1993, between Products Corporation and The Bank of New York, as Trustee, relating to Products Corporation's 10 1/2 % Series B Senior Subordinated Notes Due 2003. (Incorporated by reference to Exhibit 4.31 to the Registration Statement on Form S-1 of Products Corporation filed with the Securities and Exchange Commission on March 17, 1993, File No. 33-59650).
4.2	Indenture, dated as of April 1, 1993, between Products Corporation and NationsBank of Georgia, National Association, as Trustee, relating to the Products Corporation's 9 3/8 % Senior Notes Due

EXHIBIT NO.	DESCRIPTION
	2001 and Products Corporation's 9 3/8 % Series B Senior Notes Due 2001. (Incorporated by reference to Exhibit 4.28 to the Amendment No. 1 to the Registration Statement on Form S-1 of Products Corporation as filed with the Securities and Exchange Commission on April 13, 1993, File No. 33-59650).
4.3	Indenture dated as of June 1, 1993, between Products Corporation and NationsBank of Georgia, National Association, as Trustee, relating to Products Corporation's 9 1/2 % Senior Notes Due 1999. (Incorporated by reference to Exhibit 4.31 to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1993 of Products Corporation).
4.4	Second Amended and Restated Credit Agreement dated as of December 22, 1994, between Pacific Finance & Development Corp. and the Long-Term Credit Bank of Japan, Ltd. (the "Yen Credit Agreement") (Incorporated by reference to Exhibit 4.32 to the Annual Report on Form 10-K for the year ended December 31, 1994 of Products Corporation (the "Products Corporation 1994 10-K")).
4.5	First Amendment and Consent, dated as of March 10, 1997, with respect to the Yen Credit Agreement. (Incorporated by reference to Exhibit 4.8 to the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1997 of Revlon, Inc. (the "Revlon 1997 First Quarter 10-Q")).
4.6	Third Amended and Restated Credit Agreement, dated as of June 30, 1997, between Pacific Finance and Development Corporation and the Long-Term Credit Bank, Ltd. (Incorporated by reference to Exhibit 4.11 to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1997 of Revlon, Inc. (the "Revlon 1997 Second Quarter 10-Q")).
4.7	Amended and Restated Credit Agreement, dated as of May 30, 1997, among Products Corporation, The Chase Manhattan Bank, Citibank N.A., Lehman Commerical Paper Inc., Chase Securities Inc. and the lenders party thereto (the "Credit Agreement"). (Incorporated by reference to Exhibit 4.23 to Amendment No. 2 to the Form S-1 of Revlon Worldwide (Parent) Corporation, filed with the Securities and Exchange Commission on June 26, 1997, File No. 333-23451).
*4.8	First Amendment, dated as of January 29, 1998, to the Credit Agreement.
10.	MATERIAL CONTRACTS.
10.1	Purchase and Sale Agreement and Amendment thereto by and between Products Corporation and Holdings, each dated as of February 18, 1993, relating to the Edison, New Jersey facility. (Incorporated by reference to Exhibit 4.22 to the Annual Report on Form 10-K for the year ended December 31, 1992 of Products Corporation (the "Products Corporation 1992 10-K").
10.2	Asset Transfer Agreement, dated as of June 24, 1992, among Holdings, National Health Care Group, Inc., Charles of the Ritz Group Ltd., Products Corporation and Revlon, Inc. (Incorporated by reference to Exhibit 10.1 to the Amendment No. 1 to the Revlon Form S-1 filed with the Securities and Exchange Commission on June 29, 1992, File No. 33-47100 (the "Revlon 1992 Amendment No. 1").
10.3	Real Property Asset Transfer Agreement, dated as of June 24, 1992, among Holdings, Revlon, Inc. and Products Corporation. (Incorporated by reference to Exhibit 10.2 to the Revlon 1992 Amendment No. 1).
10.4	Assumption Agreement and Amendment thereto by and between Products Corporation and Holdings, each dated as of February 18, 1993, relating to the Edison, New Jersey facility. (Incorporated by reference to Exhibit 4.23 to the Products Corporation 1992 10-K).
10.5	Tax Sharing Agreement, dated as of June 24, 1992, among Mafco Holdings, Revlon, Inc., Products Corporation and certain subsidiaries of Products Corporation (the "Tax Sharing Agreement"). (Incorporated by reference to Exhibit 10.5 to the Revlon 1992 Amendment No. 1).

EXHIBIT NO.	DESCRIPTION
10.6	First Amendment, dated as of February 28, 1995, to the Tax Sharing Agreement. (Incorporated by reference to Exhibit 10.5 to the Products Corporation 1994 10-K).
10.7	Second Amendment, dated as of January 1, 1997, to the Tax Sharing Agreement. (Incorporated by reference to Exhibit 10.7 to the Revlon 1996 10-K).
*10.8	Agreement by The Cosmetic Center, Inc. to be bound by the Tax Sharing Agreement, dated April 25, 1997.
10.9	Second Amended and Restated Operating Services Agreement by and among Holdings, Revlon, Inc. and Products Corporation, as of January 1, 1996 (the "Operating Services Agreement"). (Incorporated by reference to Exhibit 10.8 to the Revlon 1996 10-K).
*10.10	Amendment to the Operating Services Agreement, dated as of July 1, 1997.
10.11	Employment Agreement dated as of January 1, 1996 between Products Corporation and Jerry W. Levin (the "Levin Employment Agreement") (Incorporated by reference to Exhibit 10.10 to the Annual Report on Form 10-K for the year ended December 31, 1995 of Products Corporation (the "Products Corporation 1995 10-K").
*10.12	Amendment, effective June 30, 1997, to the Levin Employment Agreement.
10.13	Employment Agreement dated as of January 1, 1997 between Products Corporation and George Fellows (Incorporated by reference to Exhibit 10.10 to the Revlon 1997 First Quarter 10-Q).
10.14	Employment Agreement dated as of January 1, 1996 between Products Corporation and William J. Fox (Incorporated by reference to Exhibit 10.12 to the Products Corporation 1995 10-K).
10.15	Employment Agreement dated as of January 1, 1996 between RIROS Corporation and Carlos Colomer Casellas (the "Colomer Employment Agreement") (Incorporated by reference to Exhibit 10.13 to the Products Corporation 1995 10-K).
*10.16	Amendment, effective January 1, 1998, to the Colomer Employment Agreement.
*10.17	Employment Agreement dated as of January 1, 1998 between Products Corporation and M. Katherine Dwyer.
*10.18	Revlon Employees' Savings, Investment and Profit Sharing Plan effective as of January 1, 1997.
10.19	Revlon Employees' Retirement Plan as amended and restated December 19, 1994. (Incorporated by reference to Exhibit 10.15 to the Products Corporation 1994 10-K).
10.20	Amended and Restated Revlon Pension Equalization Plan, effective January 1, 1996. (Incorporated by reference to Exhibit 10.17 to the Amendment No.4 to the Revlon Form S-1 filed with the Securities and Exchange Commission on February 26, 1996, File No. 33-99558).
10.21	Executive Supplemental Medical Expense Plan Summary dated July 1991. (Incorporated by reference to Exhibit 10.18 to the Form S-1 of Revlon, Inc. filed with the Securities and Exchange Commission on May 22, 1992, File No. 33-47100 (the "Revlon 1992 Form S-1").
10.22	Description of Post Retirement Life Insurance Program for Key Executives. (Incorporated by reference to Exhibit 10.19 to the Revlon 1992 Form S-1).
10.23	Benefit Plans Assumption Agreement dated as of July 1, 1992, by and among Holdings, Revlon, Inc. and Products Corporation. (Incorporated by reference to Exhibit 10.25 to the Products Corporation 1992 10-K).
10.24	Revlon Executive Bonus Plan effective January 1, 1997. (Incorporated by reference to Exhibit 10.20 to the Revlon 1996 10-K).

EXHIBIT NO.	DESCRIPTION
10.25	Revlon Executive Deferred Compensation Plan, amended as of October 15, 1993. (Incorporated by reference to Exhibit 10.25 to the Annual Report on Form 10-K for the year ended December 31, 1993 of Products Corporation (the "Products Corporation 1993 10-K").
10.26	Revlon Executive Severance Policy effective January 1, 1996. (Incorporated by reference to Exhibit 10.23 to the Amendment No. 3 to the Revlon 1995 Form S-1 filed with the Securities and Exchange Commission on February 5, 1996).
10.27	Revlon, Inc. 1996 Stock Plan, amended and restated as of December 17, 1996. (Incorporated by reference to Exhibit 10.23 to the Revlon 1996 10-K).
21.	SUBSIDIARIES.
*21.1	Subsidiaries of the Registrant.
24.	POWERS OF ATTORNEY.
*24.1	Power of Attorney of Ronald O. Perelman.
*24.2	Power of Attorney of Donald G. Drapkin.
*24.3	Power of Attorney of Jerry W. Levin.
*24.4	Power of Attorney of Howard Gittis.
*24.5	Power of Attorney of Vernon E. Jordan, Jr., Esq.
*24.6	Power of Attorney of Henry A. Kissinger.
*24.7	Power of Attorney of Edward J. Landau, Esq.
*24.8	Power of Attorney of Linda G. Robinson.
*24.9	Power of Attorney of Terry Semel.
*24.10	Power of Attorney of Martha Stewart.
*24.11	Power of Attorney of Meyer Feldberg.
*24.12	Power of Attorney of Morton Janklow.
*24.13	Power of Attorney of William J. Fox.

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*Filed herewith.

(b) Reports on Form 8-K

Revlon, Inc. filed no reports on Form 8-K during the fiscal year ended December 31, 1997.

REVLON, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULE

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Revlon, Inc.:

We have audited the accompanying consolidated balance sheets of Revlon, Inc. and its subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of operations, stockholders' deficiency and cash flows for each of the years in the three-year period ended December 31, 1997. In connection with our audits of the consolidated financial statements we have also audited the financial statement schedule as listed on the index on page F-1. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Revlon, Inc. and its subsidiaries as of December 31, 1997 and 1996 and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1997, in conformity with generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG PEAT MARWICK LLP

New York, New York
January 23, 1998

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

ASSETS	DECEMBER 31, 1997	DECEMBER 31, 1996
Current assets:		
Cash and cash equivalents	$ 42.8	$ 38.6
Trade receivables, less allowances of $25.9 and $24.9, respectively	493.9	426.8
Inventories	349.3	281.1
Prepaid expenses and other	97.5	74.5
Total current assets	983.5	821.0
Property, plant and equipment, net	378.2	381.1
Other assets	143.7	139.2
Intangible assets, net	329.2	280.6
Total assets	$ 1,834.6	$ 1,621.9
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities:		
Short-term borrowings - third parties	$ 42.7	$ 27.1
Current portion of long-term debt - third parties	5.5	8.8
Accounts payable	195.5	161.9
Accrued expenses and other	366.1	366.2
Total current liabilities	609.8	564.0
Long-term debt - third parties	1,427.8	1,321.8
Long-term debt - affiliates	30.9	30.4
Other long-term liabilities	224.6	202.8
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, 19,886,575 and 19,875,000 issued and outstanding, respectively	0.2	0.2
Capital deficiency	(231.1)	(231.6)
Accumulated deficit since June 24, 1992	(258.8)	(302.4)
Adjustment for minimum pension liability	(4.5)	(12.4)
Currency translation adjustment	(19.2)	(5.8)
Total stockholders' deficiency	(458.5)	(497.1)
Total liabilities and stockholders' deficiency	$ 1,834.6	$ 1,621.9

See Notes to Consolidated Financial Statements.

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

	Year Ended December 31,		
	1997	1996	1995
Net sales	$ 2,390.9	$ 2,169.5	$ 1,940.0
Cost of sales	832.1	726.5	653.0
Gross profit	1,558.8	1,443.0	1,287.0
Selling, general and administrative expenses	1,337.9	1,242.4	1,141.4
Business consolidation costs and other, net	7.6	-	-
Operating income	213.3	200.6	145.6
Other expenses (income):			
Interest expense	136.2	133.4	142.6
Interest and net investment income	(3.0)	(3.4)	(4.9)
Gain on sale of subsidiary stock	(6.0)	-	-
Amortization of debt issuance costs	6.7	8.3	11.0
Foreign currency losses, net	6.4	5.7	10.9
Miscellaneous, net	5.1	6.3	1.8
Other expenses, net	145.4	150.3	161.4
Income (loss) before income taxes	67.9	50.3	(15.8)
Provision for income taxes	9.4	25.5	25.4
Income (loss) before extraordinary items	58.5	24.8	(41.2)
Extraordinary items - early extinguishment of debt	(14.9)	(6.6)	-
Net income (loss)	$ 43.6	$ 18.2	$ (41.2)
Basic income (loss) per common share:			
Income (loss) before extraordinary items	$ 1.14	$ 0.50	$ (0.97)
Extraordinary items	(0.29)	(0.13)	-
Net income (loss) per common share	$ 0.85	$ 0.37	$ (0.97)
Diluted income (loss) per common share:			
Income (loss) before extraordinary items	$ 1.14	$ 0.50	$ (0.97)
Extraordinary items	(0.29)	(0.13)	-
Net income (loss) per common share	$ 0.85	$ 0.37	$ (0.97)
Weighted average common shares outstanding:			
Basic	51,131,440	49,687,500	42,500,000
Dilutive	51,544,318	49,818,792	42,500,000

See Notes to Consolidated Financial Statements.

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

	Preferred Stock	Common Stock	Capital Deficiency	Accumulated Deficit (a)	Other Adjustments	Currency Translation Adjustment
Balance, January 1, 1995	$ 54.6	$ 0.4	$ (415.1)	(279.4)	$ (10.9)	$ (5.8)
Net loss				(41.2)		
Adjustment for minimum pension liability					(6.1)	
Net capital contribution			0.4 (d)			
Currency translation adjustment						0.8
Balance, December 31, 1995	54.6	0.4	(414.7)	(320.6)	(17.0)	(5.0)
Net income				18.2		
Net proceeds from initial public offering		0.1	187.7			
Adjustment for minimum pension liability					4.6	
Net capital distribution			(0.5)(d)			
Currency translation adjustment						(0.8)(c)
Acquisition of business			(4.1)(b)			
Balance, December 31, 1996	54.6	0.5	(231.6)	(302.4)	(12.4)	(5.8)
Net income				43.6		
Issuance of common stock			0.2			
Adjustment for minimum pension liability					7.9	
Net capital contribution			0.3 (d)			
Currency translation adjustment						(13.4)
Balance, December 31, 1997	$ 54.6	$ 0.5	$ (231.1)	$ (258.8)	$ (4.5)	$ (19.2)

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(a) Represents net loss since June 24, 1992, the effective date of the transfer agreements referred to in Note 15.
(b) Represents amounts paid to Revlon Holdings Inc. for the Tarlow Advertising Division ("Tarlow") (See Note 15).
(c) Includes $2.1 of gains related to the Company's simplification of its international corporate structure.
(d) Represents changes in capital from the acquisition of the Bill Blass business (See Note 15).

See Notes to Consolidated Financial Statements.

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

	Year Ended December 31,		
CASH FLOWS FROM OPERATING ACTIVITIES:	1997	1996	1995
Net income (loss)	$ 43.6	$ 18.2	$ (41.2)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	103.8	90.9	88.4
Extraordinary item	14.9	6.6	-
Gain on sale of subsidiary stock	(6.0)	-	-
Gain on sale of certain fixed assets, net	(4.4)	-	(2.2)
Change in assets and liabilities:			
Increase in trade receivables	(70.3)	(67.7)	(44.1)
Increase in inventories	(21.4)	(5.3)	(15.1)
Decrease (increase) in prepaid expenses and other current assets	2.3	(7.1)	4.5
Increase in accounts payable	21.6	10.8	10.2
Decrease in accrued expenses and other current liabilities	(4.2)	(10.2)	(12.2)
Other, net	(73.0)	(45.8)	(40.4)
Net cash provided by (used for) operating activities	6.9	(9.6)	(52.1)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(56.5)	(58.0)	(54.3)
Acquisition of businesses, net of cash acquired	(60.4)	(7.1)	(21.2)
Proceeds from the sale of certain fixed assets	8.5	-	3.0
Net cash used for investing activities	(108.4)	(65.1)	(72.5)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings - third parties	18.0	5.8	(122.9)
Proceeds from the issuance of long-term debt - third parties	802.3	266.4	493.7
Repayment of long-term debt - third parties	(707.5)	(366.6)	(236.3)
Net proceeds from issuance of common stock	0.2	187.8	-
Net contribution from (distribution to) parent	0.3	(0.5)	0.4
Proceeds from the issuance of debt - affiliates	120.7	115.0	157.4
Repayment of debt - affiliates	(120.2)	(115.0)	(151.0)
Acquisition of business from affiliate	-	(4.1)	-
Payment of debt issuance costs	(4.5)	(10.9)	(15.7)
Net cash provided by financing activities	109.3	77.9	125.6
Effect of exchange rate changes on cash and cash equivalents	(3.6)	(0.9)	(0.1)
Net increase in cash and cash equivalents	4.2	2.3	0.9
Cash and cash equivalents at beginning of period	38.6	36.3	35.4
Cash and cash equivalents at end of period	$ 42.8	$ 38.6	$ 36.3
Supplemental schedule of cash flow information:			
Cash paid during the period for:			
Interest	$ 142.2	$ 139.0	$ 148.2
Income taxes, net of refunds	10.6	15.4	18.8
Supplemental schedule of noncash investing activities:			
In connection with business acquisitions, liabilities were assumed (including minority interest) as follows:			
Fair value of assets acquired	$ 132.7	$ 9.7	$ 27.3
Cash paid	(64.5)	(7.2)	(21.6)
Liabilities assumed	$ 68.2	$ 2.5	$ 5.7

See Notes to Consolidated Financial Statements.

1. SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION AND 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 operates in a single business segment with many different products, which include an extensive array of glamorous, exciting and innovative cosmetic and skin care, fragrance and personal care products, and professional products (products for use in and resale by professional salons). In the United States and increasingly in international markets, the Company's products are sold principally in the self-select distribution channel. The Company also sells certain products in the demonstrator-assisted distribution channel, sells consumer and professional products to United States military exchanges and commissaries, operates retail outlet stores and has a licensing group. Outside the United States, the Company also sells such consumer products through department stores and specialty stores, such as perfumeries.

Products Corporation was formed in April 1992 and, on June 24, 1992, succeeded to assets and liabilities of the cosmetic and skin care, fragrance and personal care products business of its then parent company whose name was changed from Revlon, Inc. to Revlon Holdings Inc. ("Holdings"). Certain consumer products lines sold in demonstrator-assisted distribution channels considered not integral to the Company's business and which historically had not been profitable (the "Retained Brands") and certain other assets and liabilities were retained by Holdings. Unless the context otherwise requires, all references to the Company mean Revlon, Inc. and its subsidiaries. Through December 31, 1997, the Company has essentially had no business operations of its own and its only material asset has been all of the outstanding capital stock of Products Corporation. As such its net income (loss) has historically consisted predominantly of its equity in the net income (loss) of Products Corporation and in 1997 and 1996 included approximately $1.2 and $0.8, respectively, in expenses incidental to being a public holding company.

The Consolidated Financial Statements of the Company presented herein relate to the business to which the Company succeeded and include the assets, liabilities and results of operations of such business. Assets, liabilities, revenues, other income, costs and expenses which were identifiable specifically to the Company are included herein and those identifiable specifically to the retained and divested businesses of Holdings have been excluded. Amounts which were not identifiable specifically to either the Company or Holdings are included herein to the extent applicable to the Company pursuant to a method of allocation generally based on the respective proportion of the business of the Company to the applicable total of the businesses of the Company and Holdings. The operating results of the Retained Brands and divested businesses of Holdings have not been reflected in the Consolidated Financial Statements of the Company. Management of the Company believes that the basis of allocation and presentation is reasonable.

Although the Retained Brands were not transferred to the Company when the cosmetic and skin care, fragrance and personal care products business of Holdings was transferred to Products Corporation, Products Corporation's bank lenders required that all assets and liabilities relating to such Retained Brands existing on the date of transfer (June 24, 1992), other than the brand names themselves and certain other intangible assets, be transferred to Products Corporation. Any assets and liabilities that had not been disposed of or satisfied by December 31 of the applicable year have been reflected in the Company's consolidated financial position as of such dates. However, any new assets or liabilities generated by such Retained Brands since the transfer date and any income or loss associated with inventory that has been transferred to Products Corporation relating to such Retained Brands have been and will be for the account of Holdings. In addition, certain assets and liabilities relating to divested businesses were transferred to Products Corporation on the transfer date and any remaining balances as of December 31 of the applicable year have been reflected in the Company's Consolidated Balance Sheets as of such dates. At December 31, 1997 and 1996, the amounts reflected in the Company's Consolidated Balance Sheets aggregated a net liability of $23.3 and $23.6, respectively, of which $4.9 and $5.2, respectively, are included in accrued expenses and other and $18.4 as of both dates is included in other long-term liabilities.

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

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

CASH AND CASH EQUIVALENTS:

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

INVENTORIES:

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

PROPERTY, PLANT AND EQUIPMENT AND OTHER ASSETS:

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

Included in other assets are permanent displays amounting to approximately $107.7 and $81.8 (net of amortization) as of December 31, 1997 and 1996, respectively, which are amortized over 3 to 5 years.

INTANGIBLE ASSETS RELATED TO BUSINESSES ACQUIRED:

Intangible assets related to businesses acquired principally represent goodwill, the majority of which is being amortized on a straight-line basis over 40 years. The Company evaluates, when circumstances warrant, the recoverability of its intangible assets on the basis of undiscounted cash flow projections and through the use of various other measures, which include, among other things, a review of its image, market share and business plans. Accumulated amortization aggregated $104.4 and $94.2 at December 31, 1997 and 1996, respectively.

REVENUE RECOGNITION:

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

INCOME TAXES:

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

The Company is included in the affiliated group of which Mafco Holdings is the common parent, and the Company's federal taxable income and loss will be included in such group's consolidated tax return filed by Mafco Holdings. The Company also may be included in certain state and local tax returns of Mafco Holdings or its subsidiaries. For all periods presented, federal, state and local income taxes are provided as if the Company filed its

own income tax returns. On June 24, 1992, Holdings, the Company and certain of its subsidiaries and Mafco Holdings entered into a tax sharing agreement, which is described in Notes 12 and 15.

PENSION AND OTHER POSTRETIREMENT AND POSTEMPLOYMENT BENEFITS:

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

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

RESEARCH AND DEVELOPMENT:

Research and development expenditures are expensed as incurred. The amounts charged against earnings in 1997, 1996 and 1995 were $29.7, $26.3 and $22.3, respectively.

FOREIGN CURRENCY TRANSLATION:

Assets and liabilities of foreign operations are generally translated into United States dollars at the rates of exchange in effect at the balance sheet date. Income and expense items are generally translated at the weighted average exchange rates prevailing during each period presented. Gains and losses resulting from foreign currency transactions are included in the results of operations. Gains and losses resulting from translation of financial statements of foreign subsidiaries and branches operating in non-hyperinflationary economies are recorded as a component of stockholders' deficiency. Foreign subsidiaries and branches operating in hyperinflationary economies translate nonmonetary assets and liabilities at historical rates and include translation adjustments in the results of operations.

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

SALE OF SUBSIDIARY STOCK:

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

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

In February 1997, the Financial Accounting Standards Board issued SFAS No. 128, "Earnings Per Share," which establishes new standards for computing and presenting basic and diluted earnings per share. As required by SFAS No. 128, the Company adopted the provisions of the new standard with retroactive effect beginning in 1997. Accordingly, all net income (loss) per common share amounts for all prior periods have been restated to comply with SFAS No. 128.

The basic income (loss) per common share has been computed based upon the weighted average of shares of common stock outstanding. Diluted income (loss) per common share has been computed based upon the weighted average of shares of common stock outstanding and shares that would have been outstanding assuming the issuance of common stock for all dilutive potential common stock outstanding. The Company's outstanding stock options represent the only dilutive potential common stock outstanding. The amounts of income (loss) used in the

calculations of diluted and basic income (loss) per common share were the same for all years presented. The number of shares used in the calculation of diluted income (loss) per common share increased by 412,878 shares and 131,292 shares, for 1997 and 1996, respectively, to give effect to outstanding stock options in such years.

Basic and diluted income (loss) per common share calculations assume that 42,500,000 shares of Common Stock (as defined below) had been outstanding for all periods presented prior to the consummation of the Company's initial public equity offering on March 5, 1996 (the "Revlon IPO"), in which each of the outstanding shares of the Company's common stock in existence at that time was converted into approximately .1215 of a share of its newly created Class A Common Stock, par value $.01 per share (the "Class A Common Stock") (totaling 11,250,000 shares of Class A Common Stock), and approximately .3376 of a share of its newly created Class B Common Stock, par value $.01 per share (totaling 31,250,000 shares of Class B Common Stock) (collectively with the Class A Common Stock, the "Common Stock"), upon consummation of the Revlon IPO. In connection with the Revlon IPO, the Company issued and sold 8,625,000 shares of its Class A Common Stock. Such shares were included in the Company's basic weighted average of shares outstanding as of December 31, 1997.

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

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

STOCK-BASED COMPENSATION:

SFAS No. 123, "Accounting for Stock-Based Compensation," encourages, but does not require companies to record compensation cost for stock-based employee compensation plans at fair value. The Company has chosen to account for stock-based compensation plans using the intrinsic value method prescribed in Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the amount an employee must pay to acquire the stock (See Note 14).

DERIVATIVE FINANCIAL INSTRUMENTS:

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

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

Gains and losses on contracts designated to hedge identifiable foreign currency commitments are deferred and accounted for as part of the related foreign currency transaction. Gains and losses on all other foreign currency contracts are included in income currently. Transaction gains and losses have not been material.

2. EXTRAORDINARY ITEMS

The extraordinary item in 1997 resulted from the write-off in the second quarter of 1997 of deferred financing costs associated with the early extinguishment of borrowings under a prior credit agreement and costs of approximately $6.3 in connection with the redemption of Products Corporation's 10 7/8% Sinking Fund Debentures due 2010 (the "Sinking Fund Debentures"). The early extinguishment of borrowings under a prior credit agreement and the redemption of the Sinking Fund Debentures were financed by the proceeds from a new credit agreement which became effective in May 1997 (the "Credit Agreement"). The extraordinary item in 1996 resulted from the write-off of deferred financing costs associated with the early extinguishment of borrowings with the net proceeds from the Revlon IPO and proceeds from a prior credit agreement.

3. BUSINESS CONSOLIDATION COSTS AND OTHER, NET

Business consolidation costs and other, net in 1997 include severance and other costs in connection with the consolidation of certain warehouse, distribution and headquarter operations related to the Cosmetic Center Merger (See Note 4); severance, writedowns of certain assets to their estimated net realizable value and other related costs to rationalize factory and warehouse operations in certain United States and International operations, partially offset by related gains from the sales of certain factory operations of approximately $4.3 and an approximately $12.7 settlement of a claim in the second quarter of 1997. The business consolidation costs include $15.5 for the termination of approximately 475 factory and administrative employees. By December 31, 1997 the Company terminated approximately 260 employees, made cash payments for such terminations of approximately $7.7, and made cash payments for other business consolidation costs of approximately $5.4. As of December 31, 1997, the unpaid balance of the business consolidation accrual approximated $11.5, which amount is included in accrued expenses and other.

4. ACQUISITIONS

On April 25, 1997, Prestige Fragrance & Cosmetics, Inc. ("PFC"), a wholly owned subsidiary of Products Corporation, and The Cosmetic Center, Inc. ("CCI") completed the merger of PFC with and into CCI (the "Cosmetic Center Merger") with CCI (subsequent to the Cosmetic Center Merger, "Cosmetic Center") surviving the Cosmetic Center Merger. In the Cosmetic Center Merger, Products Corporation received in exchange for all of the capital stock of PFC newly issued Class C Common Stock of Cosmetic Center constituting approximately 85.0% of Cosmetic Center's outstanding common stock. Accordingly, the Cosmetic Center Merger was accounted for as a reverse acquisition using the purchase method of accounting, with PFC considered the acquiring entity for accounting purposes even though Cosmetic Center is the surviving legal entity. The deemed purchase consideration for the acquisition was approximately $27.9 and the goodwill associated with the Cosmetic Center Merger was approximately $10.5. The Company recognized a gain of $6.0 resulting from the sale of subsidiary stock pursuant to the Cosmetic Center Merger. The results of the Company for the period ended December 31, 1997 include the results of operations of Cosmetic Center since the effective date of the Cosmetic Center Merger.

The following represents certain summary unaudited pro forma information as if the Cosmetic Center Merger had occurred as of the beginning of the respective periods presented. The summary unaudited pro forma information below combines the actual results of the Company (including Cosmetic Center after the Cosmetic Center Merger) and the results of CCI prior to the Cosmetic Center Merger, excluding non-recurring business consolidation costs directly attributable to the Cosmetic Center Merger of $4.0 in 1997, and reflects increased amortization of goodwill, increased interest expense and certain income tax adjustments related to the Cosmetic Center Merger that would have been incurred had the Cosmetic Center Merger occurred at such dates. The unaudited summary pro forma information is not necessarily indicative of the results of operations of the Company had the Cosmetic Center Merger occurred at such dates, nor is it necessarily indicative of future results.

	Year Ended December 31,	
	1997	1996
Net sales	$ 2,426.5	$ 2,303.3
Operating income	215.2	194.3
Income before extraordinary items	59.4	15.5
Basic income before extraordinary items per common share	1.16	0.31
Diluted income before extraordinary items per common share	1.15	0.31

In 1997, the Company consummated other acquisitions for a combined purchase price of $51.6, with resulting goodwill of $35.8. These acquisitions were not significant to the Company's results of operations. Acquisitions consummated in 1996 and 1995 were also not significant to the Company's results of operations.

5. INVENTORIES

	December 31,	
	1997	1996
Raw materials and supplies	$ 82.6	$ 76.6
Work-in-process	14.9	19.4
Finished goods	251.8	185.1
	$ 349.3	$ 281.1

6. PREPAID EXPENSES AND OTHER

	December 31,	
	1997	1996
Prepaid expenses	$ 40.9	$ 43.1
Other	56.6	$ 31.4
	$ 97.5	$ 74.5

7. PROPERTY, PLANT AND EQUIPMENT, NET

	December 31,	
	1997	1996
Land and improvements	$ 32.5	$ 37.5
Buildings and improvements	193.2	207.6
Machinery and equipment	208.5	194.9
Office furniture and fixtures and software development costs	85.5	59.4
Leasehold improvements	44.9	37.5
Construction-in-progress	30.6	43.7
	595.2	580.6
Accumulated depreciation	(217.0)	(199.5)
	$ 378.2	$ 381.1

Depreciation expense for the years ended December 31, 1997, 1996 and 1995 was $42.1, $39.1 and $38.6, respectively.

8. ACCRUED EXPENSES AND OTHER

	December 31, 1997	December 31, 1996
Advertising and promotional costs and accrual for sales returns	$ 148.0	$ 137.4
Compensation and related benefits	76.6	95.5
Interest	32.3	36.7
Taxes, other than federal income taxes	32.1	35.0
Restructuring and business consolidation costs	18.6	6.9
Net liabilities assumed from Holdings	4.9	5.2
Other	53.6	49.5
	$ 366.1	$ 366.2

9. SHORT-TERM BORROWINGS

Products Corporation maintained short-term bank lines of credit at December 31, 1997 and 1996 aggregating approximately $82.3 and $72.7, respectively, of which approximately $42.7 and $27.1 were outstanding at December 31, 1997 and 1996, respectively. Interest rates on amounts borrowed under such short-term lines at December 31, 1997 and 1996 varied from 2.5% to 12.0% and 2.2% to 12.1%, respectively. Compensating balances at December 31, 1997 and 1996 were approximately $6.2 and $7.4, respectively. Interest rates on compensating balances at December 31, 1997 and 1996 varied from 0.4% to 8.1% and 0.4% to 7.9%, respectively.

10. LONG-TERM DEBT

	December 31, 1997	December 31, 1996
Working capital lines (a)	$ 344.6	$ 187.2
Bank mortgage loan agreement due 2000 (b)	33.3	41.7
9 1/2% Senior Notes due 1999 (c)	200.0	200.0
9 3/8 % Senior Notes due 2001 (d)	260.0	260.0
10 1/2% Senior Subordinated Notes due 2003 (e)	555.0	555.0
10 7/8 % Sinking Fund Debentures due 2010 (f)	-	79.6
Advances from Holdings (g)	30.9	30.4
Other mortgages and notes payable (8.6%-13.0%) due through 2001	1.4	7.1
Cosmetic Center facility (h)	39.0	-
	1,464.2	1,361.0
Less current portion	(5.5)	(8.8)
	$ 1,458.7	$ 1,352.2

(a) In May 1997, Products Corporation entered into the Credit Agreement with a syndicate of lenders, whose individual members change from time to time. The proceeds of loans made under the Credit Agreement were used to repay the loans outstanding under the 1996 Credit Agreement and to redeem the Sinking Fund Debentures.

The Credit Agreement provides up to $750.0 and is comprised of five senior secured facilities: $200.0 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 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" and together with the Term Loan Facilities, the Multi-Currency Facility and the Acquisition Facility, the "Credit Facilities"). The Multi-Currency Facility is available (i) to Products Corporation in revolving credit loans denominated in U.S. dollars (the "Revolving Credit Loans"), (ii) to Products Corporation in standby and commercial letters of credit denominated in U.S. dollars (the "Operating Letters of Credit") and (iii) to Products Corporation and certain of its international subsidiaries designated from time to time in revolving credit

loans and bankers' acceptances denominated in U.S. dollars and other currencies (the "Local Loans"). At December 31, 1997 Products Corporation had approximately $200.0 outstanding under the Term Loan Facilities, $102.7 outstanding under the Multi-Currency Facility, $41.9 outstanding under the Acquisition Facility and $34.8 of issued but undrawn letters of credit under the Special LC Facility.

The Credit Facilities (other than loans in foreign currencies) bear interest as of December 31, 1997 at a rate equal to, at Products Corporation's option, either (A) the Alternate Base Rate plus 1/4 of 1% (or 1.25% for Local Loans); or (B) the Eurodollar Rate plus 1.25%. Loans in foreign currencies bear interest as of December 31, 1997 at a rate equal to the Eurocurrency Rate or, in the case of Local Loans, the local lender rate, in each case plus 1.25%. The applicable margin is reduced (or increased, but not above 3/4 of 1% for Alternate Base Rate Loans not constituting Local Loans and 1.75% for other loans) in the event Products Corporation attains (or fails to attain) certain leverage ratios. Products Corporation pays the lender a commitment fee as of December 31, 1997 of 3/8 of 1% of the unused portion of the Credit Facilities, subject to reduction (or increase, but not above 1/2 of 1%) based on attaining (or failing to attain) certain leverage ratios. Under the Multi-Currency Facility, the Company pays the lenders an administrative fee of 1/4% per annum on the aggregate principal amount of specified Local Loans. Products Corporation also paid certain facility and other fees to the lenders and agents upon closing of the Credit Agreement. Prior to its termination date, the commitments under the Credit Facilities will be reduced by: (i) the net proceeds in excess of $10.0 each year received during such year from sales of assets by Holdings (or certain of its subsidiaries), Products Corporation or any of its subsidiaries (and $25.0 with respect to certain specified dispositions), subject to certain limited exceptions, (ii) certain proceeds from the sales of collateral security granted to the lenders, (iii) the net proceeds from the issuance by Products Corporation or any of its subsidiaries of certain additional debt, (iv) 50% of the excess cash flow of Products Corporation and its subsidiaries (unless certain leverage ratios are attained) and (v) certain scheduled reductions in the case of the Term Loan Facilities, which will commence on May 31, 1998 in the aggregate amount of $1.0 annually over the remaining life of the Credit Agreement, and in the case of the Acquisition Facility, which will commence on December 31, 1999 in the amount of $25.0 and in the amounts of $60.0 during 2000, $90.0 during 2001 and $25.0 during 2002 (which reductions will be proportionately increased if the Acquisition Facility is increased). The Credit Agreement will terminate on May 30, 2002. The weighted average interest rates on the Term Loan Facilities, the Multi-Currency Facility and the Acquisition Facility were 7.1%, 5.4% and 5.7% per annum, respectively, as of December 31, 1997.

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

The Credit Agreement contains various material restrictive covenants prohibiting Products Corporation from (i) incurring additional indebtedness or guarantees, with certain exceptions, (ii) making dividend, tax sharing and other payments or loans to Revlon, Inc. or other affiliates, with certain exceptions, including among others, permitting Products Corporation to pay dividends and make distributions to Revlon, Inc., among other things, to enable Revlon, Inc. to pay expenses incidental to being a public holding company, including, among other things, professional fees such as legal and accounting, regulatory fees such as Securities and Exchange Commission ("Commission") filing fees and other miscellaneous expenses related to being a public holding company, and to pay dividends or make distributions in certain circumstances to finance the purchase by Revlon, Inc. of its common stock in connection with the delivery of such common stock to grantees under any stock option plan, provided that the aggregate amount of such dividends and distributions taken together with any purchases of Revlon, Inc.

common stock on the market to satisfy matching obligations under an excess savings plan may not exceed $6.0 per annum, (iii) creating liens or other encumbrances on their assets or revenues, granting negative pledges or selling or transferring any of their assets except in the ordinary course of business, all subject to certain limited exceptions, (iv) with certain exceptions, engaging in merger or acquisition transactions, (v) prepaying indebtedness, subject to certain limited exceptions, (vi) making investments, subject to certain limited exceptions, and (vii) entering into transactions with affiliates of Products Corporation other than upon terms no less favorable to Products Corporation or its subsidiaries than it would obtain in an arms' length transaction. In addition to the foregoing, the Credit Agreement contains financial covenants requiring Products Corporation to maintain minimum interest coverage and covenants which limit the leverage ratio of Products Corporation and the amount of capital expenditures.

In January 1996, Products Corporation entered into a credit agreement (the "1996 Credit Agreement"), which became effective upon consummation of the Revlon IPO on March 5, 1996. The 1996 Credit Agreement included, among other things, (i) a term to December 31, 2000 (subject to earlier termination in certain circumstances), and (ii) credit facilities of $600.0 comprised of four senior secured facilities: a $130.0 term loan facility, a $220.0 multi-currency facility, a $200.0 revolving acquisition facility and a $50.0 standby letter of credit facility. The weighted average interest rates on the term loan facility and multi-currency facility were 8.1% and 7.0% per annum, respectively, as of December 31, 1996.

(b) The Pacific Finance & Development Corp., a subsidiary of the Company, is the borrower under a yen denominated credit agreement (the "Yen Credit Agreement"), which had a principal balance of approximately Yen 4.3 billion as of December 31, 1997 (approximately $33.3 U.S. dollar equivalent as of December 31, 1997). In accordance with the terms of the Yen Credit Agreement, approximately Yen 539 million (approximately $5.2 U.S. dollar equivalent) was paid in January 1996 and approximately Yen 539 million (approximately $4.6 U.S. dollar equivalent) was paid in January 1997. In June 1997, Products Corporation amended and restated the Yen Credit Agreement to extend the term to December 31, 2000 subject to earlier termination under certain circumstances. In accordance with the terms of the Yen Credit Agreement, as amended and restated, approximately Yen 539 million (approximately $4.2 U.S. dollar equivalent as of December 31, 1997) is due in each of March 1998, 1999 and 2000 and Yen 2.7 billion (approximately $20.7 U.S. dollar equivalent as of December 31, 1997) is due on December 31, 2000. The applicable interest rate at December 31, 1997 under the Yen Credit Agreement was the Euro-Yen rate plus 1.25% which approximated 1.9%. The interest rate at December 31, 1996, was the Euro-Yen rate plus 2.5%, which approximated 3.1%.

(c) The Senior Notes due 1999 (the "1999 Senior Notes") are senior unsecured obligations of Products Corporation and rank pari passu in right of payment to all existing and future Senior Debt (as defined in the indenture relating to the 1999 Senior Notes (the "1999 Senior Note Indenture")). The 1999 Senior Notes bear interest at 9 1/2% per annum. Interest is payable on June 1 and December 1.

The 1999 Senior Notes may not be redeemed prior to maturity. Upon a Change of Control (as defined in the 1999 Senior Note Indenture) and subject to certain conditions, each holder of 1999 Senior Notes will have the right to require Products Corporation to repurchase all or a portion of such holder's 1999 Senior Notes at 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of repurchase. In addition, under certain circumstances in the event of an Asset Disposition (as defined in the 1999 Senior Note Indenture), Products Corporation will be obligated to make offers to purchase the 1999 Senior Notes.

The 1999 Senior Note Indenture contains various restrictive covenants that, among other things, limit (i) the issuance of additional debt and redeemable stock by Products Corporation, (ii) the issuance of debt and preferred stock by Products Corporation's subsidiaries, (iii) the incurrence of liens on the assets of Products Corporation and its subsidiaries which do not equally and ratably secure the 1999 Senior Notes, (iv) the payment of dividends on and redemption of capital stock of Products Corporation and its subsidiaries and the redemption of certain subordinated obligations of Products Corporation, except that the 1999 Senior Note Indenture permits Products Corporation to pay dividends and make distributions to Revlon, Inc., among other things, to enable Revlon, Inc. to pay expenses incidental to being a public holding company, including, among other things, professional fees such as legal and accounting, regulatory fees such as Commission filing fees and other miscellaneous expenses related to being a public holding company, and to pay dividends or make distributions up to $5.0 per annum (subject to allowable increases) 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 any stock option plan, (v) the sale of assets and subsidiary stock, (vi)

transactions with affiliates and (vii) consolidations, mergers and transfers of all or substantially all of Products Corporation's assets. The 1999 Senior Note Indenture also prohibits certain restrictions on distributions from subsidiaries. All of these limitations and prohibitions, however, are subject to a number of important qualifications.

(d) The 9 3/8% Senior Notes due 2001 (the "Senior Notes") are senior unsecured obligations of Products Corporation and rank pari passu in right of payment to all existing and future Senior Debt (as defined in the indenture relating to the Senior Notes (the "Senior Note Indenture")). The Senior Notes bear interest at 9 3/8% per annum. Interest is payable on April 1 and October 1.

The Senior Notes may be redeemed at the option of Products Corporation in whole or in part at any time on or after April 1, 1998 at the redemption prices set forth in the Senior Note Indenture, plus accrued and unpaid interest, if any, to the date of redemption. Upon a Change of Control (as defined in the Senior Note Indenture), Products Corporation will have the option to redeem the Senior Notes in whole or in part at a redemption price equal to the principal amount thereof plus the Applicable Premium (as defined in the Senior Note Indenture), plus accrued and unpaid interest, if any, to the date of redemption, and, subject to certain conditions, each holder of Senior Notes will have the right to require Products Corporation to repurchase all or a portion of such holder's Senior Notes at 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. In addition, under certain circumstances in the event of an Asset Disposition (as defined in the Senior Note Indenture), Products Corporation will be obligated to make offers to purchase the Senior Notes.

The Senior Note Indenture contains various restrictive covenants that, among other things, limit (i) the issuance of additional indebtedness and redeemable stock by Products Corporation, (ii) the issuance of indebtedness and preferred stock by Products Corporation's subsidiaries, (iii) the incurrence of liens on the assets of Products Corporation and its subsidiaries which do not equally and ratably secure the Senior Notes, (iv) the payment of dividends on capital stock of Products Corporation and its subsidiaries and the redemption of capital stock and certain subordinated obligations of Products Corporation, except that the Senior Note Indenture permits Products Corporation to pay dividends and make distributions to Revlon, Inc., among other things, to enable Revlon, Inc. to pay expenses incidental to being a public holding company, including, among other things, professional fees such as legal and accounting, regulatory fees such as Commission filing fees and other miscellaneous expenses related to being a public holding company, and to pay dividends or make distributions up to $5.0 per annum (subject to allowable increases) 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 any stock option plan, (v) the sale of assets and subsidiary stock, (vi) transactions with affiliates and (vii) consolidations, mergers and transfers of all or substantially all of Products Corporation's assets. The Senior Note Indenture also prohibits certain restrictions on distributions from subsidiaries of Products Corporation. All of these limitations and prohibitions, however, are subject to a number of important qualifications (See Note 19).

(e) The Senior Subordinated Notes due 2003 (the "Senior Subordinated Notes") are unsecured obligations of Products Corporation and are subordinated in right of payment to all existing and future Senior Debt (as defined in the indenture relating to the Senior Subordinated Notes (the "Senior Subordinated Note Indenture")). The Senior Subordinated Notes bear interest at 10 1/2% per annum. Interest is payable on February 15 and August 15.

The Senior Subordinated Notes may be redeemed at the option of Products Corporation in whole or in part at any time on or after February 15, 1998 at the redemption prices set forth in the Senior Subordinated Note Indenture, plus accrued and unpaid interest, if any, to the date of redemption. Upon a Change of Control (as defined in the Senior Subordinated Note Indenture), Products Corporation will have the option to redeem the Senior Subordinated Notes in whole or in part at a redemption price equal to the principal amount thereof plus the Applicable Premium (as defined in the Senior Subordinated Note Indenture), plus accrued and unpaid interest, if any, to the date of redemption, and, subject to certain conditions, each holder of Senior Subordinated Notes will have the right to require Products Corporation to repurchase all or a portion of such holder's Senior Subordinated Notes at 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. In addition, under certain circumstances in the event of an Asset Disposition (as defined in the Senior Subordinated Note Indenture), Products Corporation will be obligated to make offers to purchase the Senior Subordinated Notes.

The Senior Subordinated Note Indenture contains various restrictive covenants that, among other things, limit (i) the issuance of additional indebtedness and redeemable stock by Products Corporation, (ii) the issuance of indebtedness and preferred stock by Products Corporation's subsidiaries, (iii) the incurrence of liens on the assets of Products Corporation and its subsidiaries to secure debt other than Senior Debt (as defined in the Senior Subordinated Note Indenture) or debt of a subsidiary, unless the Senior Subordinated Notes are equally and ratably secured, (iv) the payment of dividends on capital stock of Products Corporation and its subsidiaries and the redemption of capital stock and certain subordinated obligations of Products Corporation, except that the Senior Subordinated Note Indenture permits Products Corporation to pay dividends and make distributions to Revlon, Inc., among other things, to enable Revlon, Inc. to pay expenses incidental to being a public holding company, including, among other things, professional fees such as legal and accounting, regulatory fees such as Commission filing fees and other miscellaneous expenses related to being a public holding company, and to pay dividends or make distributions up to $5.0 per annum (subject to allowable increases) 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 any stock option plan, (v) the sale of assets and subsidiary stock, (vi) transactions with affiliates and (vii) consolidations, mergers and transfers of all or substantially all of Products Corporation's assets. The Senior Subordinated Note Indenture also prohibits certain restrictions on distributions from subsidiaries of Products Corporation. All of these limitations and prohibitions, however, are subject to a number of important qualifications (See Note 19).

(f) Products Corporation redeemed all the outstanding $85.0 principal amount of Sinking Fund Debentures during 1997 with the proceeds of borrowings under the Credit Agreement.

(g) During 1992, Holdings made an advance of $25.0 to Products Corporation. This advance was evidenced by a noninterest-bearing demand note payable by Products Corporation, the payment of which was subordinated to the obligations of Products Corporation under the credit agreement in effect at that time. Holdings agreed not to demand payment under the note so long as any indebtedness remained outstanding under the credit agreement in effect at that time. In February 1995, the $13.3 in notes due to Products Corporation under the Financing Reimbursement Agreement, referred to in Note 15, was offset against the $25.0 note and Holdings agreed not to demand payment under the resulting $11.7 note so long as certain indebtedness remains outstanding. In October 1993, Products Corporation borrowed from Holdings approximately $23.2 (as adjusted and subject to further adjustment for certain expenses) representing amounts received by Holdings from an escrow account relating to divestiture by Holdings of certain of its predecessor businesses. In July 1995, Products Corporation borrowed from Holdings approximately $0.8, representing certain amounts received by Holdings relating to an arbitration arising out of the sale by Holdings of certain of its businesses. In 1995, Products Corporation borrowed from Holdings approximately $5.6, representing certain amounts received by Holdings from the sale by Holdings of certain of its businesses. In June 1996, $10.9 in notes due to Products Corporation under the Financing Reimbursement Agreement from Holdings was offset against the $11.7 demand note (referred to above) payable by Products Corporation to Holdings. In June 1997, Products Corporation borrowed from Holdings approximately $0.5, representing certain amounts received by Holdings from the sale of a brand and the inventory relating thereto. At December 31, 1997 the balance of $30.9 is evidenced by noninterest-bearing promissory notes payable to Holdings that are subordinated to Products Corporation's obligations under the Credit Agreement.

(h) In connection with the Cosmetic Center Merger, on April 25, 1997 Cosmetic Center entered into a loan and security agreement (the "Cosmetic Center Facility"). Cosmetic Center paid the then outstanding balance of $14.0 on CCI's former credit agreement with borrowings under the Cosmetic Center Facility. On April 28, 1997, Cosmetic Center used approximately $21.2 of borrowings under the Cosmetic Center Facility to fund the cash election associated with the Cosmetic Center Merger. The Cosmetic Center Facility, which expires on April 30, 1999, provides up to $70.0 of revolving credit tied to a borrowing base of 65% of Cosmetic Center's eligible inventory, as defined in the Cosmetic Center Facility. Borrowings under the Cosmetic Center Facility are collateralized by Cosmetic Center's accounts receivable and inventory and proceeds therefrom. Under the Cosmetic Center Facility, Cosmetic Center may borrow at the London Inter-Bank Offered Rate ("LIBOR") plus 2.25% or at the lending bank's prime rate plus 0.5%. Cosmetic Center also pays a commitment fee equal to one-quarter of one percent per annum. Interest is payable on a monthly basis except for interest on LIBOR rate loans with a maturity of less than three months, which is payable at the end of the LIBOR rate loan period and interest on LIBOR rate loans with a maturity of more than three months, which is payable every three months. If Cosmetic Center terminates the Cosmetic Center Facility, Cosmetic Center is obligated to pay a prepayment penalty of $0.7 if the

termination occurs before the first anniversary date of the Cosmetic Center Facility and $0.2 if the termination occurs after the first anniversary date. The Cosmetic Center Facility contains various restrictive covenants and requires Cosmetic Center to maintain a minimum tangible net worth and an interest coverage ratio. At December 31, 1997, approximately $39.0 was outstanding under the Cosmetic Center Facility with an interest rate of 8.1%.

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 the rate under the Credit Agreement. No such borrowings were outstanding at December 31, 1997 or 1996.

The aggregate amounts of long-term debt maturities and sinking fund requirements (at December 31, 1997), in the years 1998 through 2002 are $5.5, $244.4, $26.2, $278.5 and $354.6, respectively, and $555.0 thereafter.

11. FINANCIAL INSTRUMENTS

As of December 31, 1997, Products Corporation was party to a series of interest rate swap agreements totaling a notional amount of $225.0 in which Products Corporation agreed to pay on such notional amount a variable interest rate equal to the six month LIBOR to its counterparties and the counterparties agreed to pay on such notional amounts fixed interest rates averaging approximately 6.03% per annum. Products Corporation entered into these agreements in 1993 and 1994 (and in the first quarter of 1996 extended a portion equal to a notional amount of $125.0 through December 2001) to convert the interest rate on $225.0 of fixed-rate indebtedness to a variable rate. If Products Corporation had terminated these agreements, which Products Corporation considered to be held for other than trading purposes, on December 31, 1997 and 1996, a loss of approximately $0.1 and $3.5, respectively would have been realized. Certain other swap agreements were terminated in 1993 for a gain of $14.0 that was amortized over the original lives of the agreements through 1997. The amortization of the 1993 realized gain in 1997, 1996 and 1995 was approximately $3.1, $3.2 and $3.2, respectively. Cash flow from the agreements outstanding at December 31, 1997 was approximately break even for 1997. In anticipation of repayment of the hedged indebtedness, Products Corporation terminated these agreements in January 1998 and realized a gain of approximately $1.6, which will be recognized upon repayment of the hedged indebtedness.

Products Corporation enters into forward foreign exchange contracts and option contracts from time to time to hedge certain cash flows denominated in foreign currencies. At December 31, 1997 and 1996, Products Corporation had forward foreign exchange contracts denominated in various currencies of approximately $90.1 and $62.0, respectively, and option contracts of approximately $94.9 outstanding at December 31, 1997. Such contracts are entered into to hedge transactions predominantly occurring within twelve months. If Products Corporation had terminated these contracts on December 31, 1997 and 1996, no material gain or loss would have been realized.

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same issues or on the current rates offered to the Company for debt of the same remaining maturities. The estimated fair value of long-term debt at December 31, 1997 and 1996 was approximately $39.0 and $37.3 more than the carrying value of $1,464.2 and $1,361.0, respectively. Because considerable judgment is required in interpreting market data to develop estimates of fair value, the estimates are not necessarily indicative of the amounts that could be realized or would be paid in a current market exchange. The effect of using different market assumptions or estimation methodologies may be material to the estimated fair value amounts.

Products Corporation also maintains standby and trade letters of credit with certain banks for various corporate purposes under which Products Corporation is obligated, of which approximately $40.6 and $40.9 (including amounts available under credit agreements in effect at that time) were maintained at December 31, 1997 and 1996, respectively. Included in these amounts are $27.7 and $26.4, respectively, in standby letters of credit which support Products Corporation's self-insurance programs (See Note 15). The estimated liability under such programs is accrued by Products Corporation.

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

12. INCOME TAXES

In June 1992, Holdings, Revlon, Inc. and certain of its subsidiaries, and Mafco Holdings entered into a tax sharing agreement (as subsequently amended, the "Tax Sharing Agreement"), pursuant to which Mafco Holdings has agreed to indemnify Revlon, Inc. against federal, state or local income tax liabilities of the consolidated or combined group of which Mafco Holdings (or a subsidiary of Mafco Holdings other than Revlon, Inc. or its subsidiaries) is the common parent for taxable periods beginning on or after January 1, 1992 during which Revlon, Inc. or a subsidiary of Revlon, Inc. is a member of such group. Pursuant to the Tax Sharing Agreement, for all taxable periods beginning on or after January 1, 1992, Revlon, Inc. will pay to Holdings amounts equal to the taxes that Revlon, Inc. would otherwise have to pay if it were to file separate federal, state or local income tax returns (including any amounts determined to be due as a result of a redetermination arising from an audit or otherwise of the consolidated or combined tax liability relating to any such period which is attributable to Revlon, Inc.), except that Revlon, Inc. will not be entitled to carry back any losses to taxable periods ending prior to January 1, 1992. No payments are required by Revlon, Inc. if and to the extent that Products Corporation is prohibited under the Credit Agreement from making tax sharing payments to Revlon, Inc. The Credit Agreement prohibits Products Corporation from making any tax sharing payments other than in respect of state and local income taxes. Since the payments to be made by Revlon, Inc. under the Tax Sharing Agreement will be determined by the amount of taxes that Revlon, Inc. would otherwise have to pay if it were to file separate federal, state or local income tax returns, the Tax Sharing Agreement will benefit Mafco Holdings to the extent Mafco Holdings can offset the taxable income generated by Revlon, Inc. against losses and tax credits generated by Mafco Holdings and its other subsidiaries. As a result of net operating tax losses and prohibitions under the Credit Agreement there were no federal tax payments or payments in lieu of taxes pursuant to the Tax Sharing Agreement for 1997, 1996 or 1995. The Company has a liability of $0.9 to Holdings in respect of federal taxes for 1997 under the Tax Sharing Agreement.

Pursuant to the asset transfer agreement referred to in Note 15, Products Corporation assumed all tax liabilities of Holdings other than (i) certain income tax liabilities arising prior to January 1, 1992 to the extent such liabilities exceeded reserves on Holdings' books as of January 1, 1992 or were not of the nature reserved for and (ii) other tax liabilities to the extent such liabilities are related to the business and assets retained by Holdings.

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

	Year Ended December 31,		
Income (loss) before income taxes:	1997	1996	1995
Domestic	$ 83.4	$ 9.8	$ (39.4)
Foreign	(15.5)	40.5	23.6
	$ 67.9	$ 50.3	$ (15.8)
Provision (benefit) for income taxes:			
Federal	$ 0.9	$ -	$ -
State and local	1.2	1.2	3.4
Foreign	7.3	24.3	22.0
	$ 9.4	$ 25.5	$ 25.4
Current	$ 30.1	$ 22.7	$ 37.1
Deferred	10.4	6.6	3.0
Benefits of operating loss carryforwards	(32.2)	(4.7)	(15.4)
Carryforward utilization applied to goodwill	1.1	1.0	0.8
Effect of enacted change of tax rates	-	(0.1)	(0.1)
	$ 9.4	$ 25.5	$ 25.4

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

	Year Ended December 31,		
	1997	1996	1995
Statutory federal income tax rate	35.0 %	35.0 %	(35.0) %
State and local taxes, net of federal income tax benefit	1.2	1.6	14.0
Foreign and U.S. tax effects attributable to operations outside the U.S.	13.3	35.9	87.0
Nondeductible amortization expense	4.5	5.8	15.7
U.S. loss without benefit	-	-	79.1
Change in domestic valuation allowance	(40.3)	(28.8)	-
Nontaxable gain on sale of subsidiary stock	(3.1)	-	-
Other	3.2	1.2	-
Effective rate	13.8 %	50.7 %	160.8 %

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 1997 and 1996 are presented below:

	December 31,	
Deferred tax assets:	1997	1996
Accounts receivable, principally due to doubtful accounts	$ 3.3	$ 3.9
Inventories	11.7	12.5
Net operating loss carryforwards	223.0	269.5
Restructuring and related reserves	9.4	10.2
Employee benefits	29.0	31.7
State and local taxes	13.1	12.8
Self-insurance	3.8	3.6
Advertising, sales discounts and returns and coupon redemptions	26.0	23.6
Other	26.2	23.9
Total gross deferred tax assets	345.5	391.7
Less valuation allowance	(299.7)	(347.3)
Net deferred tax assets	45.8	44.4
Deferred tax liabilities:		
Plant, equipment and other assets	(49.7)	(43.0)
Inventories	(0.2)	(0.2)
Other	(4.5)	(7.2)
Total gross deferred tax liabilities	(54.4)	(50.4)
Net deferred tax liability	$ (8.6)	$ (6.0)

The valuation allowance for deferred tax assets at January 1, 1997 was $347.3. The valuation allowance decreased by $47.6 and $9.9 during the years ended December 31, 1997 and 1996, respectively, and increased by $19.2 during the year ended December 31, 1995.

During 1997, 1996 and 1995, certain of the Company's foreign subsidiaries used operating loss carryforwards to credit the current provision for income taxes by $4.0, $4.7 and $15.4, respectively. Certain other foreign operations generated losses during the years 1997, 1996 and 1995 for which the potential tax benefit was reduced by a valuation allowance. During 1997, the Company used domestic operating loss carryforwards to credit the current provision for income taxes by $16.2 and the deferred provision for income taxes by $12.0. At December 31, 1997, the Company had tax loss carryforwards of approximately $581.3 which expire in future years as follows: 1998-$21.1; 1999-$25.3; 2000-$9.3; 2001-$15.9; and beyond-$388.8; unlimited-$120.9. The Company will receive a benefit only to the extent it has taxable income during the carryforward periods in the applicable jurisdictions.

Appropriate United States and foreign income taxes have been accrued on foreign earnings that have been or are expected to be remitted in the near future. Unremitted earnings of foreign subsidiaries which have been, or are currently intended to be, permanently reinvested in the future growth of the business aggregated approximately $18.7 at December 31, 1997, excluding those amounts which, if remitted in the near future, would not result in significant additional taxes under tax statutes currently in effect.

13. POSTRETIREMENT BENEFITS

PENSIONS:

The Company uses a September 30 date for measurement of plan obligations and assets.

The following tables reconcile the funded status of the Company's significant pension plans with the respective amounts recognized in the Consolidated Balance Sheets at the dates indicated:

	December 31, 1997		
Actuarial present value of benefit obligation:	Overfunded Plans	Underfunded Plans	Total
Accumulated benefit obligation as of September 30, 1997, includes vested benefits of $304.5.	$ (269.3)	$ (45.2)	$ (314.5)
Projected benefit obligation as of September 30, 1997 for service rendered	$ (309.3)	$ (55.5)	$ (364.8)
Fair value of plan assets as of September 30, 1997	305.0	1.9	306.9
Plan assets less than projected benefit obligation	(4.3)	(53.6)	(57.9)
Amounts contributed to plans during fourth quarter 1997	0.3	0.6	0.9
Unrecognized net (assets) obligation	(1.3)	0.2	(1.1)
Unrecognized prior service cost	6.5	3.2	9.7
Unrecognized net loss	0.2	12.7	12.9
Adjustment to recognize additional minimum liability	-	(6.5)	(6.5)
Prepaid (accrued) pension cost	$ 1.4	$ (43.4)	$ (42.0)

	December 31, 1996		
Actuarial present value of benefit obligation:	Overfunded Plans	Underfunded Plans	Total
Accumulated benefit obligation as of September 30, 1996, includes vested benefits of $286.9	$ (163.7)	$ (131.4)	$ (295.1)
Projected benefit obligation as of September 30, 1996 for service rendered	$ (198.1)	$ (141.4)	$ (339.5)
Fair value of plan assets as of September 30, 1996	173.3	81.6	254.9
Plan assets less than projected benefit obligation	(24.8)	(59.8)	(84.6)
Amounts contributed to plans during fourth quarter 1996	0.2	0.5	0.7
Unrecognized net (assets) obligation	(1.5)	0.2	(1.3)
Unrecognized prior service cost	5.2	3.9	9.1
Unrecognized net loss	20.2	20.5	40.7
Adjustment to recognize additional minimum liability	-	(15.3)	(15.3)
Accrued pension cost	$ (0.7)	$ (50.0)	$ (50.7)

The weighted average discount rate assumed was 7.75% for 1997 and 1996 for domestic plans. For foreign plans, the weighted average discount rate was 7.1% and 7.9% for 1997 and 1996, respectively. The rate of future compensation increases was 5.3% for 1997 and 1996 for domestic plans and was a weighted average of 5.3% and 5.1% for 1997 and 1996, respectively, for foreign plans. The expected long-term rate of return on assets was 9.0% for 1997 and 1996 for domestic plans and a weighted average of 10.1% for 1997 and 10.4% for 1996 for foreign plans.

Plan assets consist primarily of common stock, mutual funds and fixed income securities, which are stated at fair market value and cash equivalents which are stated at cost, which approximates fair market value.

In accordance with the provisions of SFAS No. 87, "Employers' Accounting for Pensions," the Company recorded an additional liability to the extent that, for certain U.S. plans, the unfunded accumulated benefit obligation exceeded recorded liabilities. At December 31, 1997, the additional liability was recognized by recording an intangible asset to the extent of unrecognized prior service costs of $1.0, a due from affiliates of $1.0 and a charge to stockholders' deficiency of $4.5. At December 31, 1996, the additional liability was recognized by recording an intangible asset to the extent of unrecognized prior service costs of $1.8, a due from affiliates of $1.1, and a charge to stockholders' deficiency of $12.4.

Net periodic pension cost for the pension plans consisted of the following components:

	Year Ended December 31,		
	1997	1996	1995
Service cost-benefits earned during the period.....	$ 11.7	$ 10.6	$ 8.2
Interest cost on projected benefit obligation.....	26.0	24.3	21.7
Actual return on plan assets.....	(55.8)	(30.4)	(27.3)
Net amortization and deferrals.....	35.6	15.1	13.4
	17.5	19.6	16.0
Portion allocated to Holdings.....	(0.3)	(0.3)	(0.3)
Net periodic pension cost of the Company.....	$ 17.2	$ 19.3	$ 15.7

A substantial portion of the Company's employees in the United States are covered by defined benefit retirement plans. To the extent that aggregate pension costs could be identified as relating to the Company or to Holdings, such costs have been so apportioned. The components of the net periodic pension cost applicable solely to the Company are not presented as it is not practical to segregate such information between Holdings and the Company. In 1997 and 1996, there was a settlement loss of $0.2 and $0.3, respectively, and a curtailment loss of $0.1 and $1.0, respectively, resulting from workforce reductions.

POSTRETIREMENT BENEFITS OTHER THAN PENSIONS:

The Company also has sponsored an unfunded retiree benefit plan, which provides death benefits payable to beneficiaries of certain key employees and former employees. Participation in this plan is limited to participants enrolled as of December 31, 1993. The Company also administers a medical insurance plan on behalf of Holdings, the cost of which has been apportioned to Holdings. Net periodic postretirement benefit cost for each of the years ended December 31, 1997, 1996 and 1995 was $0.7 which consists primarily of interest on the accumulated postretirement benefit obligation. The Company's date of measurement of Plan obligations is September 30. At December 31, 1997 and 1996, the portion of accumulated benefit obligation attributable to retirees was $7.3 and $6.9, respectively, and to other fully eligible participants, $1.4 and $1.3, respectively. The amount of unrecognized gain at December 31, 1997 and 1996 was $1.9 and $1.2, respectively. At December 31, 1997 and 1996, the accrued postretirement benefit obligation recorded on the Company's Consolidated Balance Sheets was $10.6 and $9.4, respectively. Of these amounts, $1.9 and $2.0 was attributable to Holdings and was recorded as a receivable from affiliates at December 31, 1997 and 1996, respectively. The weighted average discount rate used in determining the accumulated postretirement benefit obligation at September 30, 1997 and 1996 was 7.75%.

14. STOCK COMPENSATION PLAN

At December 31, 1997 and 1996, Revlon, Inc. had a stock-based compensation plan (the "Plan"), which is described below. Revlon, Inc. applies APB Opinion No. 25 and related Interpretations in accounting for the Plan. Under APB Opinion No. 25, because the exercise price of Revlon, Inc.'s employee stock options equals the market price of the underlying stock on the date of grant, no compensation cost has been recognized. Had compensation cost for Revlon, Inc.'s Plan been determined consistent with SFAS No. 123, Revlon, Inc.'s net income and net income per diluted share for 1997 of $43.6 and $0.85, respectively, ($18.2 and $0.37, respectively, in 1996) would have been reduced to the pro forma amounts of $31.3 and $0.61 for 1997, respectively, ($15.0 and $0.30, respectively, in 1996). The fair value of each option grant is estimated on the date of the grant using the Black-Scholes option-pricing model assuming no dividend yield, expected volatility of approximately 39% in 1997 and 31% in 1996; weighted average risk-free interest rate of 6.54% in 1997 and 5.99% in 1996; and a seven year expected average life for the Plan's options issued in 1997 and 1996. The effects of applying SFAS No. 123 in this pro forma disclosure are not necessarily indicative of future amounts.

Under the Plan, Revlon, Inc. may grant options to its employees for up to an aggregate of 5.0 million shares of Class A Common Stock. Non-qualified options granted under the Plan have a term of 10 years during which the holder can purchase shares of Class A Common Stock at an exercise price which must be not less than the market price on the date of the grant. Options granted in 1996 to certain executive officers will not vest as to any portion until the third anniversary of the grant date and will thereupon become 100% vested, except that upon termination of employment by Revlon, Inc. other than for "cause," death or "disability" under the applicable employment agreement, such options will vest with respect to 25% of the shares subject thereto (if the termination is between the first and second anniversaries of the grant) and 50% of the shares subject thereto (if the termination is between the second and third anniversaries of the grant). Primarily all other option grants, including options granted to certain executive officers in 1997 will vest 25% each year beginning on the first anniversary of the date of grant and will become 100% vested on the fourth anniversary of the date of grant. During 1997, the Company granted to Mr. Perelman, Chairman of the Executive Committee, an option to purchase 300,000 shares of Class A Common Stock, which will vest in full on the fifth anniversary of the grant date. At December 31, 1997 there were 98,450 options exercisable under the Plan. At December 31, 1996 there were no options exercisable under the Plan.

A summary of the status of the Plan as of December 31, 1997 and 1996 and changes during the years then ended is presented below:

	Shares (000)	Weighted Average Exercise Price
Outstanding at 2/28/96	-	-
Granted	1,010.2	$24.37
Exercised	-	-
Forfeited	(119.1)	24.00
Outstanding at 12/31/96	891.1	24.37
Granted	1,485.5	32.64
Exercised	(12.1)	24.00
Forfeited	(85.1)	29.33
Outstanding at 12/31/97	2,279.4	29.57

The weighted average fair value of each option granted during 1997 and 1996 approximated $16.42 and $11.00, respectively.

The following table summarizes information about the Plan's options outstanding at December 31, 1997:

Year Ended December 31, 1997			
Range of Exercise Prices	Number Outstanding (000)	Weighted Average Years Remaining	Weighted Average Exercise Price
$24.00 to $29.88	817.9	8.17	$ 24.05
31.38 to 33.88	1,067.8	9.02	31.40
34.88 to 50.75	393.7	9.38	36.10
24.00 to 50.75	2,279.4	8.78	29.57

15. RELATED PARTY TRANSACTIONS

TRANSFER AGREEMENTS

In June 1992, Revlon, Inc. and Products Corporation entered into an asset transfer agreement with Holdings and certain of its wholly owned subsidiaries (the "Asset Transfer Agreement"), and Revlon, Inc. and Products Corporation entered into a real property asset transfer agreement with Holdings (the "Real Property Transfer Agreement" and, together with the Asset Transfer Agreement, the "Transfer Agreements"), and pursuant to such agreements, on June 24, 1992 Holdings transferred assets to Products Corporation and Products Corporation assumed all the liabilities of Holdings, other than certain specifically excluded assets and liabilities (the liabilities excluded are referred to as the "Excluded Liabilities"). Holdings retained the Retained Brands. Holdings agreed to indemnify Revlon, Inc. and Products Corporation against losses arising from the Excluded Liabilities, and Revlon, Inc. and Products Corporation agreed to indemnify Holdings against losses arising from the liabilities assumed by Products Corporation. The amounts reimbursed by Holdings to Products Corporation for the Excluded Liabilities for 1997, 1996 and 1995 were $0.4, $1.4 and $4.0, respectively.

OPERATING SERVICES AGREEMENT

In June 1992, Revlon, Inc., Products Corporation and Holdings entered into an operating services agreement (as amended and restated, and as subsequently amended, the "Operating Services Agreement") pursuant to which Products Corporation manufactures, markets, distributes, warehouses and administers, including the collection of accounts receivable, the Retained Brands for Holdings. Pursuant to the Operating Services Agreement, Products Corporation is reimbursed an amount equal to all of its and Revlon, Inc.'s direct and indirect costs incurred in connection with furnishing such services, net of the amounts collected by Products Corporation with respect to the Retained Brands, payable quarterly. The net amounts reimbursed by Holdings to Products Corporation for such direct and indirect costs for 1997, 1996 and 1995 were $1.4, $5.1 and $8.6, respectively. Holdings also pays Products Corporation a fee equal to 5% of the net sales of the Retained Brands, payable quarterly. The fees paid by Holdings to Products Corporation pursuant to the Operating Services Agreement for services with respect to the Retained Brands for 1997, 1996 and 1995 were approximately $0.3, $0.6 and $1.7, respectively.

REIMBURSEMENT AGREEMENTS

Revlon, Inc., Products Corporation and MacAndrews Holdings have entered into reimbursement agreements (the "Reimbursement Agreements") pursuant to which (i) MacAndrews Holdings is obligated to provide (directly or through affiliates) certain professional and administrative services, including employees, to Revlon, Inc. and its subsidiaries, including Products Corporation, and purchase services from third party providers, such as insurance and legal and accounting services, on behalf of Revlon, Inc. and its subsidiaries, including Products Corporation, to the extent requested by Products Corporation, and (ii) Products Corporation is obligated to provide certain professional and administrative services, including employees, to MacAndrews Holdings (and its affiliates) and purchase services from third party providers, such as insurance and legal and accounting services, on behalf of MacAndrews Holdings (and its affiliates) to the extent requested by MacAndrews Holdings, provided that in each case the performance of such

services does not cause an unreasonable burden to MacAndrews Holdings or Products Corporation, as the case may be. The Company reimburses MacAndrews Holdings for the allocable costs of the services purchased for or provided to the Company and its subsidiaries and for reasonable out-of-pocket expenses incurred in connection with the provision of such services. MacAndrews Holdings (or such affiliates) reimburses the Company for the allocable costs of the services purchased for or provided to MacAndrews Holdings (or such affiliates) and for the reasonable out-of-pocket expenses incurred in connection with the purchase or provision of such services. In addition, in connection with certain insurance coverage provided by MacAndrews Holdings, Products Corporation obtained letters of credit under the Special LC Facility (which aggregated approximately $27.7 as of December 31, 1997) to support certain self-funded risks of MacAndrews Holdings and its affiliates, including the Company, associated with such insurance coverage. The costs of such letters of credit are allocated among, and paid by, the affiliates of MacAndrews Holdings, including the Company, which participate in the insurance coverage to which the letters of credit relate. The Company expects that these self-funded risks will be paid in the ordinary course and, therefore, it is unlikely that such letters of credit will be drawn upon. MacAndrews Holdings has agreed to indemnify Products Corporation to the extent amounts are drawn under any of such letters of credit with respect to claims for which neither Revlon, Inc. nor Products Corporation is responsible. The net amounts reimbursed by MacAndrews Holdings to the Company for the services provided under the Reimbursement Agreements for 1997, 1996 and 1995 were $4.0, $2.2 and $3.0, respectively. Each of Revlon, Inc. and Products Corporation, on the one hand, and MacAndrews Holdings, on the other, has agreed to indemnify the other party for losses arising out of the provision of services by it under the Reimbursement Agreements other than losses resulting from its willful misconduct or gross negligence. The Reimbursement Agreements may be terminated by either party on 90 days' notice. The Company does not intend to request services under the Reimbursement Agreements unless their costs would be at least as favorable to the Company as could be obtained from unaffiliated third parties.

TAX SHARING AGREEMENT

Holdings, Revlon, Inc., Products Corporation and certain of its subsidiaries and Mafco Holdings are parties to the Tax Sharing Agreement, which is described in Note 12. Since payments to be made under the Tax Sharing Agreement will be determined by the amount of taxes that Revlon, Inc. would otherwise have to pay if it were to file separate federal, state or local income tax returns, the Tax Sharing Agreement will benefit Mafco Holdings to the extent Mafco Holdings can offset the taxable income generated by Revlon, Inc. against losses and tax credits generated by Mafco Holdings and its other subsidiaries.

FINANCING REIMBURSEMENT AGREEMENT

Holdings and Products Corporation entered into a financing reimbursement agreement (the "Financing Reimbursement Agreement") in 1992, which expired on June 30, 1996, pursuant to which Holdings agreed to reimburse Products Corporation for Holdings' allocable portion of (i) the debt issuance cost and advisory fees related to the capital restructuring of Holdings, and (ii) interest expense attributable to the higher cost of funds paid by Products Corporation under the credit agreement in effect at that time as a result of additional borrowings for the benefit of Holdings in connection with the assumption of certain liabilities by Products Corporation under the Asset Transfer Agreement and the repurchase of certain subordinated notes from affiliates. The amount of interest to be reimbursed by Holdings for 1994 was approximately $0.8 and was evidenced by noninterest-bearing promissory notes originally due and payable on June 30, 1995. In February 1995, the $13.3 in notes then payable by Holdings to Products Corporation under the Financing Reimbursement Agreement was offset against a $25.0 note payable by Products Corporation to Holdings and Holdings agreed not to demand payment under the resulting $11.7 note payable by Products Corporation so long as any indebtedness remained outstanding under the credit agreement then in effect. In February 1995, the Financing Reimbursement Agreement was amended and extended to provide that Holdings would reimburse Products Corporation for a portion of the debt issuance costs and advisory fees related to the credit agreement then in effect (which portion was approximately $4.7 and was evidenced by a noninterest-bearing promissory note payable on June 30, 1996) and 1 1/2 % per annum of the average balance outstanding under the credit agreement then in effect and the average balance outstanding under working capital borrowings from affiliates through June 30, 1996 and such amounts were evidenced by a noninterest-bearing promissory note payable on June 30, 1996. The amount of interest to be reimbursed by Holdings for 1995 was approximately $4.2. As of December 31, 1995, the aggregate amount of notes payable by Holdings under the Financing Reimbursement Agreement was $8.9. In June 1996, $10.9 in notes due to Products Corporation, which included $2.0 of interest reimbursement from Holdings in 1996, under the Financing Reimbursement Agreement was offset against an $11.7 demand note payable by Products Corporation to Holdings.

REGISTRATION RIGHTS AGREEMENT

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

OTHER

Pursuant to a lease dated April 2, 1993 (the "Edison Lease"), Holdings leases to Products Corporation the Edison research and development facility for a term of up to 10 years with an annual rent, of $1.4 and certain shared operating expenses payable by Products Corporation which, together with the annual rent are not to exceed $2.0 per year. Pursuant to an assumption agreement dated February 18, 1993, Holdings agreed to assume all costs and expenses of the ownership and operation of the Edison facility as of January 1, 1993, other than (i) the operating expenses for which Products Corporation is responsible under the Edison Lease and (ii) environmental claims and compliance costs relating to matters which occurred prior to January 1, 1993 up to an amount not to exceed $8.0 (the amount of such claims and costs for which Products Corporation is responsible, the "Environmental Limit"). In addition, pursuant to such assumption agreement, Products Corporation agreed to indemnify Holdings for environmental claims and compliance costs relating to matters which occurred prior to January 1, 1993 up to an amount not to exceed the

Environmental Limit and Holdings agreed to indemnify Products Corporation for environmental claims and compliance costs relating to matters which occurred prior to January 1, 1993 in excess of the Environmental Limit and all such claims and costs relating to matters occurring on or after January 1, 1993. Pursuant to an occupancy agreement, during 1997, 1996 and 1995 Products Corporation rented from Holdings a portion of the administration building located at the Edison facility and space for a retail store of Products Corporation. Products Corporation provides certain administrative services, including accounting, for Holdings with respect to the Edison facility pursuant to which Products Corporation pays on behalf of Holdings costs associated with the Edison facility and is reimbursed by Holdings for such costs, less the amount owed by Products Corporation to Holdings pursuant to the Edison Lease and the occupancy agreement. The net amount reimbursed by Holdings to Products Corporation for such costs with respect to the Edison facility for 1997, 1996 and 1995 was $0.7, $1.1 and $1.2, respectively.

During 1997, a subsidiary of Products Corporation sold an inactive subsidiary to an affiliate for approximately $1.0.

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

In the fourth quarter of 1996, a subsidiary of Products Corporation purchased an inactive subsidiary from an affiliate for net cash consideration of approximately $3.0 in a series of transactions in which the Company expects to realize foreign tax benefits in future years.

Effective January 1, 1996, Products Corporation acquired from Holdings substantially all of the assets of Tarlow in consideration for the assumption of substantially all of the liabilities and obligations of Tarlow. Net liabilities assumed were approximately $3.4. The assets acquired and liabilities assumed were accounted for at historical cost in a manner similar to that of a pooling of interests and, accordingly, prior period financial statements have been restated as if the acquisition took place at the beginning of the earliest period. Products Corporation paid $4.1 to Holdings which was accounted for as an increase in capital deficiency. A nationally recognized investment banking firm rendered its written opinion that the terms of the purchase are fair from a financial standpoint to Products Corporation.

Products Corporation leases certain facilities to MacAndrews & Forbes or its affiliates pursuant to occupancy agreements and leases. These included space at Products Corporation's New York headquarters and at Products Corporation's offices in London during 1997, 1996 and 1995; in Tokyo during 1996 and 1995 and in Hong Kong during 1997. The rent paid by MacAndrews & Forbes or its affiliates to Products Corporation for 1997, 1996 and 1995 was $3.8, $4.6 and $5.3, respectively.

In July 1995, Products Corporation borrowed from Holdings approximately $0.8, representing certain amounts received by Holdings relating to an arbitration arising out of the sale by Holdings of certain of its businesses. In 1995, Products Corporation borrowed from Holdings approximately $5.6, representing certain amounts received by Holdings from the sale by Holdings of certain of its businesses. In June 1997, Products Corporation borrowed from Holdings approximately $0.5, representing certain amounts received by Holdings from the sale of a brand and inventory relating thereto. Such amounts are evidenced by noninterest-bearing promissory notes. Holdings agreed not to demand payment under such notes so long as any indebtedness remains outstanding under the Credit Agreement.

The Credit Agreement is supported by, among other things, guarantees from Holdings and certain of its subsidiaries. The obligations under such guarantees are secured by, among other things, (i) the capital stock and certain assets of certain subsidiaries of Holdings and (ii) a mortgage on Holdings' Edison, New Jersey facility.

Products Corporation borrows funds from its affiliates from time to time to supplement its working capital borrowings. No such borrowings were outstanding as of December 31, 1997, 1996 or 1995. The interest rates for such borrowings are more favorable to Products Corporation than interest rates under the Credit Agreement and, for borrowings occurring prior to the execution of the Credit Agreement, the credit facility in effect at the time of such

borrowing. The amount of interest paid by Products Corporation for such borrowings for 1997, 1996 and 1995 was $0.6, $0.5 and $1.2, respectively.

In November 1993, Products Corporation assigned to Holdings a lease for warehouse space in New Jersey (the "N.J. Warehouse") between Products Corporation and a trust established for the benefit of certain family members of the Chairman of the Executive Committee. The N.J. Warehouse had become vacant as a result of divestitures and restructuring of Products Corporation. The lease has annual lease payments of approximately $2.3 and terminates on June 30, 2005. In consideration for Holdings assuming all liabilities and obligations under the lease, Products Corporation paid Holdings $7.5 (for which a liability was previously recorded) in three installments of $2.5 each in January 1994, January 1995 and January 1996. A nationally recognized investment banking firm rendered its written opinion that the terms of the lease transfer were fair from a financial standpoint to Products Corporation. During 1996 and 1995, Products Corporation paid certain costs associated with the N.J. Warehouse on behalf of Holdings and was reimbursed by Holdings for such amounts. The amounts reimbursed by Holdings to the Company for such costs were $0.2 and $0.2 for 1996 and 1995, respectively.

During 1997, 1996 and 1995, Products Corporation used an airplane owned by a corporation of which Messrs. Gittis, Drapkin and, during 1995 and 1996, Levin were the sole stockholders, for which Products Corporation paid approximately $0.2, $0.2 and $0.4 for 1997, 1996 and 1995, respectively.

During 1997, Products Corporation purchased products from an affiliate, for which it paid approximately $0.9.

During 1997, Products Corporation provided licensing services to an affiliate, for which Products Corporation has been paid approximately $0.7.

An affiliate of the Company assembles lipstick cases for Products Corporation. Products Corporation paid approximately $0.9, $1.0 and $1.0 for such services for 1997, 1996 and 1995, respectively.

In January 1995, the Company agreed to license certain of its trademarks to a former affiliate of MacAndrews & Forbes. The amount paid to the Company pursuant to such license for 1995 was less than $0.1. The affiliate purchased $1.1 of wigs from the Company during 1995. The Company terminated the license with the affiliate during 1995.

16. COMMITMENTS AND CONTINGENCIES

The Company currently leases manufacturing, executive, including research and development, and sales facilities and various types of equipment under operating lease agreements. Rental expense was $57.3, $51.7 and $49.3 for the years ended December 31, 1997, 1996 and 1995, respectively. Minimum rental commitments under all noncancelable leases, including those pertaining to idled facilities and the Edison research and development facility, with remaining lease terms in excess of one year from December 31, 1997 aggregated $201.1; such commitments for each of the five years subsequent to December 31, 1997 are $43.2, $39.8, $34.6, $29.3 and $26.7, respectively. Such amounts exclude the minimum rentals to be received in the future under noncancelable subleases of $4.2.

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

17. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

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

	Year Ended December 31, 1997			
	1st Quarter (b)	2nd Quarter (b)	3rd Quarter	4th Quarter
Net sales	$ 492.9	$ 572.4	$ 623.5	$ 702.1
Gross profit	326.6	370.5	406.4	455.3
(Loss) income before extraordinary item	(25.4)	9.4	33.1	41.4
Net (loss) income	(25.4)	(5.5)(a)	33.1	41.4
Basic (loss) income per common share:				
(Loss) income before extraordinary item	$ (0.50)	$ 0.18	$ 0.65	$ 0.81
Extraordinary item	-	(0.29)	-	-
Net (loss) income per common share	$ (0.50)	$ (0.11)	$ 0.65	$ 0.81
Diluted (loss) income per common share:				
(Loss) income before extraordinary item	$ (0.50)	$ 0.18	$ 0.64	$ 0.80
Extraordinary item	-	(0.29)	-	-
Net (loss) income per common share	$ (0.50)	$ (0.11)	$ 0.64	$ 0.80

	Year Ended December 31, 1996 (b)			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	$ 464.8	$ 518.3	$ 571.7	$ 614.7
Gross profit	311.7	347.5	378.4	405.4
(Loss) income before extraordinary item	(29.0)	1.5	21.0	31.3
Net (loss) income	(35.6)(c)	1.5	21.0	31.3
Basic (loss) income per common share:				
(Loss) income before extraordinary item	$ (0.64)	$ 0.03	$ 0.41	$ 0.61
Extraordinary item	(0.14)	-	-	-
Net (loss) income per common share	$ (0.78)	$ 0.03	$ 0.41	$ 0.61
Diluted (loss) income per common share:				
(Loss) income before extraordinary item	$ (0.64)	$ 0.03	$ 0.41	$ 0.61
Extraordinary item	(0.14)	-	-	-
Net (loss) income per common share	$ (0.78)	$ 0.03	$ 0.41	$ 0.61

(a) Includes the extraordinary charges of $14.9 resulting from the write-off in the second quarter of 1997 of deferred financing costs associated with the early extinguishment of borrowings and the redemption of Products Corporation's Sinking Fund Debentures.

(b) Effective July 1, 1997, Holdings contributed to Products Corporation substantially all of the assets and liabilities of the Bill Blass business not already owned by Products Corporation. The contributed assets approximated the contributed liabilities and were accounted for at historical cost in a manner similar to that of a pooling of interests

and, accordingly, prior period financial statements were restated as if the contribution took place prior to the beginning of the earliest period presented.

(c) Includes an extraordinary charge of $6.6 resulting from the write-off of deferred financing costs associated with the early extinguishment of borrowings.

18. GEOGRAPHIC SEGMENTS

The Company manages its business on the basis of one reportable segment. See Note 1 for a brief description of the Company's business. As of December 31, 1997, the Company had operations established in 26 countries outside of the United States and its products are sold throughout the world. The Company is exposed to the risk of changes in social, political and economic conditions inherent in foreign operations and the Company's results of operations and the value of its foreign assets are affected by fluctuations in foreign currency exchange rates. The Company's operations in Brazil have accounted for approximately 5.5%, 6.1% and 6.1% of the Company's net sales for 1997, 1996 and 1995, respectively. Net sales by geographic area are presented by attributing revenues from external customers on the basis of where the products are sold. During 1996, one customer and its affiliates accounted for approximately 10.1% of the Company's consolidated net sales. This data is presented in accordance with SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," which the Company has retroactively adopted for all periods presented.

GEOGRAPHIC AREAS	Year Ended December 31,		
	1997	1996	1995
NET SALES:			
United States	$ 1,452.5	$ 1,259.7	$ 1,115.4
International	938.4	909.8	824.6
	$ 2,390.9	$ 2,169.5	$ 1,940.0

	As of December 31,	
Long-lived assets:	1997	1996
United States	$ 570.6	$ 555.0
International	280.5	245.9
	$ 851.1	$ 800.9

CLASSES OF SIMILAR PRODUCTS:	Year Ended December 31,		
	1997	1996	1995
Net sales:			
Cosmetics, skin care and fragrances	$ 1,408.3	$ 1,262.0	$ 1,080.5
Personal care and professional	982.6	907.5	859.5
	$ 2,390.9	$ 2,169.5	$ 1,940.0

19. SUBSEQUENT EVENT (UNAUDITED)

On February 2, 1998, an affiliate of the Company, Revlon Escrow Corp., issued notes in the aggregate amount of $900.0 (the "Notes"). The net proceeds of $880 (net of discounts, fees and expenses) were deposited with an escrow agent and substantially all of such proceeds will be used to fund the redemptions by Products Corporation of its Senior Subordinated Notes and the Senior Notes, including prepayment premiums for early redemptions. Products Corporation will assume the obligations of Revlon Escrow Corp. under the Notes upon consummation of such redemptions. In connection with the early redemptions of the Senior Notes and Senior Subordinated Notes, the Company expects to record an extraordinary loss of up to $52 in 1998.

SCHEDULE II

REVLON, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
YEARS ENDED DECEMBER 31, 1997, 1996 AND 1995
(DOLLARS IN MILLIONS)

	Balance at beginning of year	Charged to cost and expenses	Other deductions	Balance at end of year
YEAR ENDED DECEMBER 31, 1997:				
Applied against asset accounts:				
Allowance for doubtful accounts	$ 12.9	$ 3.6	$ (4.5)(1)	$ 12.0
Allowance for volume and early payment discounts	$ 12.0	$ 46.8	$ (44.9)(2)	$ 13.9
YEAR ENDED DECEMBER 31, 1996:				
Applied against asset accounts:				
Allowance for doubtful accounts	$ 13.6	$ 7.1	$ (7.8)(1)	$ 12.9
Allowance for volume and early payment discounts	$ 10.1	$ 43.8	$ (41.9)(2)	$ 12.0
YEAR ENDED DECEMBER 31, 1995:				
Applied against asset accounts:				
Allowance for doubtful accounts	$ 11.1	$ 5.5	$ (3.0)(1)	$ 13.6
Allowance for volume and early payment discounts	$ 10.6	$ 33.3	$ (33.8)(2)	$ 10.1

- ----------
Notes:
(1) Doubtful accounts written off, less recoveries, reclassifications and foreign currency translation adjustments.
(2) Discounts taken, reclassifications and foreign currency translation adjustments.

SIGNATURES

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

Revlon, Inc.
(Registrant)

By: /s/ George Fellows	By: /s/ Frank J. Gehrmann	By: /s/ Lawrence E. Kreider
George Fellows President, Chief Executive Officer and Director	Frank J. Gehrmann Executive Vice President and Chief Financial Officer	Lawrence E. Kreider Senior Vice President, Controller and Chief Accounting Officer

Dated: March 4, 1998

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant on March 4, 1998 and in the capacities indicated.

Signature	Title
* - ---------- (Ronald O. Perelman)	Chairman of the Executive Committee of the Board and Director
* - ---------- (Jerry W. Levin)	Chairman of the Board and Director
/s/ George Fellows - ---------- (George Fellows)	President, Chief Executive Officer and Director
* - ---------- (William J. Fox)	Senior Executive Vice President and Director
* - ---------- (Donald G. Drapkin)	Director
* - ---------- (Howard Gittis)	Director

*	Director
(Edward J. Landau)	
*	Director
(Vernon E. Jordan)	
*	Director
(Henry A. Kissinger)	
*	Director
(Meyer Feldberg)	
*	Director
(Linda G. Robinson)	
*	Director
(Terry Semel)	
*	Director
(Martha Stewart)	
*	Director
(Morton L. Janklow)	

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

By: /s/ Robert K. Kretzman

Robert K. Kretzman
Attorney-in-fact

Exhibit 4.8

FIRST AMENDMENT

FIRST AMENDMENT, dated as of January 29, 1998 (this "Amendment"), to the Credit Agreement, dated as of May 30, 1997 (the "Credit Agreement"), among Revlon Consumer Products Corporation (the "Company"), the Borrowing Subsidiaries from time to time parties thereto, the financial institutions from time to time parties thereto (the "Lenders"), the Co-Agents named therein, Citibank, N.A., as Documentation Agent, Lehman Commercial Paper Inc., as Syndication Agent, and The Chase Manhattan Bank, as Administrative Agent.

W I T N E S S E T H :

WHEREAS, the Company has requested that the Lenders and the Agents amend certain provisions of the Credit Agreement;

WHEREAS, the Lenders and the Agents are willing to amend such provisions upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Company, the Lenders and the Agents hereby agree as follows:

1. Definitions. (a) General. All terms defined in the Credit Agreement shall have such defined meanings when used herein unless otherwise defined herein.

(b) Amendment of Definitions. The definition of the term "Net Proceeds Event" is hereby amended by deleting therefrom the following: "or (Y)" and substituting in lieu thereof the following: ", (Y) the sales (or cash received) described in subsections 14.6(i), (j) and (k) and (Z)".

(c) Addition of Definitions. The following defined terms shall be added to Section 1.1 of the Credit Agreement in appropriate alphabetical order:

"'Barclays Receivables Facility' means, the Invoice Discounting Facility, dated as of January 29, 1998 between RIC and Barclays Bank PLC, as amended, supplemented or otherwise modified from time to time;

'German Distribution Option' shall have the meaning assigned to such term in subsection 14.6(j);

'German Distribution Shares' shall have the meaning assigned to such term in subsection 14.6(j);

'German Distribution Subsidiary' means Fondolo Vermogensverwaltungs GmbH, a company organized under the laws of Germany;

'RIC' shall mean Revlon International Corporation, a Delaware corporation;"

2. Amendment to Subsection 13.11. (a) Subsection 13.11(b) of the Credit Agreement is hereby amended by inserting immediately after the word "Company" in the eighth line thereof the following: "(other than the German Distribution Subsidiary, so long as the sale contemplated by subsection 14.6(j) shall have occurred within 30 days of the acquisition by RIC of ownership of the German Distribution Subsidiary)".

(b) Subsection 13.11(c) of the Credit Agreement is hereby amended by inserting immediately after the word "Company" the first time it appears in the eighth line thereof the following: "(other than the German Distribution Subsidiary, so long as the sale contemplated by subsection 14.6(j) shall have occurred within 30 days of the acquisition by RIC of ownership of the German Distribution Subsidiary)".

3. Amendment to Subsection 13.13(b). Subsection 13.13(b) of the Credit Agreement is hereby amended by inserting immediately after the words "Security Documents" in the last line thereof but prior to the period the following: "; provided that RIC shall not be required to grant to the Administrative Agent a security interest in (i) the German Distribution Option and (ii) the German Distribution Shares for a period of up to six months following the day on which RIC shall exercise the German Distribution Option".

4. Amendment to Subsection 14.6. Subsection 14.6 of the Credit Agreement is hereby amended by (a) deleting the word "and" at the end of clause (g) thereof, (b) deleting the period at the end of clause (h) and substituting in lieu thereof the following: "; and" and (c) adding at the end thereof the following new clauses (i) through (k):

"(i) sales from time to time by RIC to Barclays Bank PLC of all or any portion of its accounts receivable pursuant to the Barclays Receivables Facility; provided that (i) the aggregate principal amount of the Barclays Receivables Facility shall not exceed (pound)7,500,000 and (ii) there shall be no recourse to RIC (other than (x) to its accounts receivable in connection with such sales, (y) in connection with the payment of interest by RIC thereunder or (z) as a result of a failure by RIC to deliver a written confirmation of the goods subject to such receivables or a material misstatement by RIC in any such confirmation) or to any other Person;

(j) the sale by RIC to European Cosmetic Group S.a.r.l. or its Affiliate Marbert AG of all of the capital stock of the German Distribution Subsidiary for consideration of (i) DM 50,000 (representing the amount of the initial capitalization of the German Distribution Subsidiary by RIC) and (ii) a five-year option (the "German Distribution Option") to (A) purchase up to 435,000 shares of common stock of Marbert AG (par value DM 5.00) (the "German Distribution Shares") at a purchase price of DM 45 per share or (B) receive cash in an amount equal to the difference between the exercise price of the German Distribution Option and the fair market value of the German

Distribution Shares at the time of exercise of the German Distribution Option; and

(k) the sale by RIC at fair market value of the German Distribution Shares."

5. Amendment to Subsection 14.8. Subsection 14.8 of the Credit Agreement is hereby amended by (a) deleting the word "and" at the end of clause (g) thereof, (b) deleting the period at the end of clause (h) and substituting in lieu thereof the following: "; and" and (c) adding at the end thereof the following new clause (i):

"(i) RIC may acquire and hold (x) the German Distribution Option in connection with the sale contemplated by subsection 14.6(j) and (y) the German Distribution Shares in connection with the exercise of the German Distribution Option in accordance with its terms."

6. Amendment to Subsection 17.2(b). Subsection 17.2(b) of the Credit Agreement is hereby amended by (a) deleting the word "or" the first time it appears in the ninth line and substituting in lieu thereof a comma and (b) adding at the end thereof but prior to the period the following: "or (vi) so long as no Default or Event of Default shall have occurred and is continuing, the sale by RIC at fair market value of the German Distribution Shares (to the extent the Administrative Agent shall at the time of such sale have a security interest therein)".

7. Conditions to Effectiveness. This Amendment shall become effective on and as of the date that the Administrative Agent shall have received (i) counterparts of this Amendment duly executed by the Company and the Required Lenders, and duly acknowledged and consented to by each Guarantor, Grantor and Pledgor and (ii) copies of the Barclays Receivables Facility in form and substance satisfactory to the Administrative Agent.

8. Representations and Warranties. The Company, as of the date hereof and after giving effect to the amendment contained herein, hereby confirms, reaffirms and restates the representations and warranties made by it in Section 11 of the Credit Agreement and otherwise in the Credit Documents to which it is a party; provided that each reference to the Credit Agreement therein shall be deemed to be a reference to the Credit Agreement after giving effect to this Amendment.

9. Reference to and Effect on the Credit Documents; Limited Effect. On and after the date hereof and the satisfaction of the conditions contained in Section 7 of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Credit Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Agents under any of the Credit Documents, nor constitute a

waiver of any provisions of any of the Credit Documents. Except as expressly amended herein, all of the provisions and covenants of the Credit Agreement and the other Credit Documents are and shall continue to remain in full force and effect in accordance with the terms thereof and are hereby in all respects ratified and confirmed.

10. Counterparts. This Amendment may be executed by one or more of the parties hereto in any number of separate counterparts (which may include counterparts delivered by facsimile transmission) and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Any executed counterpart delivered by facsimile transmission shall be effective as for all purposes hereof.

11. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

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

REVLON CONSUMER PRODUCTS
CORPORATION

By: /s/ Steven Berns

Name: Steven Berns
Title: Vice President & Treasurer

DEUTSCHE REVLON GMBH & CO. KG
REVLON INTERNATIONAL CORPORATION
(UK Branch)
REVLON MANUFACTURING LIMITED
(Australia Branch)
REVLON MANUFACTURING (UK)
LIMITED
EUROPEENNE DE PRODUITS DE
BEAUTE
REVLON NEDERLAND B.V.
REVLON K.K.
REVLON CANADA, INC., as Local Subsidiaries

By: /s/ Steven Berns

Name: Steven Berns
Title: Vice President & Treasurer

REVLON SA
REVLON-REALISTIC PROFESSIONAL
PRODUCTS LTD.
REVLON PROFESSIONAL LIMITED
REVLON (HONG KONG) LIMITED
EUROPEAN BEAUTY PRODUCTS S.P.A., as
Local Subsidiaries

By: /s/ Robert K. Kretzman

Name: Robert K. Kretzman
Title: Authorized Signatory

THE CHASE MANHATTAN BANK, as
Administrative Agent and as a Lender

By: /s/ Neil R. Boylan

Name: Neil R. Boylan
Title: Vice President

CHASE SECURITIES INC., as Arranger

By: /s/ Douglas V. Traver

Name: Douglas V. Traver
Title: Managing Director

CITIBANK, N.A., as Documentation Agent and as a Lender

By: /s/ James Buchanan

Name: James Buchanan
Title: Attorney-in-Fact

LEHMAN COMMERCIAL PAPER INC., as Syndication Agent and as a Lender

By: /s/ Michele Swanson

Name: Michele Swanson
Title: Authorized Signatory

ABN AMRO BANK N.V., as a Local Fronting Lender in the Federal Republic of Germany

By: /s/ Frances O. Logan

Name: Frances O. Logan
Title: Group Vice President

By: /s/ William S. Bennett

Name: William S. Bennett
Title: Vice President

BANKBOSTON, N.A., as a Local Fronting Lender in the United Kingdom

By: /s/ Richard D. Hill, Jr.

Name: Richard D. Hill, Jr.
Title: Director

NATEXIS BANQUE BFCE, formerly BANQUE FRANCAISE DU COMMERCE EXTERIEUR, as a Local Fronting Lender in France

By: /s/ G. Kevin Dooley

Name: G. Kevin Dooley
Title: Vice President

By: /s/ Evan S. Kraus

Name: Evan S. Kraus
Title: Associate

THE SANWA BANK LTD., as a Local Fronting Lender in Japan

By: /s/ Dominic J. Sorresso

Name: Dominic J. Sorresso
Title: Vice President

BANK OF AMERICA CANADA, as a Local Fronting Lender in Canada

By: /s/ Richard J. Hall

Name: Richard J. Hall
Title: Vice President

CITIBANK LIMITED, as a Local Fronting Lender in Australia

By: /s/ Tony O'Neill

Name: Tony O'Neill
Title: Vice President

CITIBANK, N.A., as a Local Fronting Lender in Hong Kong

By: /s/ James Buchanan

Name: James Buchanan
Title: Attorney-in-Fact

CITIBANK, N.A., as a Local Fronting Lender in the Netherlands

By: /s/ James Buchanan

Name: James Buchanan
Title: Attorney-in-Fact

CITIBANK, N.A., as a Local Fronting Lender in Italy

By: /s/ James Buchanan

Name: James Buchanan
Title: Attorney-in-Fact

ALLIED IRISH BANK, as a Local Fronting Lender in Ireland

By: /s/ W J Strickland & Tracey Duffy

Name: W J Strickland
Title: Senior Vice President
Name: Tracey Duffy
Title: Assistant Vice President

CITIBANK, N.A., as a Local Fronting Lender in Spain

By: /s/ James Buchanan

Name: James Buchanan
Title: Attorney-in-Fact

ABN AMRO BANK N.V.
New York Branch

By: /s/ Frances O. Logan

Name: Frances O. Logan
Title: Group Vice President

By: /s/ William S. Bennett

Name: William S. Bennett
Title: Vice President

ALLIED IRISH BANK PLC
Cayman Islands Branch

By: /s/ W J Stickland

Name: W J Strickland
Title: Senior Vice President

By: /s/ Tracey Duffy

Name: Tracey Duffy
Title: Assistant Vice President

BANKBOSTON, N.A., as a Co-Agent

By: /s/ Richard D. Hill, Jr.

Name: Richard D. Hill, Jr.
Title: Director

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION, as a Co-Agent

By: /s/ R.L. Wennekamp

Name: R.L. Wennekamp
Title: Senior Vice President

THE BANK OF NEW YORK

By: /s/ Georgia M. Pan-Kita

Name: Georgia M. Pan-Kita
Title: Vice President

NATEXIS BANQUE BFCE, formerly BANQUE FRANCAISE DU COMMERCE EXTERIEUR, as a Co-Agent

By: /s/ G. Kevin Dooley

Name: G. Kevin Dooley
Title: Vice President

By: /s/ Evan S. Kraus

Name: Evan S. Kraus
Title: Associate

BANQUE PARIBAS

By: /s/ John J. McCormick, Jr.

Name: John J. McCormick, Jr.
Title: Vice President

By: /s/ Mary T. Finnegan

Name: Mary T. Finnegan
Title: Director

BARCLAYS BANK PLC

By: /s/ Terance Bullock

Name: Terance Bullock
Title: Associate Director

CREDIT AGRICOLE INDOSUEZ

By: /s/ Richard Manix

Name: Richard Manix
Title: First Vice President

By: /s/ Cheryl A. Solomato

Name: Cheryl A. Solomato
Title: Vice President

CREDIT LYONNAIS, New York Branch

By: /s/ W. Michael George

Name: W. Michael George
Title: Vice President

CREDIT SUISSE FIRST BOSTON, as a Co-Agent

By: /s/ Joel Glodowski

Name: Joel Glodowski
Title: Managing Director

By: /s/ Chris T. Hogan

Name: Chris T. Hogan
Title: Vice President

DEEPROCK & COMPANY

By EATON VANCE MANAGEMENT, as Investment Manager

By: /s/ Scott H. Page

Name: Scott H. Page
Title: Vice President

FIRST BANK NATIONAL ASSOCIATION, as a Co-Agent

By: /s/ Elliot Jaffee

Name: Elliot Jaffee
Title: Vice President

THE FUJI BANK, LIMITED, New York Branch, as a Co-Agent

By: /s/ Teiji Teramoto

Name: Teiji Teramoto
Title: Vice President & Manager

GENERAL ELECTRIC CAPITAL CORPORATION, as a Co-Agent

By: /s/ Janet K. Williams

Name: Janet K. Williams
Title: Duly Authorized Signatory

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

By: /s/ Noboru Akahane

Name: Noboru Akahane
Title: Deputy General Manager

MERRILL LYNCH SENIOR FLOATING RATE FUND, INC.

By: /s/ Anne McCarthy

Name: Anne McCarthy
Title: Authorized Signatory

THE MITSUBISHI TRUST AND BANKING CORPORATION

By: /s/ Toshihiro Hayashi

Name: Toshihiro Hayashi
Title: Senior Vice President

NATIONSBANK, N.A.

By: /s/ Diana Hamner Inman

Name: Diana Hamner Inman
Title: Vice President

THE OCTAGON CREDIT INVESTORS LOAN PORTFOLIO (A UNIT OF THE CHASE MANHATTAN BANK)

By: /s/ Richard W. Stewart

Name: Richard W. Stewart
Title: Managing Director

THE SANWA BANK, LIMITED
NEW YORK BRANCH

By: /s/ Dominic J. Sorresso

Name: Dominic J. Sorresso
Title: Vice President

THE SUMITOMO BANK, LIMITED

By: /s/ John C. Kissinger

Name: John C. Kissinger
Title: Joint General Manager

VAN KAMPEN AMERICAN CAPITAL PRIME RATE INCOME TRUST

By: /s/ Jeffrey W. Maillet

Name: Jeffrey W. Maillet
Title: Senior Vice President & Director

ROYAL BANK OF CANADA

By: /s/ Michael Korine

Name: Michael Korine
Title: Senior Manager

SENIOR DEBT PORTFOLIO

By: /s/ Scott H. Page

Name: Scott H. Page
Title: Vice President

AERIES FINANCE LTD.

By: /s/ Andrew Ian Wignall

Name: Andrew Ian Wignall
Title: Director

STRATA FUNDING LTD.

By: /s/ John J. Cullinane

Name: John J. Cullinane
Title: Director

MEDICAL LIABILITY MUTUAL INSURANCE COMPANY

By: /s/ Christopher E. Jansen

Name: Christopher E. Jansen
Title: Managing Director

CERES FINANCE LTD.

By: /s/ John H. Cullinane

Name: John H. Cullinane
Title: Director

ACKNOWLEDGEMENT AND CONSENT

Dated as of January 29, 1998

Each of the undersigned (in its capacity as a Guarantor, Grantor and/or Pledgor, as the case may be, under the Security Documents to which it is a party) does hereby (a) consent, acknowledge and agree to the transactions described in the foregoing First Amendment and (b) after giving effect to such First Amendment, (i) confirms, reaffirms and restates the representations and warranties made by it in each Credit Document to which it is a party, (ii) ratifies and confirms each Security Document to which it is a party and (iii) confirms and agrees that each such Security Document is, and shall continue to be, in full force and effect, with the Collateral described therein securing, and continuing to secure, the payment of all obligations of the undersigned referred to therein; provided that each reference to the Credit Agreement therein and in each of the other Credit Documents shall be deemed to be a reference to the Credit Agreement after giving effect to such First Amendment.

ALEXANDRA DE MARKOFF, LTD.
ALMAY, INC.
AMERICAN CREW, INC.
APPLIED SCIENCE & TECHNOLOGIES INC.
CARRINGTON PARFUMS LTD.
CHARLES OF THE RITZ GROUP LTD.
CHARLES REVSON INC.
COSMETIQUES HOLDINGS, INC.
CREATIVE NAIL DESIGN, INC.
FERMODYL PROFESSIONALS INC.
GENERAL WIG MANUFACTURERS, INC.
NEW ESSENTIALS LIMITED
NORELL PERFUMES, INC.
NORTH AMERICA REVSALE INC.
OXFORD PROPERTIES CO.
PACIFIC FINANCE & DEVELOPMENT CORP.
PPI TWO CORPORATION
PPI FOUR CORPORATION
PRESTIGE FRAGRANCES, LTD.
REALISTIC/ROUX PROFESSIONAL PRODUCTS INC.
REVLON, INC.
REVLON COMMISSARY SALES, INC.
REVLON CONSUMER CORP.
REVLON CONSUMER PRODUCTS CORPORATION
REVLON GOVERNMENT SALES, INC.
REVLON HOLDINGS INC.
REVLON INTERNATIONAL CORPORATION
REVLON PROFESSIONAL, INC.
REVLON PROFESSIONAL PRODUCTS INC.
REVLON RECEIVABLES SUBSIDIARY, INC.
RIROS CORPORATION
RIT INC.
ROUX LABORATORIES, INC.
VISAGE BEAUTE COSMETICS, INC.

By: /s/ Steven Berns

Title: Vice President & Treasurer

The Cosmetic Center, Inc. ("Cosmetic"), a majority owned subsidiary of Revlon Consumer Products Corporation ("RCPC") and an indirect majority owned subsidiary of Revlon, Inc. (Public Co.) as a result of the merger of Prestige Fragrance & Cosmetics, Inc. with and into Cosmetic, hereby agrees to be bound by all of the terms of the Tax Sharing Agreement dated as of June 24, 1992 (as amended on February 28, 1995 and January 1, 1997) by and among Mafco Holdings, Inc., Revlon Holdings Inc., Public Co., RCPC and the Subsidiaries of Public Co. that are signatories thereto.

Dated: April 25, 1997

THE COSMETIC CENTER, INC.

By: /s/ Stanley B. Dessen

Name: Stanley B. Dessen
Title: Vice President

AMENDMENT TO SECOND AMENDED
AND RESTATED OPERATING SERVICES AGREEMENT

AMENDMENT TO SECOND AMENDED AND RESTATED OPERATING SERVICES AGREEMENT dated as of July 1, 1997 (this "Amendment"), by and among Revlon Holdings Inc., a Delaware corporation ("Holdings"), Revlon, Inc., a Delaware corporation ("Public Co."), and Revlon Consumer Products Corporation, a Delaware corporation and a wholly owned subsidiary of Public Co. ("Operating Co.").

W I T N E S S E T H :

WHEREAS, Holdings, Public Co. and Operating Co. are parties to that certain Amended and Restated Operating Services Agreement dated as of June 24, 1992, as amended as of January 1, 1993, amended and restated as of September 1, 1993, amended as of January 1, 1994 and amended and restated as of January 1, 1996 (as amended, the "Operating Services Agreement"); and

WHEREAS, the parties hereto desire to amend the Operating Services Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

A G R E E M E N T:

1. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Operating Services Agreement.

2. The defined term "Retained Brands" shall be amended to exclude the Bill Blass brand from the brands included in such definition.

3. Except as expressly amended hereby, the terms of the Operating Services Agreement shall be unchanged and shall remain in full force and effect.

4. This Amendment shall be governed by the law of the State of New York applicable to agreements executed and to be wholly performed in New York among residents of New York.

5. This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

REVLON HOLDINGS INC.

By: /s/ Glenn P. Dickes

Glenn P. Dickes
Vice President

REVLON, INC.

By: /s/ Robert K. Kretzman

Robert K. Kretzman
Vice President

REVLON CONSUMER PRODUCTS CORPORATION

By: /s/ Robert K. Kretzman

Robert K. Kretzman
Vice President

REVLON CONSUMER PRODUCTS CORPORATION
625 MADISON AVENUE
NEW YORK, NY 10022

February 24, 1998

Jerry W. Levin
15 East 70th Street
New York, New York 10021

Dear Mr. Levin:

Reference is made to the employment agreement between you and Revlon Consumer Products Corporation(the "Company") dated as of January 1, 1996 (the "Agreement"). Pursuant to the Agreement, you were employed as Chief Executive Officer of the Company. The Company and you have agreed that, except as otherwise provided herein, the Term of the Agreement and your employment by the Company shall be terminated as of June 30, 1997. Notwithstanding such termination, it is agreed that you shall continue to serve as Chairman of the Board of the Company and of Revlon, Inc. and that the stock options previously granted to you shall remain outstanding in accordance with the terms of such grants. You have agreed to the foregoing upon the terms hereinafter set forth.

1. Termination of Agreement. Except as otherwise provided herein, the Term of the Agreement shall terminate effective June 30, 1997, and upon such termination you hereby waive and release all rights and claims under the Agreement and with respect to your employment or the termination of your employment thereunder, including without limitation under Sections 3 and 4 (except Section 3.3 (which shall remain in effect with respect to options previously granted and options which are to be granted to you under the Agreement in 1999, such 1999 grant to be of 42,500 options, and Sections 3.6(ii), 3.6(iii), 4.5 and 8 which shall remain in effect during your continued employment with any affiliate of the Company). In respect of your employment during 1997, the Company shall have paid to you on or before December 31, 1997 an aggregate base salary of $825,000. In respect of your services to the Company during 1998 as Chairman of the Board, the Company shall pay to you $825,000. Notwithstanding any other provision of this agreement, you do not hereby release or waive any

benefits under the tax-qualified and supplemental retirement plans of the Company and its affiliates accrued as of June 30, 1997 or under the Section 401 savings plan of the Company and its affiliates accrued as of the end of such date.

2. Inventions; Confidential Information; Competitors. Without limiting the generality of paragraph 1, the provisions of Sections 5 through 7 and 9 through 11 of the Agreement shall remain in full force and effect, including without limitation your agreement to comply with subsection 5.2.

3. Miscellaneous. This agreement shall be binding upon and inure to the benefit of the parties hereto, their respective legal representatives and any successor of the Company, which successor shall be deemed substituted for the Company under the terms of this agreement. As used in this agreement, the term "successor" shall include any person, firm, corporation or other entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the capital stock, assets or business of the Company. The waiver by the Company or you of a breach of any provision of this agreement by you or the Company shall not operate or be construed as a waiver of any subsequent or other breach. Any notice required or permitted to be given shall be sufficient if in writing and if sent by registered or certified mail to you at your then residence or to the Company at its then principal place of business. This instrument contains the entire agreement of the parties with respect to the subject matter hereof and may not be changed except in a written modification signed by both parties. This agreement shall be governed by and construed in accordance with

the laws of the State of New York as applied to contracts between residents thereof executed and performed wholly within the State of New York.

If this letter accurately sets forth our agreement, please so indicate by returning a copy of this letter signed in the place set forth below.

Sincerely,

REVLON CONSUMER PRODUCTS
CORPORATION

By:/s/ WADE H. NICHOLS III

Wade H. Nichols III
Executive Vice President
and General Counsel

ACCEPTED AND AGREED:

/s/JERRY W. LEVIN

Jerry W. Levin

Exhibit 10.16

625 Madison Avenue
New York, NY 10022
Phone: (212) 527-5610
Fax: (212) 527-5681

Wade H. Nichols III
Senior Vice President and
General Counsel

February 3, 1998

Mr. Carlos Colomer Casellas
Paseo de los Tilos, 26 bis
08034 Barcelona
SPAIN

Dear Carlos:

Reference is made to the Employment Agreement dated as of January 1, 1996 between you and RIROS Corporation as supplemented by letter dated February 23, 1996 (collectively, the "Agreement"), and terms defined therein are used herein with the meanings therein ascribed to them. In consideration of the mutual covenants set forth herein and other good and valuable consideration, receipt whereof is hereby acknowledged, you and the Company agree as follows:

1. Section 1.1 of the Agreement is hereby amended, effective January 1, 1998, to read in its entirety as follows:

> "1.1 Employment, Duties. The Company hereby employs the Executive for the Term (as defined in Section 2.1), to render exclusive and full-time services to the Company as head of its worldwide professional beauty products strategic committee (which the Executive acknowledges will require frequent involvement in senior management activities at the Company's world headquarters in New York City) and chief executive officer of the Company's professional beauty products business outside of the United States or in such other executive positions 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 the Company (provided that the Executive shall be permitted to deal with the administration and management of the Executive's and his family's personal property), 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 the Company. The Executive's title shall be Chairman, Revlon Professional Worldwide Strategic Committee and Chairman, Revlon Professional International 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 Chief Executive Officer of the Company."

2. Except as amended hereby the Agreement shall not be deemed to have been amended, modified or affected hereby in any respect, and the Agreement as so amended hereby shall remain in full force and effect in accordance with all of its terms.

If this letter correctly reflects your agreement with the Company, please so indicate by signing and returning a copy hereof.

Very truly yours,

RIROS CORPORATION

By: /s/ Wade H. Nichols III

Vice President

AGREED AND ACCEPTED:

/s/ Carlos Colomer Casellas
- ---
Carlos Colomer Casellas

Employment Agreement

EMPLOYMENT AGREEMENT, dated as of January 1, 1998, between REVLON CONSUMER PRODUCTS CORPORATION, a Delaware corporation (the "Company"), and M. KATHERINE DWYER (the "Executive").

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

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

Employment, Duties and Acceptance.

1.1 Employment, Duties. The Company hereby employs the Executive for the Term (as defined in Section 2.1), to render exclusive and full-time services to the Company as head of the Company's United States consumer products business 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 the Company, and to perform such other duties consistent with such position (including service as a director or officer of any affiliate of the Company, if elected) as may be assigned to the Executive by the Chief Executive Officer of the Company. The Executive's title shall be President, Revlon Consumer Products U.S.A. 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 President of the Company.

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

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

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

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

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

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

3. Compensation; Benefits.

3.1 Salary. As compensation for all services to be rendered pursuant to this Agreement, the Company agrees to pay the Executive during the Term a base salary, payable semi-monthly in arrears, at the annual rate of not less than $875,000 during the period from the Effective Date through December 31, 1998, said base salary to be increased as of January 1 of each calendar year during the Term, commencing January 1, 1999, by not less than $75,000 (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 the Company, in its sole discretion, from time to time determines to increase the Base Salary in an amount greater than above provided, such increased amount shall, from and after the effective date of the increase, constitute "Base Salary" for purposes of all subsequent increases pursuant to this Section 3.1.

3.2 Bonus. In addition to the amounts to be paid to the Executive pursuant to Section 3.1, during the Term:

(i) The Executive shall receive a maximum annual performance incentive bonus with respect to each year commencing with calendar year 1997 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 100% 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 the Company, as the case may be. In the event that the Executive's employment shall terminate otherwise than as of a calendar year end, the Executive's bonus with respect to the calendar year in which employment terminates shall be prorated for the actual number of days of employment during such year, and such bonus, if any, shall be payable on the date that executive bonuses are paid generally, whether or not the Executive remains employed on such date.

(ii) The Executive shall receive within 10 days after commencement of the Term a lump sum bonus in the amount of $300,000.

(iii) The Executive shall receive, at the time executive bonuses are paid generally with respect to calendar year 1997, a lump sum bonus equal to 60% of the bonus, if any, payable with respect to calendar year 1997 pursuant to section 3.1(i) above.

3.3 Stock Options. The Executive shall be recommended to the Compensation Committee or other committee of the Board administering the 1996 Revlon Stock Plan or any plan that may replace it, as from time to time in effect, to receive an option not later than February 28 of each year of the Term, commencing in 1998, each such option to cover a minimum of 75,000 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.

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

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, shall be entitled to

the use of a Company-provided automobile in accordance with the Company's executive automobile policy and guidelines as from time to time in effect, and shall be entitled to the use of an assigned Company-provided chauffeured automobile as required for business purposes.

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

4. Termination.

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

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

medical) plan, to the extent permitted by such plans and to the extent such benefits continue to be provided to the Company's senior executives generally.

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

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

4.5 Litigation Expenses. If the Company and the Executive become involved in any action, suit or proceeding relating to the alleged breach of this Agreement by the Company or the Executive, then if and to the extent that a final judgment in such action, suit or proceeding is rendered in favor of the Executive, the Company shall reimburse the

Executive for all expenses (including reasonable attorneys' fees) incurred by the Executive in connection with such action, suit or proceeding or the portion thereof adjudicated in favor of the Executive. Such costs shall be paid to the Executive promptly upon presentation of expense statements or other supporting information evidencing the incurrence of such expenses.

5. Protection of Confidential Information; Non-Competition.

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

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

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

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

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

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

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

In addition, if the Executive attempts or threatens to commit a breach of any of the provisions of Sections 5.1 or 5.2, the Executive consents to the Company obtaining a preliminary and a permanent injunction in any court having equity jurisdiction against the Executive committing the attempted or threatened breach. Each of the rights and remedies enumerated above shall be independent of the other, and shall be severally enforceable, and all of such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity.

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

5.5 If any of the covenants contained in Sections 5.1 or 5.2, or any part thereof, are held to be unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court making such determination shall have the

power to reduce the duration and/or area of such provision so as to be enforceable to the maximum extent permitted by applicable law and, in its reduced form, said provision shall then be enforceable.

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

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

6. Inventions and Patents.

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

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

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

7. Intellectual Property.

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

8. Indemnification.

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

9. Notices.

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

If to the Company, to:

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

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

10.General.

10.1 This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York applicable to agreements made between residents thereof and to be performed entirely in New York. The parties hereby consent and submit to the exclusive jurisdiction of the state and federal courts sitting in Manhattan, New York, for the adjudication of any disputes arising hereunder.

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

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

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

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

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

11. Subsidiaries and Affiliates.

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

By: /s/ M. Katherine Dwyer

M. Katherine Dwyer

REVLON EMPLOYEES' SAVINGS, INVESTMENT AND PROFIT SHARING PLAN

Amended and Restated

Effective as of January 1, 1997

July 1997 Edition

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REVLON EMPLOYEES' SAVINGS. INVESTMENT AND PROFIT SHARING PLAN
PREAMBLE

Effective February 1, 1969, a predecessor of Revlon, Inc., a Delaware corporation, adopted the Revlon, Inc. Employees' Stock Purchase Plan. Such Plan was subsequently amended from time to time.

Since 1983, Revlon, Inc. and its predecessor maintained the Revlon PAYSOP (the "PAYSOP"), a tax credit employee stock ownership plan of benefits administered in connection with the Plan, for the benefit of certain of its employees and those of its adopting affiliates. The Tax Reform Act of 1986 eliminated the payroll based tax credit for contributions to tax credit employee stock ownership plans, and, effective July 6, 1987: (i) the PAYSOP provisions of the Plan were consolidated into a separate stock bonus plan of benefits, and the PAYSOP plan was terminated as of that date; and (ii) each affected participant's PAYSOP Account balance was either distributed to him or transferred in cash to the Plan.

An amendment effective December 31, 1983 changed the name of the Plan to the "Revlon Employees' Savings and Investment Plan" and the Plan sponsor was subsequently changed, effective July 1, 1992, to Revlon Consumer Products Corporation (the "Company").

The Plan is a profit-sharing plan which contains a cash or deferred arrangement described in section 401(k) of the Internal Revenue Code of 1986, as amended.

The Plan was amended and restated, generally effective January 1, 1989.

Generally effective January 1, 1996 the Plan was further amended and restated, generally for the purposes of:

(i) providing that future employer matching contributions shall be invested (and may be made) in shares of the common stock of Revlon, Inc. (a Delaware corporation and the Company's parent), effective upon the completion of an initial public offering by Revlon, Inc. in 1996;

(ii) changing the minimum service required for plan participation, generally effective January 1, 1996; and

(iii) updating the list of participating employers effective January 1, 1996.

Effective January 1, 1997, the Plan is renamed the Revlon Employees' Savings, Investment and Profit Sharing Plan and hereby further amended and restated, generally for the purposes of:

(i) effective January 1, 1997, providing for profit sharing contributions by the employer to be invested in shares of the common stock of Revlon, Inc. (a Delaware corporation and the Company's parent) to a select group of employees who are not otherwise eligible to participate in any sales or management incentive compensation plan of a Profit Sharing Employer; and

(ii) effective January 1, 1998, eliminating the requirement that employees attaining age 70 1/2 must commence receipt of required minimum distributions while actively employed.

ARTICLE 1
Definitions

When used in the Plan, the following terms shall have the designated meanings, unless a different meaning is clearly required by the context:

1.1 Accounts. A Participant's Basic Account, Pre-IPO Matching Contributions Account, Post-IPO Matching Contributions Account, Segregated Account or Profit Sharing Contributions Account or the aggregate thereof as the context may indicate.

1.2 Affiliate. Any business entity, other than an Employer, whether or not incorporated, which at the time of reference controls, is controlled by or is under common control with an Employer (within the meaning of section 414(b) or 414(c) of the Code or, effective January 1, 1980, section 414(m)(2) of the Code, or as effective December 31, 1983, section 414(m)(5) of the Code, or as effective July 18, 1984, section 414(o) of the Code, and, for purposes of applying Article 17 of the Plan, section 415(h) of the Code). In accordance with rules which the Administrative Committee may adopt from time to time, the term "Affiliate" may also include any joint venture or other business organization with which the Company is affiliated, or in which it has an interest or with which it has business dealings, either for all purposes of the Plan or for such limited purposes as the Administrative Committee may specify in such rules, and subject to such conditions and limitations (if any) as the Committee may specify in such rules.

1.3 Appropriate Form. A form prescribed by the Committee for a particular purpose specified in the Plan.

1.4 Basic Account. The aggregate of a Participant's Pre-Tax Contributions Account, his Post-Tax Contributions Account and any amounts attributable to prior participation in the tax credit employee stock ownership plan maintained within the same Plan document until its termination on July 6, 1987.

1.5 Basic Contributions. Contributions made by an Employer or Participant in accordance with the provisions of Section 3.1 and/or 3.2, respectively.

1.6 Beneficiary. The person or persons entitled to benefits under the Plan following a Participant's death, pursuant to Article 10.

1.7 Break in Service. A Severance Period of not less than twelve (12) consecutive months. In the case of an individual who is absent from work for maternity or paternity reasons (whether or not the employment relationship has terminated) (or for any other reason which entitles such individual to a FMLA leave (as described below)), the first twelve (12) consecutive months of such absence (or such lesser period of the FMLA leave) shall not be included in a Break in Service, but only to the extent required by applicable law. For purposes of this Section 1.7, an absence from work for maternity or paternity reasons means a cessation of active employment after 1984 which commences and continues (a) by reason of the pregnancy of the individual, (b) by reason of the birth of a child of the individual, (c) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (d) for purposes of caring for such child for a period beginning immediately following such birth or placement.

For purposes of this Section 1.7, an absence from work for a FMLA leave means a cessation of active employment (and continuous absence from such employment) commencing on or after August 5, 1993, for a leave of absence for one or more of the

following reasons: (a) because of the birth of a son or daughter of the individual and in order to care for such son or daughter; (b) because of the placement of a son or daughter with the individual for adoption or foster care; (c) in order to care for the spouse, or a son, daughter, or parent of the individual, if such spouse, son, daughter, or parent has a serious health condition, or (d) because of a serious health condition that makes the individual unable to perform the functions of the position of such individual, in each case (a) through (d) which entitles the individual to be granted a leave of absence under the provisions of the Family and Medical Leave Act of 1993, as it may be amended from time to time, and the regulations promulgated thereunder.

Nothing in this Section 1.7 shall be construed to grant an employee any right to a leave of absence for any reason.

1.8 Board of Directors. The Board of Directors of the Company, or any duly authorized committee thereof.

1.9 Committee. The Administrative Committee or the Investment Committee, as the context may indicate, provided for in Article 11.

1.10 Company Stock. The Class A common stock of Revlon, Inc., par value $.01 per share.

1.11 Compensation. As used herein, the term Compensation shall mean;

1.11.1 The amount paid by an Employer as straight time salary or other regular straight time remuneration, for services performed as an Eligible Employee, determined before giving effect to (a) any Participation Agreement under this Plan or (b) any similar agreement under any plan described in section 125 of the Code, but not including: (i) deferred compensation, bonuses, overtime

pay, contributions under the Plan or any other program of fringe benefits, or other additional remuneration; (ii) any remuneration for services performed while an Employee who is employed primarily to render services within the jurisdiction of a union and with respect to which compensation, hours of work or conditions of employment are determined by collective bargaining with such union; provided, however, that any such remuneration not otherwise excluded from Compensation by the provisions of this Section 1.11 shall be treated as Compensation if, and to the extent, that the applicable collective bargaining agreement expressly so provides.

1.11.2 For purposes of Section 20.4, Compensation shall include Pre-Tax Contributions.

1.11.3 In no event shall the Plan take into account Compensation in excess of $200,000 for Plan Years beginning after 1988, or in excess of $150,000 for Plan Years beginning after 1993, each as adjusted under sections 401(a)(17) and 415(d) of the Code, for any Employee in any Plan Year. For purposes of applying the $200,000 and $150,000 limitations, the Compensation of certain Employees shall include the Compensation of any family member, as prescribed by section 414(q)(6), except that in applying such rules, the term "family" shall include only the Spouse and any lineal descendants of an Employee who have not attained age 19 before the close of the Plan Year.

1.12 Disability. Total inability of a Participant to perform the customary duties of his employment, which is expected to be permanent or of long-continued

duration, as determined by the Administrative Committee on the basis of medical evidence satisfactory to it.

1.13 Eligible Employee. Except as may otherwise be provided in Article 23, any Employee of an Employer who meets all of the following requirements:

1.13.1 He is at least twenty-one (21) years of age;

1.13.2 He is employed in a division, subdivision, plant, location or other identifiable group of Employees to which his Employer has extended the Plan; provided, however, that in determining the divisions, subdivisions, plants, locations or groups of Employees to which the Plan shall be extended, the Employer shall not discriminate in favor of Highly Compensated Employees so as to prevent the Plan from qualifying under section 401(a) of the Code.

1.13.3 If: (i) he is employed primarily to render services within the jurisdiction of a union, (ii) his compensation, hours of work or conditions of employment are determined by collective bargaining with such union, and (iii) an applicable collective bargaining agreement expressly provides that he shall be eligible to participate in the Plan, then he shall be entitled to participate in the Plan only to the extent and on the terms and conditions specified in such collective bargaining agreement; and

1.13.4 He is not a nonresident alien.

1.13.5 He is not an employee with the job title (i) "direct pay beauty advisor," or (ii) "field merchandiser" (unless he was otherwise a Participant in the Plan as of January 1, 1994).

1.14 Employee. An employee of an Employer or Affiliate.

1.15 Employer. The Company and its subsidiaries and affiliates listed on Schedule A attached hereto and any other corporation, partnership or other entity which has adopted the Plan with the approval of the Board of Directors.

1.16 Employer Contributions. Pre-Tax Contributions and Matching Contributions.

1.17 Employment Date. The first day on which an Employee is credited with an Hour of Service with an Employer or an Affiliate.

1.18 Entry Date. Each January 1, April 1, July 1, and October 1; and any other date established as an "Entry Date" by the Administrative Committee with respect to Eligible Employees generally, or such specified group of Eligible Employees as the Administrative Committee may prescribe in its discretion.

1.19 ERISA. The Employee Retirement Income Security Act of 1974, as amended from time to time.

1.20 Highly Compensated Employee. A "highly compensated employee" as the term is defined in section 414(q) of the Code and the Treasury Regulations thereunder.

1.21 Hour of Service. Subject to the equivalency rules of Section 2.1.4, an Employee is credited with an Hour of Service pursuant to the following rules, determined without duplication:

(i) Each hour for which an Employee is paid, or entitled to payment, by an Employer, for the performance of duties for the Employer;

(ii) Each hour for which an Employee is paid, or entitled to payment [IF APPROVED LEAVE OF ABSENCE WE DON'T CARE IF THEY GET PAID], by an Employer on account of a period of time during which no duties are performed due to vacation, holiday, illness,

incapacity (including disability), layoff, jury duty, military duty or leave of absence. No more than 501 Hours of Service will be credited under this paragraph for any single continuous period (whether or not such period occurs in a single computation period). Hours of Service under this paragraph will be calculated and credited pursuant to section 2530.200b-2 of the Department of Labor Regulations which are incorporated herein by this reference;

(iii) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer. These hours will be credited to the Employee for the Year of Service or Plan Years to which the award or agreement pertains rather than the Year of Service or Plan Year in which the award, agreement or payment is made;

(iv) In addition to service with an Affiliate, Hours of Service will also be credited for any individual considered an employee for purposes of this Plan under section 414(n) of the Code;

1.22 Investment Fund. A portion of the Trust Fund which is separately invested, as provided in Section 4.4.

1.23 Matched Contributions. (a) For periods prior to January 1, 1984, "Employee Contributions" (as that term was defined in the Plan immediately prior to January 1, 1984) and (b) for periods on or after January 1, 1984, the aggregate Pre-Tax Contributions and Post-Tax Contributions to a Participant's Basic Account for any month not in excess of six percent (6%) of the Participant's Compensation for that month.

1.24 Matching Contributions. (a) "Employer Contributions" (as that term was defined in the Plan immediately prior to January 1, 1984) made under the Plan for periods prior to January 1, 1984 and (b) contributions made by an Employer under Section

3.6 of this Plan for months ending after December 31, 1983, based on the amount of Matched Contributions made for or by the Participant for any such month.

1.25 Matching Contributions Account. A separate account maintained for each Participant which reflects his share of the Trust Fund attributable to Matching Contributions. The Matching Contributions Account shall consist of two sub-accounts: the Pre-IPO Matching Contributions Account and the Post-IPO Matching Contributions Account.

1.26 `96 IPO. The date of the 1996 initial public offering of the Class A common stock of Revlon, Inc., which for purposes of this Plan shall be deemed to be March 1, 1996.

1.27 Normal Retirement Age. A Participant's sixty-fifth (65th) birthday.

1.28 Participant. Any present Eligible Employee who has become a Participant in this Plan in accordance with Article 2 or Article 23, and any former Eligible Employee who (or whose Beneficiary) has an undistributed Account under the Plan.

1.29 Participation Agreement. An agreement by an Eligible Employee in an Appropriate Form (a) to reduce his cash base pay in order to share in Pre-Tax Contributions under the Plan, as provided in Section 3.1, and/or (b) to make Post-Tax Contributions to the Plan, in accordance with the provisions of Section 3.2.

1.30 Plan. The Revlon Employees' Savings, Investment and Profit Sharing Plan.

1.31 Plan Year. January 1 through December 31.

1.32 Post-IPO Matching Contributions. Matching Contributions which are attributable to payroll periods ending on or after the first day of the calendar month coincident with or next following the date of the `96 IPO.

1.33 Post-IPO Matching Contributions Account. A separate sub-account maintained for each Participant which reflects his share of the Trust Fund attributable to Post-IPO Matching Contributions made on behalf of such Participant.

1.34 Post-Tax Contributions. Basic Contributions made by a Participant in accordance with the provisions of Section 3.2.

1.35 Post-Tax Contributions Account. A subaccount of a Participant's Basic Account which reflects his share of the Trust Fund attributable to his (a) Post-Tax Contributions and (b) Employee Contributions (as that term was defined in the Plan immediately prior to January l, 1984) for periods prior to 1984.

1.36 Pre-IPO Matching Contributions. Matching Contributions which are attributable to payroll periods ending before the first day of the calendar month coincident with or next following the date of the `96 IPO.

1.37 Pre-IPO Matching Contributions Account. A separate sub-account maintained for each Participant which reflects his share of the Trust Fund attributable to Pre-IPO Matching Contributions made on behalf of such Participant.

1.38 Pre-Tax Contributions. Basic Contributions made by an Employer for the benefit of a Participant in accordance with the provisions of Section 3.1.

1.39 Pre-Tax Contributions Account. A sub-account of a Participant's Basic Account which reflects his share of the Trust Fund attributable to his Pre-Tax Contributions.

1.40 Profit Sharing Contributions. For Plan Years beginning on and after January 1, 1997, contributions made by a Profit Sharing Employer under section 23.2 of this Plan.

1.41 Profit Sharing Contributions Account. A separate account maintained for each Participant eligible under Article 23 of this Plan which reflects his share of the Trust Fund attributable to Profit Sharing Contributions.

1.42 Profit Sharing Employers. The Company and its subsidiaries and affiliates listed on Schedule B of this Plan which indicates the group of Employers initially eligible to make Profit Sharing Contributions and any other corporation, partnership or other entity which has elected to become a Profit Sharing Employer with the approval of the Board of Directors..

1.43 Reemployment Date. The date on which an employee first completes an Hour of Service after a Termination of Employment.

1.44 Savings Fund. The Investment Fund described in Section 4.3.1.

1.45 Segregated Account. A separate account maintained for a Participant which reflects his share of the Trust Fund attributable to his prior participation in another plan from which assets were transferred to this Plan.

1.46 Service. Subject to Sections 2.2 and 5.3, the aggregate of the following:

1.46.1 Each period from an employee's Employment Date (or Reemployment Date) to his next Termination of Employment, and

1.46.2 If any employee shall perform an Hour of Service within twelve (12) months of his Termination of Employment, the period from such Termination of Employment to such Hour of Service.

Service shall be measured in whole years and fractions of a year in months. Any fraction of a month remaining shall be rounded up to the nearest whole month.

1.47 Severance Period. Each period from an employee's Termination of Employment to his next Reemployment Date.

1.48 Spouse. A Participant's legal spouse. A former spouse will be treated as the Participant's spouse to the extent provided in a qualified domestic relations order (as defined in section 414(p) of the Code).

1.49 Spousal Consent. A written consent, on the Appropriate Form, by a Participant's Spouse to an election, Beneficiary designation or similar action by the Participant which meets the requirements of section 417(a)(2) of the Code. If the Committee is satisfied that such Spousal Consent cannot be obtained because the Spouse cannot be located, or because of other circumstances which may be permitted under applicable law, Spousal Consent shall be deemed to have been given. Any consent or deemed consent with respect to a Spouse shall be effective only with respect to such Spouse. A consent that permits designations by the Participant without any requirement of further consent by such Spouse must acknowledge that the Spouse has the right to limit consent to a specific beneficiary, and a specific form of benefit where applicable, and that the Spouse voluntarily elects to relinquish either or both of such rights. A revocation of a prior waiver may be made by a Participant without the consent of the Spouse at any time before the commencement of benefits.

1.50 Supplemental Investment Fund. The Investment Fund or Funds described in Section 4.4.2.

1.51 Taxable Year. A taxable year of an Employer (or its predecessor) applicable for Federal income tax purposes.

1.52 Termination of Employment. An Employee's ceasing to be employed by an Employer or Affiliate for any reason (including, without limitation, death, disability, quit, discharge, layoff, retirement, resignation or entrance into military service); provided, however, that:

1.52.1 If an Employee is transferred to employment with another Employer or Affiliate or a series of Employers or Affiliates, he shall not be deemed to have terminated employment for purposes of the Plan until such time as he is employed neither by any Employer nor by any Affiliate.

1.52.2 If an Employee leaves employment with an Employer or Affiliate to enter into military service with the Armed Forces of the United States, he shall not be deemed to have terminated employment if (a) the Employee has reemployment rights under applicable law throughout the entire period of such service, (b) upon discharge from such service he retains such reemployment rights (determined after taking into account the terms of such discharge), and (c) he returns to the employ of an Employer or Affiliate within ninety (90) days after the date of his completion of such service (or within such longer period during which his reemployment rights are protected by law). If the requirements of this Section 1.49 are not met he shall be deemed to have terminated employment as of his last day of employment prior to the date of entry into such service.

References in the Plan to an individual's Termination of Employment, termination or being terminated shall have the meaning ascribed to Termination of Employment as provided in this Section 1.49. For purposes of applying the provisions of Section 9.2.4, a Participant shall not be deemed to have terminated employment unless he has incurred a "separation from service" within the meaning of section 401(k) of the Code.

1.53 Trust Agreement. The trust agreement or agreements referred to in Article 12.

1.54 Trust Fund. All of the assets at any time held under the Plan by the Trustee as provided for in Article 12.

1.55 Trustee. The corporation or corporations, individual, individuals, or combination thereof which may at any time be acting as trustee or trustees under the Trust Agreement.

1.56 Unmatched Contributions. With respect to any monthly Pre-Tax Contributions made by an Employer for the benefit of a Participant and/or Post-Tax Contributions made by a Participant, which when aggregated are in excess of six percent (6%) of the Participants' Compensation for such month.

1.57 Valuation Date. The last day of a calendar month, or any other date or dates so designated by the Administrative Committee in a uniform and nondiscriminatory manner. Effective July 1, 1993, the plan administration was simplified and enhanced by allowing investment in Investment Funds comprised of publicly traded mutual funds that allow for daily valuations and withdrawals.

1.58 Value. Except as otherwise expressly set forth in the Plan, as of any date, the value of a Participant's interest in any Investment Fund shall be determined on a reasonable and consistent basis by the Administrative Committee or its agent designated for the determination of the value of such interest.

ARTICLE 2
Participation

2.1 Participation Rules Effective January 1. 1996.

2.1.1 Continuing Participation. An individual who was a Participant in the Plan on December 31, 1995 shall continue as a Participant in the Plan if he still has an undistributed Account as of such date.

2.1.2 Participation Based on Eligible Employment After 1995. An Employee who was not a Participant in the Plan on December 31, 1995 may elect to become a Participant on any Entry Date coincident with or next following the day on which he meets both of the following requirements: (i) he has completed at least one Year of Service, and (ii) he is an Eligible Employee. For these purposes, an Eligible Employee shall be deemed to have completed a Year of Service if he is credited with 1,000 Hours of Service during the twelve month period starting on his Employment Date or during any Plan Year which begins after his Employment Date.

Effective for Plan Years beginning on and after January 1, 1997 an Employee may also become a Participant if he meets the eligibility requirements of Article 23, but only for purposes of being eligible to receive Profit Sharing Contributions.

2.1.3 Special Transition Rule. If an Employee was actively employed on December 31, 1995 and would be prevented from becoming a Participant in 1996 because of the foregoing one Year of Service requirement, he or she may nevertheless elect to become a Participant on any Entry Date in 1996 if

he or she has both completed at least five-hundred (500) Hours of Service within any six month consecutive period ending on such Entry Date and is employed as an Eligible Employee on such Entry Date. Effective January 1, 1997, the service requirement set forth in Section 2.1.2 shall apply to each Employee unless the individual had theretofore satisfied the requirements for participation under this Section 2.1.3.

2.1.4 Determination of Hours of Service. Hours of Service shall be determined in accordance with Section 1.21; provided, however, that in determining the Hours of Service to be credited to an Employee an Employer may either actually count the Hours of Service to be credited to each of its Employees or such Employer may apply the following equivalency method:

2.1.4.1 Salaried Employees. Any salaried Employee who would be required to be credited with at least one Hour of Service in any month shall be credited with one-hundred ninety (190) hours for such month.

2.1.4.2 Hourly Paid Employees. In the case of hourly paid Employees the Employer shall determine the number of Hours of Service by dividing the Employee's total earnings for the applicable 12-month computation period by his lowest hourly rate of pay during the relevant computation period, provided, however, that for any such Employee for whom the method specified in this subsection 2.1.4.2 is applied eight hundred seventy (870) Hours of Service shall be deemed to be the equivalent of one thousand (1,000) Hours of Service.

2.2 Re-Employment. If a Participant or other Employee who has terminated employment shall be rehired as an Eligible Employee, he shall be eligible to

commence or resume participation under the Plan on the later of (a) the date of rehire or (b) the first Entry Date on which he could have become a Participant if his prior employment by the Employer or Affiliate had been in a position eligible for participation in the Plan.

2.3 Transfer to Eligible Employment. If an Employee transfers to employment as an Eligible Employee from employment with an Affiliate or from employment with an Employer other than as an Eligible Employee, he shall become a Participant on the later of (a) the date of transfer or (b) the first Entry Date on which he could have become a Participant if his prior employment by the Employer or Affiliate had been in a position eligible for participation in the Plan.

Notwithstanding the foregoing, an Employee who transfers to employment as an Eligible Employee from employment with an Affiliate shall become eligible to receive a Profit Sharing Contribution upon satisfying the eligibility requirements of Article 23 of this Plan.

2.4 Completion of Participation Agreement. Except as otherwise provided herein, in order to receive the benefit of Pre-Tax Contributions or to make Post-Tax Contributions a Participant must complete and return the Participation Agreement to the Administrative Committee not later than the fifteenth (15th) day of the month prior to such date (or within such other period as the Administrative Committee may prescribe). If a rehired Eligible Employee, or an Eligible Employee transferred from ineligible employment, commences or resumes participation on his date of rehire (or date of transfer to employment as an Eligible Employee) pursuant to clause (a) of Section 2.2 (or of Section 2.3), he shall become eligible to share in or make contributions under Article 3

effective as of the first day of the first month following his rehire or transfer, upon execution and filing of an appropriate Participation Agreement at least fifteen (15) days prior to such "first day" (or within such other period as the Administrative Committee may prescribe). If a Participant fails to complete and return a Participation Agreement within the required time set forth above, he may begin to share in or make contributions under Section 3.1 of Article 3 as of any subsequent Entry Date as of which he is an Eligible Employee, by completing and returning such a Participation Agreement to the Administrative Committee not later than the fifteenth (15th) day of the month prior to such Entry Date (or within such other period as the Administrative Committee may prescribe).

2.5 Suspension on Transfer to Ineligible Employment. If a Participant ceases to be an Eligible Employee but continues in the employ of an Employer or Affiliate, his Participation Agreement shall be suspended. No Basic or Matching Contributions shall be made for a Participant with respect to the period of such suspension. If and when the suspended Participant again becomes an Eligible Employee, he may execute a new Participation Agreement, to be effective as provided in Section 2.4.

2.6 Transfers Between Employers. If a Participant transfers from employment as an Eligible Employee with one Employer to employment as an Eligible Employee with another Employer, his Participation Agreement shall be deemed to apply to his second Employer in the same manner as it applied to the prior Employer.

2.7 Right of Discharge Reserved. The establishment of the Plan shall not be construed to confer upon a Participant any legal right to be retained in the employ of any Employer or Affiliate, or to give any Employee, Spouse, Beneficiary or estate of any Employee, or any other person any right to any share of the Trust Fund or payment

whatsoever, except to the extent of the benefits provided for hereunder. All Employees shall remain subject to discharge to the same extent as if the Plan had never been adopted and may be treated without regard to the effect such treatment might have upon them under the Plan. Nothing in the Plan shall be deemed to be an agreement, consideration, inducement or condition of employment.

ARTICLE 3
Basic and Matching Contributions

Basic Contributions and Matching Contributions shall be made in accordance with the following provisions of this Article 3:

3.1 Pre-Tax Contributions. In order to share in contributions under this Section 3.1, a Participant must complete the Participation Agreement referred to in Section 1.27 and elect to reduce the cash Compensation otherwise payable to him in any month by 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9%, 10%, 11%, 12%, 13%, 14%, 15%, or 16%, whichever he shall specify in such Participation Agreement; provided, however, that for any Plan Year the Administrative Committee may, for any subsequent Plan Year, establish a maximum percentage of 16% or some lesser percentage, but not less than 6%; and provided, further, that the Administrative Committee may allow all Participants, or one or more selected groups of Participants, to elect to reduce the cash Compensation otherwise payable to each of them by a specified dollar amount rather than a specified percentage of Compensation. No Participant shall be permitted to make Pre-Tax contributions in any taxable year in excess of limitations provided under section 402(g) of the Code, as adjusted under section 415(d) of the Code. The Participant's Employer shall contribute to the Plan, during or as soon as reasonably practicable after the close of each month, an amount equal to the elected reduction in the Participant's cash Compensation for that month as Pre-Tax Contributions to the Pre-Tax Contribution Account of his Basic Account.

3.2 Post-Tax Contributions. In lieu of or in addition to any reduction in cash Compensation agreed to in accordance with the provisions of Section 3.1, a

Participant may elect in his Participation Agreement to contribute 1%, 2%, 3%, 4%, 5% or 6% of his Compensation for any month to the Plan; provided, however, for any Plan Year the Administrative Committee may establish a maximum percentage of up to 16% or some lesser percentage but not less than 6%; and provided, further, that the Administrative Committee may allow all Participants, or one or more selected groups of Participants, to elect to reduce the cash Compensation otherwise payable to each of them by a specified dollar amount rather than a specified percentage of Compensation.

3.3 Limit on Aggregate Pre-Tax And Post-Tax Contributions. In no case shall the total amount of Pre-Tax Contributions made pursuant to Section 3.1 and Post-Tax Contributions made pursuant to Section 3.2 exceed an amount, to be determined by the Administrative Committee but not more than 16% of the Participant's Compensation for that month.

3.4 Voluntary Suspension. A Participant may voluntarily suspend either his Pre-Tax Contributions, Post-Tax Contributions or both, effective as of the first day of the next scheduled payroll period for such Participant, by filing the Appropriate Form with the Administrative Committee at least fifteen (15) days prior to the first day of that month (or within such other period as the Administrative Committee may prescribe). No Basic or Matching Contributions will be made for or by a Participant with respect to any period for which his Participation Agreement has been so suspended. An Eligible Employee may reinstate his Participation Agreement as of any Entry Date after the month in which his suspension of such agreement became effective, by filing the Appropriate Form with the Administrative Committee at least fifteen (15) days before such Entry Date (or within such other period as the Committee may prescribe).

3.5 Change in Contribution Rate. A Participant who has a Participation Agreement in effect may increase or decrease the amount of his Pre-Tax and/or Post-Tax Contributions within the limits specified in Sections 3.1, 3.2 and 3.3, effective as of any Entry Date by filing the Appropriate Form with the Administrative Committee not later than the fifteenth (15th) day of the month prior to such Entry Date (or within such other period as the Administrative Committee may prescribe).

3.6 Matching Contributions--Amount. Each Participant's Employer shall make a contribution to the Plan for each calendar month, on behalf of each Participant who has a Participation Agreement in effect for such month, in cash if the contribution is a Pre-IPO Matching Contribution or in cash or Company Stock if the contribution is a Post-IPO Matching Contribution. The amount shall be, or in the case of shares shall have a fair market value (determined as of the last day of such month) equal to, one-half (1/2) of the Matched Contributions made by or for the benefit of such Participant for such month, less an allocable portion of any amount forfeited pursuant to Section 5.4 then to be applied to reduce the Employer's contributions. Shares of Company Stock contributed to the Plan may be treasury shares, authorized but unissued shares, or any combination of the foregoing. The Company is authorized to contribute shares of Company Stock to the Plan on behalf of any other Employer, and to the extent that the Company makes any such contribution, such Employer shall reimburse the Company for the value thereof.

3.7 Matching Contributions--Payment. The contributions required for any month under Section 5.3 shall be paid to the Trustee after the first day of such month, but in no case later than as soon as reasonably practicable after the close of such month.

3.8 Limit on Contributions. Notwithstanding any other provision in this Plan to the contrary, all contributions for any Plan Year on behalf of a Participant who is a Highly Compensated Employee shall be reduced if and to the extent necessary in order that the requirements of Article 17 and Sections 20.2 and 20.6 are met.

3.9 Determination by Administrative Committee. If the Administrative Committee shall conclude that a reduction in the Pre-Tax Contributions made for any Participant is or may be necessary or advisable in order to comply with the limitations of Section 3.8 for any Plan Year, the maximum percentage allowable for Pre-Tax Contributions under Section 3.1 shall be reduced in accordance with the direction of the Administrative Committee, and the Committee may, in its sole discretion, take the following action:

3.9.1 The Committee may direct that the Participation Agreement of each Participant affected by such determination be modified accordingly, with respect to Pre-Tax Contributions not yet paid into the Plan, so as to (i) reduce the elected percentage (or dollar amount, if applicable) of payroll reduction and (ii) to recharacterize the Participant's election in accordance with Section 3.1.

3.9.2 The Committee shall notify each affected Participant and his Employer of any such reduction or recharacterization. Any such reduction or recharacterization may apply either to all Participants, to a relevant group of Participants or to individual Participants determined by the Committee, whichever the Administrative Committee shall determine in its sole discretion. If amounts are not paid into the Plan as Pre-Tax Contributions or Post-Tax Contributions in accordance with any determination pursuant to this Section 3.9, such amounts

shall instead be distributed to the affected Participant in accordance with Article 20.

3.10 Contributions May Not Exceed Amount Deductible. In no event shall Employer Contributions under this Article 3 or under Article 23 for any taxable year of an Employer exceed the maximum amount (including amounts carried forward) deductible for that taxable year under section 404(a)(3) of the Code. In the case of an Employer that is a joint venture between two or more corporations or other entities, the limitation under this Section 3.10 shall be determined by reference to the applicable deductible limit of each corporation or other entity which is entitled to deduct its distributable share of such contributions for Federal income tax purposes.

3.11 Contributions Conditioned on Deductibility. Notwithstanding any other provision of the Plan, each contribution by an Employer under this Article 3 and Article 23 is conditioned on the deductibility of such contribution under section 404 of the Code, and on the initial qualification of the Plan under section 401(a) of the Code.

3.12 Adjustment of Contributions Based on Limit on Annual Additions. Notwithstanding any of the foregoing provisions to the contrary, a Participant may, at such time and in such manner as the Administrative Committee may prescribe, suspend or change the amount of reduction in his cash Compensation or the amount of his Post-Tax Contributions provided for under any applicable Participation Agreement in order to avoid an allocation of contributions to his Account which would violate the limitations of Article 17.

ARTICLE 4
Accounts and Designation of Investment Funds

4.1 Basic Account. A Basic Account shall be maintained for each Participant in which shall be entered to separate subaccounts: (a) the amount of Pre-Tax Contributions made by his Employer as a result of his election to reduce his cash Compensation as described in Section 3.1 and (b) the amount of Post-Tax Contributions made by the Participant for periods after 1983 in accordance with the provisions of Section 3.2 and his Employee Contributions (as that term was defined in the Plan immediately prior to January 1, 1984) for periods prior to 1984.

4.2 Pre-IPO Matching Contributions Account. A Pre-IPO Matching Contributions Account shall be maintained for each Participant in which shall be entered the amount of Pre-IPO Matching Contributions made for his benefit under Section 3.6.

4.3 Post-IPO Matching Contributions Account. A Post-IPO Matching Contributions Account shall be maintained for each Participant in which shall be entered the amount of Post-IPO Matching Contributions made for his benefit under Section 3.6.

4.4 Profit Sharing Contributions Account. A Profit Sharing Contributions Account shall be maintained for each Participant under Article 23 of this Plan in which shall be entered the amount of Profit Sharing Contributions made for his benefit pursuant to Article 23.

4.5 Investment Funds. The Investment Committee shall direct that the Trust Fund be subdivided into three or more Investment Funds which shall be separately invested, which shall include but need not be limited to the following:

4.5.1 Savings Fund. A Savings Fund which shall be invested and reinvested in interest-bearing and/or similar securities, which may include bonds, short and medium term notes, or other obligations, certificates of deposit, commercial paper, or part interests therein, obligations issued or guaranteed as to interest and principal by the United States Government or any instrumentality or agency thereof, a guaranteed investment contract or contracts between the Trustee and an insurance company or companies containing such terms and conditions with respect to payment of principal and interest as shall be agreed upon by the parties to such contract or contracts, and/or any common, collective or commingled trust fund which is invested virtually exclusively in property of the kind specified in this Section 4.5.1. In the discretion of the Investment Committee, the Savings Fund shall be subdivided into such two or more sub-funds as the Investment Committee shall specify, each to be separately invested in property of the kind described in this Section 4.5.1 having such characteristics as the Investment Committee shall specify. Except as the Investment Committee shall otherwise direct each such sub-fund shall not constitute a separate Investment Fund for purposes of this Plan.

4.5.2 Supplemental Investment Fund. One or more Supplemental Investment Funds which shall be invested and reinvested principally in securities or other property, real or personal, directly or through the medium of any insurance company, separate account, any mutual fund or family of mutual funds, or any common, collective or commingled trust fund which is invested principally in property of any kind. In the discretion of the Investment Committee, any Supplemental Investment Fund shall be subdivided into such two or more subfunds

as the Investment Committee shall specify, each to be separately invested as the Investment Committee shall specify. Except as the Investment Committee shall otherwise direct each such sub-fund shall constitute a separate Investment Fund for purposes of this Plan.

4.5.3 Company Stock Fund. Company Stock Fund invested solely in Company Stock as more fully described in the Trust Agreement, except that pending investment or to the extent necessary to effect distributions (or to meet other administrative requirements of the Plan), amounts held in the Company Stock Fund may be held in cash or such other short term investments as the Investment Committee deems suitable. Notwithstanding any other provision of the Plan, the Post-IPO Matching Contribution Account and the Profit Sharing Contributions Accounts are the only Plan Accounts that may be invested in the Company Stock Fund.

4.6 Direction as to Basic Contributions. A Participant may, by giving notice on the Appropriate Form or as the Administrative Committee may otherwise prescribe and within such time as the Administrative Committee may prescribe, designate the proportion of the future Basic Contributions made for his behalf for periods from and after January 1, 1984, which shall be allocated to and invested in any Investment Fund (other than the Company Stock Fund), provided, however, that the percentage of such contributions to be invested in any such Fund shall be either 10%, 20%, 30%, 40%, 50%, 60%, 70%, 80%, 90% or 100% thereof; provided, further, however, that from and after July 1, 1993, such percentage shall be any whole percentage as approved by the Administrative Committee and designated by the Participant. Such designation shall apply

equally to his Matched Contributions and Unmatched Contributions, if any. Any election under this Section 4.5 shall continue in effect until changed by a new designation. A Participant may change his election as of any Entry Date, by filing a new designation on the Appropriate Form with the Administrative Committee or as the Administrative Committee may otherwise prescribe not later than the fifteenth (15th) day of the month prior to such date or within such other period as the Administrative Committee may prescribe. The Administrative Committee may refuse to accept any Participation Agreement that is deficient in respect of any election as to the designation of the investment of Basic Contributions; or, the Administrative Committee may accept such deficient form provided, however, that in such case all of the Participant's Basic Contributions shall be deemed to have been designated by the Participant for investment in the Savings Fund.

4.7 Matching Contributions.

4.7.1 General Rule. All Pre-IPO Matching Contributions shall be invested in the same Investment Funds (and in the same proportions) which the Participant has designated under Section 4.6 with respect to his Basic Contributions, together with all dividends and other distributions resulting from such investments. All Post-IPO Matching Contributions shall be invested in the Company Stock Fund, without regard to the investment direction of the Participant, together with all dividends and other distributions resulting from such investments.

4.7.2 Special Rule for Post-IPO Matching Contributions and Profit Sharing Contributions. If the Investment Committee determines that legal or

contractual restrictions and/or blockage and/or other market considerations would make the Plan's acquisition or sale of Company Stock from or to the public markets illegal, impracticable or inadvisable, the Investment Committee shall direct the Trustee to suspend all future acquisitions of Company Stock in the Company Stock Fund until further notice. Subsequent Matching and Profit Sharing Contributions shall be received in the Company Stock Fund nevertheless, and shall be invested in cash or such other short term investments as the Investment Committee deems appropriate, pending the determination contemplated in the next sentence. The Investment Committee shall promptly determine whether further investments in Company Stock can be safely resumed or if such further investments should be suspended indefinitely. If the Investment Committee directs indefinite suspension, all future Matching and Profit Sharing Contributions made on a Participant's behalf, and all prior contributions then held on the Participant's behalf in cash or short term investments pursuant to this subsection, together with all dividends and other distributions resulting from such investments, shall be allocated to and invested in the same Investment Funds (and in the same proportions) which the Participant has designated under Section 4.5 with respect to his Basic Contributions.

4.7.3 Redesignation of Amounts in Company Stock Fund. A Participant who has attained age 65 or has attained age 55 and has 10 years of Service, may, by giving notice on the Appropriate Form to the Administrative Committee, or as the Administrative Committee may otherwise prescribe, direct the Trustee to transfer all or a portion of his interest in the Company Stock Fund

to any other Investment Fund and to have the amount transferred invested, in the future, only in Investment Funds other than the Company Stock Fund. A Participant shall be permitted to make only two elections under this Section 4.6.3, each of which shall be irrevocable.

4.8 Reallocation Permitted. A Participant may elect to reallocate the investment of his Accounts (other than his Post-IPO Matching and Profit Sharing Contributions Accounts) among the Investment Funds (other than the Company Stock Fund); provided, however, that reallocation among the Investment Funds shall only be made in increments of 10% of the value of the Participant's aggregate Accounts, or any other increments that the Administrative Committee in its sole discretion shall prescribe. Each Participant may reallocate his Accounts as of the end of any month, or on a more frequent basis as the Administrative Committee shall prescribe, based on the balance of such Participant's Accounts as of the end of such month (or such other date), as determined after giving effect to all other adjustments made to such Account as of that date. Any such reallocation shall be effected in such manner permitted by the Administrative Committee not later than the fifteenth (15th) day of such month (or within such other period as the Administrative Committee shall prescribe). Each Participant shall be permitted to make such changes as frequently as the Administrative Committee in its sole discretion shall prescribe, and shall be permitted to make at least one such change in any three-month period.

4.9 Account Adjustments.

4.9.1 Subject to the provisions of Section 4.9.2, as of each Valuation Date the Administrative Committee shall adjust appropriately each

Participant's Accounts to reflect, with respect to each Investment Fund in which each such Account is invested, (i) his proportionate share (based on the prior value of his Account in the applicable Investment Fund) of income, expenses (if any) payable from the Trust Fund, and any increase or decrease in the fair market value of Trust Fund assets since the preceding Valuation Date, (ii) any contributions made on his behalf, including for this purpose contributions made after such Valuation Date but credited as of such Valuation Date, (iii) forfeiture allocations in lieu of Matching Contributions, (iv) withdrawals, (v) distributions and (vi) transfers between Investment Funds. For this purpose:

4.9.1.1 Allocation of Basic Contributions. Basic Contributions for the benefit of a Participant made during any month shall be credited to his Basic Account as of the day immediately following the date on which such contribution was made.

4.9.1.2 Allocation of Matching Contributions. Matching Contributions (and forfeitures in lieu thereof) made on behalf of a Participant made during any month shall be credited to his Pre-IPO Matching Contributions Account or Post-IPO Matching Contributions Account, pursuant to Sections 4.2 and 4.3 hereof, as of the day immediately following the date on which such contribution was made.

4.9.1.3 Adjustment for Withdrawals. Withdrawals from a Participant's Accounts shall be charged against his Basic, Matching and Profit Sharing Contributions and Segregated Accounts as of the date on which such withdrawal is effective pursuant to Article 7 or 8.

4.9.2 Notwithstanding any other provision of the Plan, to the extent that Participants' Accounts are invested in mutual funds or other assets for which daily pricing is available ("Daily Pricing Media"), all amounts contributed to the Trust Fund will be invested at the time of their actual receipt by the Daily Pricing Media, and the balance of each Account shall reflect the results of such daily pricing from the time of actual receipt until the time of distribution. Participant investment elections and changes made pursuant to the Plan shall be effective upon receipt by the Daily Pricing Media, and Basic Contributions and Matching Contributions (and forfeitures in lieu thereof) made on behalf of a Participant to the extent invested in Daily Pricing Media shall be credited to such Participant's Basic Contributions or Matching Contributions Account, as appropriate, on the business day such contributions are so invested. References elsewhere in the Plan to the investment of contributions "as of" a date other than that described in this Section 4.9.2 shall apply only to the extent, if any, that assets of the Trust Fund are not invested in Daily Pricing Media.

4.10 Unit Accounting for the Company Stock Fund. The Committee may, for administrative purposes, establish unit values for the Company Stock Fund (or any portion thereof) and maintain the accounts setting forth each Participant's interest in the Company Stock Fund (or portion thereof), in terms of such units, all in accordance with such rules and procedures as such Committee shall deem to be fair, equitable and administratively practicable. In the event that unit accounting is thus established for the Company Stock Fund (or portion thereof), the value of a Participant's interest in the Company Stock Fund (or portion thereof) at any time shall be an amount equal to the then

value of a unit in such Company Stock Fund (or portion thereof) multiplied by the number of units then credited to the Participant.

4.11 Correction of Error. The Administrative Committee may adjust the Accounts of any or all Participants and Beneficiaries in order to correct errors or rectify omissions, in such manner as such Committee believes will best result in the efficient administration of the Plan on an equitable and nondiscriminatory basis.

4.12 Allocation Shall Not Vest Title. The fact that allocation is made and amounts are credited to an Account of a Participant shall not vest in such Participant any right, title or interest in or to any assets except at the time or times and upon the terms and conditions expressly set forth in this Plan, nor shall the Trustee be required to segregate physically the assets of the Trust Fund by reason thereof.

4.13 Statement of Accounts. At least twice within each calendar year, the Administrative Committee shall distribute to each Participant a statement showing the balance in each of his Accounts. Such statement may be distributed, in the discretion of the Administrative Committee, in connection with or as a part of a general statement of employee benefits given to Employees on a regular or periodic basis.

4.14 Special Rules for the Company Stock Fund. All cash contributions, cash dividends and other cash increments of any kind received by the Trustee in the Company Stock Fund from time to time shall be applied as soon as reasonably practicable to the purchase of shares of Company Stock. Pending any such investment in Company Stock, the Trustee may make temporary investments in short-term fixed income obligations. Any net income realized from such temporary investments shall be applied to

the purchase of Company Stock to be allocated among Participant's Accounts in the same manner as the assets temporarily applied to such investments.

ARTICLE 5
Vesting

5.1 Vesting.

5.1.1 Matching Contributions. A Participant's entire Matching Contributions Account shall be fully vested on the earliest of (a) Normal Retirement Age, (b) Termination of Employment on account of Disability, or (c) death. Prior to the occurrence of any of the foregoing events, a Participant shall be vested in his Matching Contribution Account as follows:

With respect to Matching Contributions made for any Plan Year commencing on or after January 1, 1976 (and dividends and other increments derived directly or indirectly therefrom), at the rate of one third for each January l following the close of such Plan Year and occurring on or before such Participant's Termination of Employment; provided, that effective January 1, 1989, all such Matching Contributions shall be vested one hundred (100) percent after the Participant completes five (5) years of Service.

In the case of a Participant who has five (5) or more consecutive 1year Breaks in Service all Service after such Breaks in Service will be disregarded for the purpose of vesting the Matching Contributions Account balance that accrued before such Breaks in Service. Such Participant's pre-Break Service will count in vesting his post-Break Matching Contributions Account balance only if either:

(i) such Participant has any nonforfeitable interest in such account balance at the time of Termination of Employment; or

(ii) upon returning to Service the number of consecutive 1-year Breaks in Service is less than the number of years of Service.

5.1.2 Basic Account and Segregated Account. A Participant's interest in his Basic Account and Segregated Account shall at all times be fully vested, and shall not be subject to forfeiture pursuant to any provision of this Plan.

5.2 Forfeiture of Non-Vested Account Balances upon Termination of Employment. If, upon Termination of Employment, a Participant's vested Account balance is less than or equal to $3,500 (or such other amount prescribed by applicable law), the Participant shall receive a distribution of the vested portion of such Accounts as set forth in Article 9, and the non-vested portion will be treated as a forfeiture. If on Termination of Employment the balance of the Participant's vested Accounts is greater than $3,500 (or such other amount prescribed by applicable law), and the Participant elects to receive the balance of his vested Accounts, the non-vested portion will be treated as a forfeiture under Section 5.4. For purposes of this Section 5.2 if the value of a Participant's vested Account balance is zero, the Participant shall be deemed to have received a distribution of such vested account balance upon Termination of Employment.

5.3 Reinstatement of Forfeited Balances. If subsequent to the Termination of Employment of a Participant such Participant is rehired by an Employer or any Affiliate prior to the end of the Plan Year in which his employment was terminated or prior to the time when such Participant has incurred 5 or more consecutive 1-year Breaks in Service pursuant to Sections 5.1 or 23.7, any non-vested balance in such Participant's Matching Contributions or Profit Sharing Contributions Account, as the case may be, shall be restored to him as follows:

5.3.1 If not previously forfeited, such non-vested balance shall not be forfeited, except as may be otherwise provided for in the event of his subsequent Termination of Employment or pursuant to Section 9.3 hereof.

5.3.2 If previously forfeited, such balance shall be restored out of contributions for the month of rehire made by the Employer formerly employing such Participant, and such Employer shall make Matching and Profit Sharing Contributions for such month in amounts sufficient to effect such restoration.

5.4 Application of Forfeitures. All forfeitures for a Plan Year shall be applied, first to reduce future Matching Contributions and then, if any forfeitures remain, allocated as if they were Profit Sharing Contributions made for such Plan Year.

ARTICLE 6
Normal Withdrawals During Employment

6.1 Withdrawal Options. No more frequently than the Administrative Committee may allow, and subject to such procedures as the Administrative Committee may prescribe, a Participant who is an Employee may elect, with the approval of the Administrative Committee, by filing the appropriate form as directed by the Administrative Committee, to withdraw (a) all or any portion of his Post-Tax Contribution Account, (b) if the maximum withdrawal permitted under clause (a) has been made, all or any portion of his vested Pre-IPO Matching Contributions Account and (c) if the maximum withdrawal under clause (b) has been made, all or any portion of his vested Post-IPO Matching Contributions Account which have been in the Plan for three (3) consecutive January 1sts, (d) if the maximum withdrawal under clause (c) has been made, all or any portion of his Segregated Account, and (e) if the maximum withdrawal under clause (d) has been made, all or any portion of his vested Profit Sharing Contributions Account which has been in the Plan for at least two (2) consecutive January 1sts.

6.2 Values. The amount withdrawn pursuant to Section 6.1 shall be based on the Value of the Participant's Accounts as of the Valuation Date on which the Appropriate Form filed by the Participant was received by the Administrative Committee or its designee for a withdrawal effective prior to July 1, 1993, and shall be based on the Value of the Participant's Accounts as of the withdrawal date for a withdrawal effective on or after July 1, 1993.

6.3 No Replacement of Withdrawn Amounts. A Participant may not replace any amounts withdrawn hereunder.

6.4 Payment of Withdrawals. Any amounts withdrawn pursuant to this Article 6 shall be paid or distributed as soon as administratively practicable after the Valuation Date as of which the withdrawal election is effective. Except as the Administrative Committee shall otherwise direct, all withdrawals shall be paid in cash.

6.5 Accounts to Which Withdrawals to be Charged. Any withdrawals under this Article 6 shall be charged first to a Participant's Post-Tax Contributions Account and then, after such Account has been exhausted, to his Pre-IPO Matching Contributions Account, then, after such Account has been exhausted, to his Post-IPO Matching Contributions Account, then, after such Account has been exhausted, to his Segregated Account and finally, the vested portion of his Profit Sharing Contributions Account. No withdrawals may be made under this Article from a Participant's Pre-Tax Contributions Account.

6.6 Values and Allocation Among Investment Funds. All withdrawals pursuant to this Article 6 shall be based upon the value of the relevant Account(s) on the Valuation Date as of which the withdrawal is effective. If the Participant's Basic Account and Pre-IPO Matching Contributions Account are invested in more than one Investment Fund, such withdrawal shall be allocated pro rata among such Funds unless the Administrative Committee shall otherwise direct. Any amounts withdrawn pursuant to this Article 6 shall be paid to a Participant in cash as soon as administratively practicable after the Valuation Date as of which such withdrawal is effective.

6.7 Participant Loans. The Administrative Committee may instruct the Trustee to make one or more loans to a Participant from the Trust Fund, in accordance

with the terms and conditions of a participant loan program established by such Committee for the Plan and as may be modified by such Committee from time to time.

ARTICLE 7
Withdrawals for Hardship

7.1 Definition of Hardship. Upon the occurrence of hardship a Participant who is an Employee may withdraw, effective as of such Valuation Date as the Administrative Committee shall designate, amounts from his Post-Tax Contributions Account, the vested portion of his Pre-IPO Matching Contributions Account and Post-IPO Matching Contributions Account, his Segregated Account, his Pre-Tax Contributions Account and the vested portion of his Profit Sharing Contributions Account. For purposes of this Article 7, the term "hardship" shall mean immediate and substantial financial need arising out of any one or more of the following:

7.1.1 Expenses or debts incurred or assumed by a Participant, and not covered by insurance, arising out of an accident to or the death, illness, disability, or other medical or dental needs of a Participant, his dependent, or a member of his family,

7.1.2 Sudden and unexpected losses, not covered by insurance, through casualty, theft or a judgment against Participant or a dependent;

7.1.3 Expenses of education of a Participant, his dependent, or of a member of his family;

7.1.4 Severe curtailment of income of a Participant due to reasons beyond his control;

7.1.5 Substantial expenditures required in connection with a Participant's primary residence; or

7.1.6 Any other emergency condition in the financial affairs of a Participant.

Distribution pursuant to this Section 7.1 shall be made from and charged to, first, his Post-Tax Contributions Account, second, his Segregated Account, third, his Pre-IPO Matching Contributions Account, fourth, his Post-IPO Matching Contributions Account, fifth, his Pre-Tax Contributions Account, and last, his Profit Sharing Contributions Account except as the Administrative Committee shall otherwise direct. The withdrawal request shall be made on the Appropriate Form within such time as the Administrative Committee may prescribe.

7.2 Distribution Deemed Necessary to Satisfy Financial Need. A distribution pursuant to this Article 7 shall be deemed necessary to satisfy an immediate and heavy financial need of an Employee if both of the following requirements are satisfied:

7.2.1 The distribution is not in excess of the amount of the immediate and heavy financial need of the Employee (after taking into account the Employee's other reasonably available resources, based on such representations or other information as the Administrative Committee may, in its discretion, request); and

7.2.2 The Employee has obtained all distributions, and all nontaxable loans currently available under all employee benefit plans maintained by the Employer, including under this Plan in accordance with Section 6.7 and the participant loan program thereunder.

7.3 Values and Allocation Among Investment Funds. All withdrawals pursuant to this Article 7 shall be based upon the value of the relevant Account(s) on the Valuation Date as of which the Administrative Committee directs the withdrawal to be effective. If the Participant's Basic Account is invested in more than one Investment Fund, such withdrawal shall be allocated pro rata among such Funds unless the Administrative Committee shall otherwise direct. Any amounts withdrawn pursuant to this Article 7 shall be paid to a Participant in cash (except as the Administrative Committee shall otherwise direct), as soon as administratively practicable after the Valuation Date as of which such withdrawal is effective.

7.4 Post-1988 Earnings on Pre-Tax Contributions. Notwithstanding anything to the contrary in this Article 7, post-1988 earnings on Pre-Tax Contributions may not be withdrawn on account of financial hardship.

ARTICLE 8
Distributions on Termination of Employment

8.1 Distribution on Termination of Employment. Upon a Participant's Termination of Employment, the entire balance of his vested Accounts shall be distributed to him or, if he dies prior to distribution, to his Beneficiary. Such distribution shall be made in accordance with the provisions of Article 9. Any portion of a Participant's Accounts in which he does not have a vested interest, in accordance with Section 5.1, at the time of Termination of Employment shall be forfeited as provided in Section 5.2 and shall be applied to reduce future Matching and Profit Sharing Contributions.

Notwithstanding the foregoing, a Participant may elect to take periodic distributions. Such distributions shall be paid not more frequently than quarterly. The distribution period shall be limited by the requirements of Plan Section 9.2. Any installments remaining at the Participant's death shall be paid to the Participant's Beneficiary in accordance with the installment schedule.

8.2 Valuation. The balance of a Participant's vested Accounts for purposes of Section 8.1 shall be determined as of the Valuation Date coincident with or next following the date of his Termination of Employment for a determination made prior to July 1, 1993, and shall be determined as of the date of sale of Company Stock, if in fact sold, for a determination made on or after July 1, 1993.

8.3 Delay of Distributions or Withdrawals.

(a) Notwithstanding any other provision of this Plan, the Administrative Committee may, in its discretion, defer the making of all or any part of a distribution or withdrawal to which any person may otherwise be entitled under this Plan until receipt of a

favorable determination letter with respect to the qualification of the Plan under sections 401(a) of the Code.

(b) Notwithstanding the provisions of Section 8.1, the Administrative Committee shall not be required to make the distributions otherwise required under this Article 8 until after filing of the Appropriate Form by the Participant (or his Beneficiary) with the Administrative Committee; provided, that the Administration Committee may, in its sole discretion, waive such filing requirement and proceed to make distribution accordingly.

8.4 30-Day Notice Requirement; Waiver.

8.4.1 30-Day Notice Requirement. Subject to Section 8.4.2, a distribution under the Plan may not commence less than 30 days after notice (if applicable) is given to the Participant (or his Beneficiary, if applicable) pursuant to Section 1.41 l(a)-1 l(c) of the Income Tax Regulations.

8.4.2 Waiver. If a distribution is one to which sections 401(a)(11) and 417 of the Code do not apply, such distribution may commence less than 30 days after the notice required under section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

(i) the Administrative Committee clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and

(ii) the Participant, after receiving the notice, affirmatively elects a distribution.

ARTICLE 9
Payment of Benefits

9.1 In General. Subject to Section 9.5, distribution required upon Termination of Employment for any reason shall be made promptly following Termination of Employment by one or more payments within a single Plan Year; provided that contributions with respect to the Plan Year in which his employment terminates may be paid in a later year. All Accounts other than amounts in the Post-IPO Matching and Profit Sharing Contributions Accounts shall be distributed in cash based on their Value as of the date of sale of Company Stock, if in fact sold, pursuant to Section 8.2. Amounts in the Post-IPO Matching and Profit Sharing Contributions Accounts may be distributed in cash or stock, determined as follows: If the Participant's combined Post-IPO Matching and Profit Sharing Contributions Accounts is credited with 100 or more shares of Company Stock, the distribution from such Account for whole shares shall be made in Company Stock. Payment of partial shares from such Accounts shall be made in cash. If the Participant's combined Post-IPO Matching and Profit Sharing Contributions Account is credited with fewer than l00 shares of Company Stock, the distribution from such Account shall be made entirely in cash.

9.2 Time of Commencement of Benefits. Notwithstanding any other provision of the Plan, the following provisions of this Section 9.2 shall be applicable to all benefit payments:

9.2.1 In General. All distributions under this Plan will be effected so as to comply with section 401(a)(9) of the Code and the regulations thereunder, which are hereby incorporated fully by reference. The aggregate Account balance

of a Participant must be distributed or begin to be distributed no later than the Participant's required beginning date. The required beginning date for a Participant shall be determined as follows:

(a) General Rule. For Plan Years beginning after December 31, 1987 and prior to January 1, 1998, the required beginning date of a Participant is the first day of April of the calendar year following the calendar year in which the Participant attains age 70 1/2. For plan years beginning on and after January 1, 1998, a Participant (other than a 5% Owner) may elect to begin to receive distributions of all or part of his Accounts as of the first day of any month on or after the first day of April of the calendar year in which the Participant attains age 70 1/2, but in no event shall a Participant be permitted to defer beginning to receive distributions to a date later than the first day of April following the calendar year in which he terminates employment with the Employer.

(b) Transitional Rule. The required beginning date of a Participant who attains age 70 1/2 before January 1, 1988, shall be determined in accordance with (i) or (ii) below:

(i) Non-5-percent Owners. The required beginning date of a Participant who is not a "5-percent owner" (as defined in (c) below) is the first day of April of the calendar year following the calendar year in which the later of retirement or attainment of age 70 1/2 occurs.

(ii) 5-percent Owners. The required beginning date of a Participant who is a 5-percent owner during any year beginning after December 31, 1979, is the first day of April following the later of:

(1) the calendar year in which the Participant attains age 70 1/2, or

(2) the earlier of the calendar year with or within which ends the Plan Year in which the Participant becomes a 5-percent owner, or the calendar year in which the Participant retires.

The required beginning date of a Participant who is not a 5-percent owner who attains age 70 1/2 during 1988 and who has not retired as of January 1, 1989, is April 1, 1990.

(c) 5-percent Owner. A Participant is treated as a 5-percent owner for purposes of this Section if such Participant is a 5-percent owner as defined in section 416(i) of the Code (determined in accordance with section 416 but without regard to whether the Plan is top-heavy) at any time during the Plan Year ending with or within the calendar year in which such owner attains age 66 / or any subsequent Plan Year.

(d) Once distributions have begun to a 5-percent owner under this Section, they must continue to be distributed, even if the Participant ceases to be 5-percent owner in a subsequent year.

9.2.2 Benefit Commencement Date. Except if otherwise elected by a Participant, the Participant's benefits will commence no later than the 60th day after the close of the Plan Year in which the latest of the following occurs: (a) the attainment by the Participant of Normal Retirement Age; or (b) the tenth anniversary of the year in which the Participant commenced participation in the Plan; or (c) the Participant's most recent Termination of Employment.

9.2.3 Retroactive Payments. If the amount of a payment required to commence on the date determined under Section 9.2.1 or 9.2.2 cannot be ascertained by such date, or if it is not possible to make such payment on such date because the Administrative Committee has been unable to locate the Participant, Beneficiary or Spouse after making reasonable efforts to do so, or if the Appropriate Form has not been filed by the Participant, Beneficiary or Spouse with the Administrative Committee, a payment retroactive to such date may be made no later than sixty (60) days after the earliest date on which the amount of such payment can be ascertained under the Plan or the date on which the Participant, Beneficiary or Spouse is located (whichever is applicable).

9.2.4 Pre-Tax Contributions. Notwithstanding any other provision of this Plan, Pre-Tax Contributions are distributable only in the event that one of the following events occurs: (i) the Employee's death, Disability or Termination of Employment, (ii) the Employee's attainment of age 59 1/2, (iii) a distribution on account of hardship as defined in Article 7, (iv) a distribution on account of Excess Elective Deferrals, as defined in Section 20.3, (v) termination of the Plan without establishment of a successor plan (within the meaning of section 401(k)(10) of the Code and the regulations thereunder), or (vi) one of the other events specified in section 401(k)(10) of the Code.

9.3 Inability to Locate Distributee. Notwithstanding any other provision of the Plan, if the Administrative Committee cannot locate any person to whom a payment is due under the Plan and no other payee has become entitled thereto pursuant to any provision of the Plan, the benefit in respect of which such payment is to be made shall be

forfeited at such time as the Committee shall determine in its sole discretion (but in all events prior to the time such benefit would otherwise escheat under any applicable state law); provided, however, that any benefit so forfeited shall be reinstated if such person subsequently makes a valid claim for such benefit and shall be paid out of any forfeited amounts and, if and to the extent necessary, out of other Employer contributions made for this purpose.

9.4 Distribution to Beneficiary. Distribution to a Participant's Beneficiary in accordance with the provisions of this Article 9 shall be made as soon as administratively practicable after the Participant's death, except as otherwise provided in the following provisions of this Section 9.4. Notwithstanding anything in Section 9.1 to the contrary:

9.4.1 A Participant may elect to cause any distribution due to his Beneficiary to be made over a period of two or more calendar years (provided, that such period shall end not later than the fifth anniversary of the Participant's death), in such manner as the Participant shall designate in such election.

9.4.2 If no election by a Participant becomes effective under Section 9.4.1, his Beneficiary may make such an election.

9.5 Limitation on Distribution. Notwithstanding any other provision of this Plan, but subject to Article 14, if a Participant's employment terminates and his vested interest under the Plan exceeds $3,500 as calculated under section 41l (a) (11) of the Code (or such other amount prescribed by applicable law), such vested interest shall not be "immediately distributed" (within the meaning of section 411 (a) (11) of the Code) without his written consent, except as otherwise permitted by law.

9.6 Benefits Deemed Offered. Notwithstanding any other provision of this Article 9 any optional form of benefit, form of distribution or joint and survivor annuity required to be offered in this Plan to meet the requirements of sections 411(d)(6), 401(a)(11) or 417 of the Code is deemed offered to those Participants to whom such requirements apply.

9.7 GCM 39824 Clarification. It is the intention of this Plan not to make distributions to any individual whose employment with an Employer (or an Affiliate) has terminated unless a "severance of employment" has occurred, in accordance with GCM 39824 (Aug. 15, 1990).

ARTICLE 10
Beneficiary Designation

10. 1 Beneficiary.

10.1.1 Designation of Beneficiary. Notwithstanding any other provision of this Plan, but subject to the further provisions of this Section 10.1. each Participant may designate, at such time and in such manner as the Administrative Committee shall prescribe, a Beneficiary or Beneficiaries (who may be any one or more members of his family or any other persons, executor, administrator, any trust, foundation or other entity) to receive any benefits distributable hereunder after the death of the Participant as provided herein. Such designation of a Beneficiary or Beneficiaries shall not be effective for any purpose unless and until it has been filed by the Participant with the Administrative Committee, provided, however, that a designation mailed by the Participant to the Committee prior to death and received by it after his death shall take effect upon such receipt, but prospectively only and without prejudice to any payor or payee on account of any payments made before receipt by the Committee.

10.1.2 Spouse as Presumptive Beneficiary. Notwithstanding Section 10.1.1, a Participant's sole Beneficiary shall be his surviving Spouse (if the Participant has a surviving Spouse) unless the Participant has designated another Beneficiary with Spousal Consent.

10.1.3 Change of Beneficiary. A Participant may, from time to time in such manner as the Administrative Committee shall prescribe, revoke any prior designation of Beneficiary (without Spousal Consent) and make a new designation

of Beneficiary; provided that any such new designation which has the effect of naming a person other than the Participant's surviving Spouse as sole Beneficiary is subject to the Spousal Consent requirement of Section 10.1.2.

10.1.4 Failure to Designate. If a Participant has failed to designate effectively a Beneficiary to receive the Participant's death benefits under the Plan, or if a Beneficiary previously designated has predeceased the Participant and no alternative designation has become effective, such benefits shall be distributed to the Participant's surviving Spouse, if any, or if no Spouse survives the Participant, to the Participant's estate.

10.1.5 Proof of Death. The Administrative Committee may, as a condition precedent to making payment to any Beneficiary, require that a death certificate, burial certificate or other evidence of death acceptable to it be furnished.

10.1.6 Discharge of Liability. If distribution in respect of a Participant is made under this Plan in a form, or to a person reasonably believed by the Administrative Committee or its delegate to be proper (taking into account any document purporting to be a valid consent of the Participant's Spouse, or any representation by the Participant that he is not married or any election or revocation with respect to form of payment or designation of Beneficiary), the Plan shall have no further liability with respect to the Participant (or his Spouse or Beneficiary) to the extent of such distribution.

10.1.7 Effective Date. The provisions of this amended Section 10.1 shall apply with respect to any Participant who dies on or after January l, 1985.

With respect to a Participant who (a) dies in the period August 23 - December 31, 1984 (inclusive) and (b) had at least one paid hour of service or at least one hour of paid leave in such period: (i) the provisions of amended Section 10.1 shall apply with respect to one-half of his Account balance; (ii) the provisions of Section 10.1 as in effect on August 22, 1984 shall apply with respect to the other one-half of his Account balance; and (iii) any distribution to be made to his surviving Spouse (whether by reason of this sentence or otherwise) shall, notwithstanding any other provision of the Plan, be made by applying the amount distributable to such surviving Spouse to the purchase of an annuity contract which will provide lifetime income to such surviving Spouse, unless the surviving Spouse consents to another form of distribution or unless the amount to be distributed is $3,500 (or such other amount prescribed by applicable law) or less (in either of which events distribution to the surviving Spouse shall be made in accordance with the otherwise applicable provisions of the Plan).

10.2 Common Disaster. If a Participant and any of his Spouse or Beneficiary shall die in a manner such that there is no sufficient evidence (as determined by the Administrative Committee, without regard to any presumption of law otherwise applicable) that the persons have died otherwise than through a common disaster or if a Participant's Beneficiary (other than his Spouse) died within five days after the Participant, it shall be presumed for all purposes of the Plan that the Participant died last.

ARTICLE 11
Administration

11.1 Appointment of Committees.

11.1.1 There are hereby created an Administrative Committee and an Investment Committee, each of which shall consist of not less than three members to be appointed by the Board of Directors of the Company. Each member of a Committee may resign, or may be removed at any time by the Board of Directors of the Company (with or without cause), and, in the event of the removal, death or resignation of any member, his successor shall be appointed by such Board. In the event that a vacancy or vacancies shall occur on a Committee, the remaining member or members shall act as the Committee until the Board of Directors of the Company fills such vacancy or vacancies. The members of each Committee shall serve without compensation for their services as such members.

11.1.2 No person shall be ineligible to be a member of a Committee because he is, was or may become entitled to benefits under the Plan or because he is a director and/or officer of an Employer or Affiliate; provided, that no member of a Committee shall participate in any determination by the Committee relating specifically to his own benefits under the Plan.

11.1.3 The members of each Committee shall serve without bond except to the extent required by applicable law.

11.2 Powers and Authority; Action Conclusive. Except as otherwise expressly provided in the Plan or in the Trust Agreement, or by the Board of Directors of the Company:

11.2.1 The Administrative Committee shall be responsible for the administration of the Plan and shall have the exclusive right, responsibility and authority with respect to the construction, interpretation, application or administration of the Plan and eligibility for Plan benefits except for those matters which are the responsibility of the Investment Committee.

11.2.2 The Investment Committee shall be responsible for making appropriate provision for the investment and reinvestment of the Trust Fund and shall have the exclusive right, responsibility and authority with respect thereto.

11.2.3 Each Committee shall have all powers necessary or helpful for the carrying out of its responsibilities, and the decisions or actions of such Committee in good faith in respect of any matter hereunder shall be final, conclusive and binding upon all parties concerned, including, without limitation, any and all Employees, Participants, Spouses, Beneficiaries, heirs, distributees, estates, executors, administrators and assignees. Any determination made by a Committee shall be given deference in the event it is subject to judicial review and shall be overturned only if it is arbitrary and capricious.

11.2.4 Each Committee may delegate to one or more of its members the right to act on its behalf in any one or more matters connected with the administration of the Plan.

11.2.5 Without limiting the generality of the foregoing, the Administrative Committee shall have the power:

11.2.5.1 To make rules and regulations for the administration of the Plan which are not inconsistent with the terms and provisions of the Plan;

11.2.5.2 To construe all terms, provisions, conditions and limitations of the Plan, or determine eligibility for benefits;

11.2.5.3 To determine all questions arising out of or in connection with the provisions of the Plan or its administration in any and all cases in which the Administrative Committee deems such a determination advisable, including, without limitation, the power to resolve ambiguities, to rectify errors, and to supply omissions;

11.2.5.4 To establish procedures for determining the validity of any qualified domestic relations order and for complying with any such valid order.

The foregoing list of powers is not intended to be either complete or exclusive, and each Committee shall, in addition, have such powers as it may determine to be necessary for the performance of its duties under the Plan and the Trust Agreement.

11.3 Liability Limited and Indemnification. Except as otherwise provided by law, no person who is a member of a Committee or who is an employee, officer director of an Employer or Affiliate, shall incur any liability whatsoever on account of any matter connected with or related to the Plan or the administration of the Plan, unless such person shall have acted in bad faith, or have willfully neglected his duties, in respect of the Plan. The Company shall indemnify and save each such person harmless against any and all loss, liability, claim, damage, cost and expense which may arise by reason of, or be based upon, any matter connected with or related to the Plan or the administration of the Plan (including, but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or

in settlement of any such claim whatsoever) to the fullest extent permitted under the Certificate of Incorporation and By-laws of the Company.

11.4 Quorum and Voting: Procedures. A majority of the members of a Committee at the time in office shall constitute a quorum for the transaction of business. Each Committee shall select from among its members a Chairman, and shall appoint (from its members or otherwise) a Secretary. Each Committee may act by vote or consent of the majority of its members then in office and may establish its own procedures. Each Committee may authorize any one or more of its members or the Secretary of the Committee to sign and deliver any instrument, certificate or other paper or document on its behalf.

11.5 Subcommittees, Counsel and Agents. Each Committee may appoint from its members such subcommittees (of one or more such members), with such powers, as such Committee shall determine. Each Committee may employ such counsel (including legal counsel, who may be counsel for an Employer or Affiliate) and agents and such clerical and other services as it may require in carrying out the provisions of the Plan, and may charge the fees, charges and costs resulting from such employment as an expense to the Company. Unless otherwise required by law, persons employed by a Committee as counsel, or as its agents or otherwise, may include members of either Committee, or of the Board or Boards of Directors of an Employer or Affiliate, or firms with which members of either Committee or Board or Boards of Directors of any Employer or Affiliate are associated as partners, employees or otherwise. Persons serving on a Committee or on any such subcommittee shall be fully protected in acting or refraining from acting in accordance with the advice of legal or other counsel.

11.6 Reliance on Information. The members of each Committee and any Employer and Affiliate and their respective officers, directors and employees, shall be entitled to rely upon all tables, valuations, certificates, opinions and reports furnished by any actuary, accountant, trustee, insurance company, counsel, physician or other expert who shall be engaged by either Committee, an Employer or Affiliate, members of each Committee and any Employer and Affiliate and their respective officers, directors and employees, shall be fully protected in respect of any action taken or suffered by them in good faith in reliance thereon, and all action so taken or suffered shall be conclusive upon all persons affected thereby.

11.7 Instructions to Trustee. The Administrative Committee shall provide appropriate written instructions in accordance with the Trust Agreement to enable the Trustee to make the distributions provided for in the Plan.

11.8 Fiduciaries. The provisions of this Section 11.8 shall apply notwithstanding any contrary provisions of the Plan or of the Trust Agreement.

11.8.1 Named Fiduciaries. The named fiduciaries under the Plan shall be (a) the Administrative Committee, which shall have authority to control and manage the operation and administration of the Plan, except with respect to those matters which under the Plan or the Trust Agreement are the responsibility, or subject to the authority, of the Investment Committee, and (b) the Investment Committee, which shall be the named fiduciary with respect to control or management of the assets of the Plan.

11.8.2 Allocation of Fiduciary and Other Responsibilities. Each Committee shall have the right, which shall be exercised in accordance with the

procedures set forth in the Plan or in the Trust Agreement for action by such Committee, to allocate responsibilities (fiduciary or otherwise) among it and the other Committee, and each Committee shall have the right to designate persons other than such Committees to carry out responsibilities (fiduciary or otherwise) under the Plan.

11.8.3 Funding Policy. The funding policy and method for this Plan shall consist of the making of contributions, the making of investments and reinvestments in respect thereof, and the making of withdrawals and distributions, as provided in the provisions of the Plan.

11.8.4 Service in Multiple Capacities. Any person or group of persons may serve in more than one fiduciary capacity with respect to the Plan.

11.8.5 Advisers. Each Committee, and any fiduciary designated by a Committee pursuant to Section 11.8.2 above to whom such power is granted by a Committee, may employ one or more persons to render advice with regard to any responsibility such fiduciary has under the Plan.

11.8.6 Investment Manager. The Investment Committee may appoint an investment manager or managers, as defined in ERISA, to manage (including the power to acquire, invest and dispose of) any assets of the Plan.

11.8.7 Limitation of Liability. Except to the extent otherwise provided by law, if any duty or responsibility of a named fiduciary has been allocated or delegated to any other person in accordance with any provision of this Plan or of the Trust Agreement, then such named fiduciary shall not be liable for any act or omission of such person in carrying out such duty or responsibility.

11.9 Genuineness of Documents. Each Committee, and any Employer and Affiliate and their respective officers, directors and employees, shall be entitled to rely upon any notice, request, consent, letter, telegram or other paper or document believed by them or any of them to be genuine, and to have been signed or sent by the proper person, and shall be fully protected in respect of any action taken or suffered by them in good faith in reliance thereon.

11.10 Proper Proof. In any case in which an Employer or any Committee shall be required under the Plan to take action upon the occurrence of any event, they shall be under no obligation to take such action unless and until proper and satisfactory evidence of such occurrence shall have been received by them.

11.11 Claims Procedure. The Administrative Committee shall establish a claims procedure in accordance with applicable law and shall afford a reasonable opportunity to any Participant whose claim for benefits has been denied for a full and fair review of the decision denying such claim.

11.12 Filing with Committee. For all purposes of this Plan, the date on which an Appropriate Form, Participation Agreement, or any other document is deemed to be returned to or filed with the Administrative Committee shall be the date on which such Appropriate Form, Participation Agreement or other document is actually received by the Administrative Committee or its designated agent.

11.13 Plan Administrator. The Company shall be the administrator of the Plan, as defined in section 3(16)(A) of ERISA.

ARTICLE 12
Trust Agreement

12.1 Trust Agreement. As part of the Plan, the Company shall enter into a Trust Agreement or agreements under which the Trustee shall receive the contributions of the Employers and Participants to the Trust Fund and shall hold. invest and distribute the Trust Fund in accordance with the terms and provisions of the Trust Agreement. Any and all rights or benefits which may accrue to any person under the Plan shall be subject to all the terms and provisions of the Trust Agreement.

12.2 Investment in Interest-Bearing Deposits. If the Trustee shall be a bank or similar financial institution supervised by the United States or any State thereof, the Investment Committee, in its discretion, may authorize the Trustee to invest all or a part of the Plan's assets in deposits which bear a reasonable interest rate in such bank or financial institution.

12.3 Company as Agent. The Company is hereby authorized to act as agent for all other Employers in dealings with the Trustee under the Plan.

ARTICLE 13
Amendment or Merger

13.1 Right Reserved. Subject to the further provisions of this Article 13 the Company may, by resolution of the Board of Directors, amend the Plan in whole or in part at any time or from time to time, by resolution of the Company's Board of Directors or action by its Executive Committee. Any such amendment shall be evidenced in writing. No amendment shall divest any Participant of any amount credited to him under the Plan except as provided in Section 13.2 or as otherwise permitted by law. No amendment shall vest in an Employer, directly or indirectly, any interest in or ownership or control of any part of the Trust Fund.

13.2 Amendments Required for Qualification etc. All provisions of the Plan and all benefits and rights granted under the Plan are subject to any amendments, modifications or alterations that may be necessary or advisable from time to time to qualify the Plan under the Code, to continue the Plan as so qualified, or to comply with any other provision of law. Accordingly, notwithstanding any other provision of the Plan, the Company may, by resolution of the Board of Directors, amend, modify or alter the Plan with retroactive effect in any respect or manner necessary or advisable to qualify the Plan under the Code or to continue the Plan as so qualified, or to comply with any other provision of applicable law.

13.3 Contributions Following Amendment. If the Plan is amended in any respect, no Employer shall have any liability or obligation to make any contribution or payment to the Trust Fund except in such manner and amounts as may be specifically provided for in the Plan as so amended.

13.4 Merger. Subject to the provisions of this Section 13.4, the Plan may be amended to provide for the merger of the Plan, in whole or in part, or a transfer of all or a part of its assets, to any other qualified plan within the meaning of section 401(a) or 403(a) of the Code, including such a merger or transfer in lieu of a distribution which might otherwise be required under the Plan. The Plan shall not be merged or consolidated with, nor may its assets or liabilities be transferred to, any other plan in whole or in part, unless each Participant would be entitled to a benefit immediately after the merger, consolidation or transfer (if such other plan then terminated) which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had then been terminated).

ARTICLE 14
Termination of the Plan

14.1 Right Reserved. The Company reserves the right at any time, by resolution of its Board of Directors, to terminate the Plan, in whole or in part, by resolution of the Company's Board of Directors or action by its Executive Committee. Any such termination shall be evidenced in writing. If the Plan is terminated, no Employer shall have any liability or obligation to make any contribution or payment to the Trust Fund with respect to any period after the date of such termination. Any such termination shall be evidenced in writing.

14.2 Vesting Upon Termination. Upon the termination or partial termination of the Plan (within the meaning of section 411 (d) (3) of the Code) or the complete discontinuance of all contributions under the Plan, the rights of all affected employees to their Accounts as of the date of such termination or partial termination shall be nonforfeitable.

14.3 Termination of Trust. If the Plan is terminated pursuant to Section 14.1 and the Board of Directors determines that the Trust Fund shall be terminated, the Trust Fund shall be revalued as if the termination date were a Valuation Date, and the current value of all Accounts shall be distributed in accordance with Articles 8 and 9, as if such Plan termination were a Termination of Employment; provided, however, that the value of such Accounts shall be adjusted to reflect the expenses of termination to the extent such expenses are not paid by the Company. Until all Accounts are fully distributed, any Accounts held in the Trust Fund shall continue to be adjusted in accordance with Article 4, and to reflect the expenses of termination.

14.4 Continuation of Trust. If the Plan is terminated by the Board of Directors but the Board of Directors determines that the Trust Fund shall be continued, no further contributions shall be made by the Employers, but the Trust Fund shall be administered as though the Plan were otherwise in full force and effect. If the Trust Fund is subsequently terminated, the provisions of Section 14.3 shall then apply.

14.5 Withdrawal of Subsidiary Affiliate. The withdrawal of an Affiliate as an Employer by reason of a sale or other disposition of the stock or assets of such Affiliate shall not be deemed a complete or partial termination or a complete discontinuance of contributions if following such sale or disposition the successor to such Employer adopts or maintains a comparable plan.

ARTICLE 15
Miscellaneous

15.1 Payment to a Minor or Incompetent. If any amount is payable hereunder to a minor or other legally incompetent person, such amount may be paid in any one or more of the following ways, as the Administrative Committee in its sole discretion shall determine:

15.1.1 To the legal representative of such minor or other incompetent person, if the Administrative Committee has been notified of the appointment of such representative; or

15.1.2 To a parent or guardian of such minor or other incompetent person, or to the person with whom such minor or other incompetent person resides; or

15.1.3 To a custodian for such minor under the Uniform Gifts to Minors Act (or similar statute) of any jurisdiction; or

15.1.4 If none, directly to such minor or other incompetent person. Payment to any person in accordance with the foregoing provisions of this Section 15.1 shall, to that extent, discharge all Employers, the members of the Administrative Committee, the Trustee and any person or corporation making such payment pursuant to the direction of the Administrative Committee, and none of the foregoing shall be required to see to the proper application of any such payment to such person pursuant to the provisions of this Section 15.1. Without in any manner limiting or qualifying the provisions of this Section 15.1, if any amount is payable hereunder to a minor or any other legally incompetent person, the

Administrative Committee may in its discretion institute the procedures which are available to it under Section 15.2.

15.2 Doubt as to Right to Payment. If at any time any doubt exists as to the right of any person to any payment under the Plan or as to the amount or time of such payment (including, without limitation, any case of doubt as to identity and any case in which any notice has been received from any other person claiming any interest in amounts payable under the Plan or a claim for other persons may exist by reason of community property or similar laws), the Administrative Committee shall be entitled, in its discretion, to direct the Trustee to hold such sum as a segregated amount in trust until such right or amount or time is determined or an order of a court of competent jurisdiction is obtained, to pay such sum into court in accordance with appropriate rules of law in such case then provided, or to make payment only upon receipt of a bond or similar indemnification (in such amount and in such form as is satisfactory to the Administrative Committee).

15.3 Spendthrift Clause. Except as may be other-wise required by law, or provided by this Plan, no benefit or payment under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, whether voluntary or involuntary, and no attempt so to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be valid, nor shall any such benefit or payment be in any way liable for or subject to the debts, contracts, liabilities, engagements or torts of any person entitled to such benefit or payment, or subject to attachment, garnishment, levy, execution or other legal or equitable process. Notwithstanding the foregoing, benefits under the Plan shall be subject to the provisions of a qualified domestic relations order.

15.4 Voting and Disposition of Company Stock. Each Participant shall have the right to direct the Trustee as to the manner in which to vote and to exercise tender, exchange offer or similar rights as to any shares of Company Stock allocated to his Post-IPO Matching Contributions Account. The Company shall furnish the Trustee and the Participants with notices and information statements when voting, tender or such other rights are to be exercised, in such time and manner as may be required by applicable law and the Certificate of Incorporation and By-laws of Revlon, Inc. Such statements shall be substantially the same for Participants as for holders of Company Stock in general. The Trustee shall vote, tender or exercise such rights with respect to such Company Stock in accordance with the direction of the Participant. If no direction is received from the Participant by the Trustee within an administratively practicable time prior to the date on which action is required, the Trustee shall take action with respect to those shares in accordance with the direction of the Investment Committee.

15.5 Additional Action. Notwithstanding any other provision of the Plan or the Trust Agreement, the Investment Committee shall be the sole named fiduciary with respect to the control and management of the Company Stock Fund, except as provided in Section 15.4; and the Trustee shall have no authority or responsibility with respect to such control or management. Without limiting the generality of the foregoing, if for any reason the provisions of Section 15.4 can no longer be validly applied, the Investment Committee shall direct the Trustee with respect to all matters and all actions affecting the assets of the Company Stock Fund.

15.6 Benefits Payable Only from Trust Fund. All benefits under the Plan shall be paid or provided for solely from the Trust Fund, and neither the Employers, their

directors or employees nor any member of any Committee shall have any liability or responsibility therefor. Except as otherwise provided by law, no Employer assumes any obligations under the Plan except those specifically set forth in the Plan.

15.7 Estoppel of Participants and Their Beneficiaries. The Employers, the Committees and Trustee may rely upon any certificate, statement or other representation made to them by any Employee, Participant, Spouse, or Beneficiary with respect to age, length of service, leave of absence, date of cessation of employment or other fact required to be determined under any of the provisions of the Plan and shall not be liable on account of the payment of any moneys or the doing of any act in reliance upon any such certificate, statement or other representation. Any such certificate, statement or other representation made by an Employee, Participant or Spouse of a Participant or Employee shall be conclusively binding upon such Employee, Participant and Spouse and the Beneficiary of such Participant; and such Employee, Participant, Spouse or Beneficiary shall thereafter and forever be estopped for disputing the truth and correctness of such certificate, statement or other representation. Any such certificate, statement or other representation made by a Participant's Beneficiary shall be conclusively binding upon such Beneficiary, and such Beneficiary shall thereafter and forever be estopped from disputing the truth and correctness of such certificate, statement or other representation.

15.8 Plan to Be Available for Inspection. A copy of the Plan and of all amendments thereto, if any, shall be available for inspection at all reasonable times by Eligible Employees and Participants at the office of the Company and at such other locations (if any) as may be required by law.

15.9 No Diversion of Trust Fund. At no time prior to the satisfaction of all liabilities with respect to Participants and their Spouses and Beneficiaries under the Plan shall any part of the Trust Fund be (within the taxable year or thereafter) used for or diverted to purposes other than the exclusive benefit of the Participants and their Spouses and Beneficiaries or the payment of the expenses of the administration of the Plan and of the Trust; provided, however, that:

15.9.1 A contribution that is made by an Employer by a mistake of fact shall be returned to such Employer upon its request within one year after the payment of the contribution;

15.9.2 A contribution that is conditioned upon its deductibility under section 404 of the Code shall be returned to the contributing Employer upon its request, to the extent that the contribution is disallowed as a deduction, within one year after such disallowance; and

15.9.3 A contribution that is conditioned on initial qualification of the Plan under section 401 of the Code may, if the Plan does not qualify, be returned (along with any earnings thereon) to the contributing Employer within one year after the date of denial of qualification of the Plan.

15.10 Limitation of Liability. Subject to Section 11.3, no liability shall attach to or be incurred by any stockholder, officer or director of an Employer or any Affiliate under or by reason of the terms, conditions and provisions contained in the Plan or in the Trust Agreement or for the acts or decisions taken or made thereunder or in connection therewith; and as a condition precedent to his participation in the Plan or the receipt of benefits thereunder, or both, such liability, if any, is expressly waived and

released by each Participant, Spouse or Beneficiary, and by any and all persons claiming under or through such persons, such waiver and release to be conclusively evidenced by any act or participation in or the acceptance of benefits or the making of elections under the Plan.

15.11 Usage. Whenever applicable the masculine gender, when used in the Plan, shall include the feminine gender, and the singular shall include the plural.

15.12 Separability. If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provision of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

15.13 Captions. The captions contained herein and in the table of contents prefixed thereto are inserted only as a matter of convenience and for reference and in no way define, limit, enlarge or describe the scope or intent of the Plan, and they shall not in any way affect the Plan or the construction of any provision thereof.

15.14 Statutory References. References in this Plan to a section or other provision of the Code or ERISA shall be deemed to refer to such section or provision as it may be amended from time to time, or to equivalent provisions of subsequent law.

15.15 Name. The Revlon Employees' Savings, Investment and Profit Sharing Plan.

15.16 Governing Law. This Plan shall be governed in all respects under the laws of the State of New York (without regard to its laws on conflict of laws) to the extent not governed by ERISA.

ARTICLE 16
Leased Employees

16.1 Definitions. For purposes of this Article 16, the term "Leased Employee" means any person performing services for an Employer or Affiliate (hereinafter referred to as the "Recipient") pursuant to an Agreement between the Recipient and any other person (hereinafter referred to as the "Leasing Organization"), who has performed such services for the Recipient (including persons related to the Recipient within the meaning of section 414(n)(6)(A) of the Code) on a substantially full-time basis for a period of at least one year, if such services are of a type historically performed by employees in the business field of the Recipient. For this purpose, a person is considered to have performed services on a substantially full-time basis for a period of at least one year if: (1) during any consecutive 12-month period such person has performed at least 1,500 hours of service for the Recipient, or (2) during any consecutive 12-month period such person performs services for the Recipient for a number of hours of service at least equal to seventy-five percent (75%) of the average number of hours that are customarily performed by an employee of that Recipient in the particular position.

16.2 Treatment of Leased Employees. For purposes of this Plan, a Leased Employee's service for the Recipient (including Service during the one year period referred to in Section 16.1 and Service prior to the effective date of this Article 16) is to be taken into account in determining compliance with the Service requirements of the Plan relating to participation and vesting. However, the Leased Employee shall not be entitled to share in contributions (or forfeitures applied in lieu thereof) under the Plan with respect to any Service or Compensation attributable to the period during which he is a Leased

Employee, and shall not be eligible to become a Participant eligible to receive contributions under the Plan unless and except to the extent that he shall at some time, either before or after his Service as a Leased Employee, qualify as an Eligible Employee without regard to the provisions of this Article 16.

16.3 Exception for Employees Covered by Plans of Leasing Organization. Section 16.2 shall not apply to any Leased Employee if: (i) such employee is covered by a money purchase pension plan of the Leasing Organization which provides (a) a nonintegrated employer contribution rate of at least ten percent (10%) of compensation, as defined in section 415(c) of the Code, but including amounts contributed by the Recipient pursuant to a salary reduction agreement which are excludable from the Leased Employee's gross income under sections 125, 402(e)(3), section 402(h) or 403(b) of the Code, (b) immediate participation, and (c) full and immediate vesting; and (ii) Leased Employees do not constitute more than twenty (20) percent of the Recipient's work force who are not Highly Compensated Employees.

16.4 Effective Date. The provisions of this Article 16 are effective as of January 1, 1984, and no individual shall be eligible to become a Participant or accrue benefits under this Plan for any period prior thereto by reason of anything in this Article 16.

16.5 Construction. The purpose of this Article 16 is to comply with the provisions of section 414(n) of the Code. All provisions of this Article shall be construed consistently therewith, and, without limiting the generality of the foregoing, no individual shall be treated as a Leased Employee except as required under such Code section.

ARTICLE 17
Limitation on Maximum Benefits and
Contributions Under All Plans

17.1 Section 415 Limitations. Effective January 1, 1984, and notwithstanding any other contrary provisions of this Plan, the "annual additions" which may be credited to any Participant's accounts for any "limitation year" will not exceed the permissible limitations of section 415 of the Code. For purposes of applying such limits, section 415 of the Code and Treasury regulations thereunder are incorporated herein by reference. It is intended that any limitation imposed by said section 415 of the Code on the allocation of contributions and forfeitures to a Participant under this Plan shall be implemented in accordance with the provisions of this Article 17. The provisions of this Article 17 shall apply notwithstanding any other contrary provisions in this Plan.

17.2 Coverage by Defined Benefit Plan.

17.2.1 Reductions in benefits under this Article 17 arising by reason of a Participant's participation in multiple plans shall, except as any other such plan may otherwise expressly provide, be effected as follows: (a) benefits and annual additions under continuing plans shall be reduced before benefits under any terminated plan, (b) benefits under defined benefit plans shall be reduced before any reduction in annual additions under defined contribution plans, and (c) annual additions under continuing defined contribution plans shall be reduced in the reverse order in which such annual additions would otherwise be allocated; provided, that benefits under multiemployer plans shall be reduced last. Any

resulting required reductions under this Plan shall be made first to Unmatched Contributions, and second, on a pro rata basis, to Matched Contributions, and the Matching Contribution relating thereto.

17.2.2 In computing the denominator of the "defined contribution plan fraction" as defined in section 415(e) of the Code for any year ending after 1982, the Administrative Committee may elect to determine the portion of such denominator which relates to 1982 and prior years under the method described in section 415(e)(6) of the Code in lieu of the method described above. Such election may be made at such time and in such manner as may be provided in applicable Treasury regulations.

17.2.3 In the case of a Participant who would have fewer than ten (10) Years of Service (including service in the year with respect to which any determination under this Section 17.2.3 is made) with an Employer and all Affiliates at the time his retirement pension starts, the 1.25 and 1.40 limitations referred to in sections 415(e)(2)-(3) of the Code shall be reduced proportionately.

17.3 Limitation Year. All determinations under this Article 17 shall be made by reference to the calendar year.

ARTICLE 18
"Top Heavy" Provisions, Etc.

18.1 Determination of "Top Heavy" Status

18.1.1 For purposes of this Article 18, "Applicable Plans" shall include (i) each plan of an Employer or Affiliate in which a Key Employee (as defined in Section 18.1.2 for this Plan, and as defined in section 416(i) of the Code for each other Applicable Plan) is a Participant and (ii) each other plan of an Employer or Affiliate which enables any plan in clause (i) of this sentence to meet the requirements of section 401(a)(4) or 410 of the Code. Any plan not required to be included under the preceding sentence also may be included, at the option of the Company, provided that the requirements of section 401 (a)(4) and 410 of the Code continue to be met for the group of Applicable Plans after such inclusion.

18.1.2 For purposes of this Article 18, "Key Employee" shall mean an employee of an Employer or Affiliate who, at any time during a given Plan Year or any of the four (4) preceding Plan Years, is one or more of the following:

(A) An officer of an Employer or Affiliate having annual compensation greater than fifty percent (50%) of the dollar amount described in section 415(b)(1)(A) of the Code for any such Plan Year; provided, that the number of employees treated as officers shall be no more than fifty (50) employees or, if fewer, the greater of three (3) employees or ten percent (10%) of the employees (including "Leased Employees" as defined in Article 16). For purposes of this subsection, employees described in section 414(q)(8) of the Code shall be excluded.

(B) One of the ten (10) employees (A) having annual compensation from an Employer or Affiliate of more than the limitation in effect under section 415(c)(1)(A), and (B) owning (or considered as owning, within the meaning of section 318 of the Code applied by substituting five percent (5%) for fifty percent (50%) in section 318(a)(2)(C) the largest interests in an Employer or Affiliate. If two employees have the same interest in an Employer or Affiliate, the employee having greater annual compensation from the Employer or Affiliate shall be treated as having a larger interest.

(C) A person owning (or considered as owning, within the meaning of section 318 applied by substituting five percent (5%) for fifty percent (50%) in section 318(a)(2)(C)), more than five percent (5%) of the outstanding stock of an Employer or Affiliate that is a corporation, or stock possessing more than five percent (5%) of the total combined voting power of all stock of an Employer or Affiliate (or having more than five percent (5%) of the capital or profits interest in any Employer or Affiliate that is not a corporation, determined under similar principles).

(D) A one-percent (1%) owner of an Employer or Affiliate having aggregate annual compensation from all Employers or Affiliates of more than $150,000. "One-percent owner" means any person who would be described in paragraph (iii) of this Section 18.1.2 if "one percent (1%)" were substituted for "five percent (5%)" in each place where it appears in paragraph (iii), except that such substitution shall not be made in applying section 318(a)(2) of the Code.

18.1.3 For the purposes of this Article 18, "annual compensation" means compensation as defined in section 415(c)(3) of the Code, but including amounts contributed by an Employer or an Affiliate pursuant to a salary reduction agreement which are excludable from the employee's gross income under sections 125, 402(e)(3), 402(h)(1)(B) or 403(b) of the Code.

18.1.4 In any Plan Year starting after 1983 or thereafter during which the sum, for all Key Employees (as defined in Section 18.1.2 for this Plan and as defined in section 416(i) of the Code for each other Applicable Plan) if the present value of the cumulative accrued benefits under all Applicable Plans which are defined benefit plans (determined based on the actuarial assumptions set forth in the "top heavy" provisions of such plans) and the aggregate of the accounts under all Applicable Plans which are defined contribution plans, exceeds sixty percent (60%) of a similar sum determined for all participants in such plans (but excluding participants who are former Key Employees), the Plan shall be deemed "Top Heavy."

18.1.5 For the first Plan Year, the determination as to whether this Plan is "Top Heavy" shall be made on the last day of such Plan Year, and for each succeeding Plan Year the determination as to whether this Plan is "Top Heavy" shall be made on the last day of the preceding Plan Year (the "Determination Date"); and other plans shall be included in determining whether this Plan is "Top Heavy" based on the determination date for each such plan which occurs in the same calendar year as such determination date for this Plan.

18.1.6 A Participant's Accounts under this Plan as of any determination date shall be determined without regard to amounts allocated as of that date based on contributions made after such date.

18.1.7 Subject to Section 18.1.8, distributions from the Plan or any other Applicable Plan during the 5-year period ending on the applicable Determination Date shall be taken into account in determining whether the Plan is "Top Heavy."

18.1.8 For Plan Years beginning on or after January 1, 1985, any accrued benefit shall not be taken into account with respect to any individual who has not performed any service at any time during the 5-year period ending on the applicable Determination Date for an Employer or Affiliate maintaining this Plan or any other Applicable Plan.

18.1.9 Amounts attributable to rollover contributions or similar transfers to this Plan or any other Applicable Plan shall not be taken into account except to the extent provided in applicable regulations.

18.1.10 The terms "Key Employee" and "Participant" include their beneficiaries.

18.2 Provisions Applicable in "Top Heavy" Years. For any Plan Year in which the Plan is deemed to be "Top Heavy," the following provisions shall apply:

18.2.1 The amount of Employer contributions and forfeitures which shall be allocated to the account of any active Participant who (i) is employed by an Employer or Affiliate on the last date of the Plan Year and (ii) is not a Key Employee shall be (x) at least three percent (3%) of such Participant's

compensation (as defined in section 415 of the Code) for such Plan Year, or, (y) if less, an amount equal to such compensation multiplied by the highest contribution rate for any Key Employee. For purposes of this Section 18.2.1, the contribution rate for each individual Key Employee shall be determined by dividing the contributions and forfeitures allocated to such Key Employee's account, including amounts allocated under defined contribution plans required to be aggregated with this Plan to determine whether it is "Top Heavy;" provided, however, that clause (y) above does not apply if any such plan enables a defined benefit plan required to be so aggregated to meet the requirements of section 401(a)(4) or 410 of the Code. The minimum allocation provisions of this Section 18.2.1 shall, to the extent necessary or appropriate, be deemed satisfied in whole or in part by benefits to the Participant provided under any other plan maintained by an Employer or Affiliate (whether or not an Applicable Plan).

18.2.2 For purposes of complying with the provisions of section 415(e) of the Code, the 1.25 under section 415(e) is reduced to 1.00 unless the following conditions are met:

(i) the percentage described in Section 18.1.4 does not exceed ninety percent (90%), and

(ii) "four percent (4%)" is substituted for "three percent (3%)" in Section 18.2.1.

Notwithstanding any other provisions of this Plan, if the sum of the fractions described in sections 415(e)(2) and (3) of the Code as applied to this Plan, calculated by substituting "100%" for "125%" in each such section, for any

Participant exceeds 100% for the last Plan Year before the Plan becomes "Top Heavy," such fractions shall be adjusted, in accordance with applicable regulations, so that their sum does not exceed 100% for such Plan Year.

18.2.3 Six-Year Graded Vesting. Any Participant who has at least one Hour of Service after the Plan becomes "Top Heavy" shall be vested in his Matching Contributions Account on a basis at least as favorable as is provided under the following schedule:

Years of Employment	Percentage Vested
Less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

In any Plan Year in which the Plan is not deemed to be "Top Heavy," the minimum vested percentage shall be no less than that which was determined as of the last day of the last Plan Year in which the Plan was deemed to be "Top Heavy."

18.2.4 The provisions of Sections 18.2.1 and 18.2.2 shall not apply to any employee included in a unit of employees covered by a collective bargaining agreement if retirement benefits were the subject of good faith bargaining.

18.3 Inapplicability in the Event of Change in Law. In the event that any provision of this Article 18 is no longer required to qualify this Plan under the Code, then such provision shall thereupon be void without the necessity of further amendment of the Plan.

ARTICLE 19
Termination, etc. Prior to Amendment

Notwithstanding any other provision of this Plan, but subject to any provision hereof which has an express effective date earlier than January 1, 1997, the benefits (if any) payable in respect of any Participant in the Plan who retired, terminated employment or died prior to January 1, 1997 shall be determined under the applicable provisions of the Plan as in effect at the relevant time or times prior to such date. Any such individual shall be a Participant under this Plan solely with respect to such benefits, unless he shall again become a Participant pursuant to the provisions of Article 2 hereof.

ARTICLE 20
401(k) Deferral and 401(m) Contributions Tests

20.1 Definitions. For the purposes of this Article the following words shall have the following meanings:

20.1.1 "Elective Deferrals" means elective deferrals within the meaning of section 402(g)(3) of the Code.

20.1.2 "Excess Aggregate Contributions" means excess aggregate contributions within the meaning of section 401 (m)(6)(B) of the Code.

20.1.3 "Excess Contributions" means excess contributions within the meaning of section 401(k)(8)(B) of the Code.

20.1.4 "Excess Elective Deferrals" means those Elective Deferrals that are includible in a Participant's gross income under section 402(g) of the Code to the extent such Participant's Elective Deferrals for a taxable year exceed the dollar limitation under such Code section.

20.2 Maximum Amount of Elective Deferrals. Notwithstanding anything to the contrary herein, the amount of Elective Deferrals made with respect to any individual during a calendar year under the Plan and all other plans, contracts or arrangements of an Employer or an Affiliate may not exceed the amount of the limitation in effect under section 402(g)(1) of the Code for taxable years beginning in such calendar year. Such limit shall not apply to any such Elective Deferrals made which are amounts attributable to service performed by such Participant prior to January 1, 1987.

20.3 Distribution of Excess Elective Deferrals. A Participant may assign to the Plan any Excess Elective Deferrals made during a taxable year of the Participant by

notifying the Committee on or before March 1 following the close of such taxable year of the amount of the Excess Elective Deferrals to be assigned to the Plan. A Participant is deemed to notify the Administrative Committee of any Excess Elective Deferrals that arise by taking into account only those Elective Deferrals made to this Plan and any other plans of his Employer. Notwithstanding any other provision of the Plan, Excess Elective Deferrals, plus any income and minus any loss allocable thereto, shall be distributed no later than April 15 following such taxable year to any Participant to whose account Excess Elective Deferrals were assigned for the preceding year and who claims Excess Elective Deferrals for such taxable year. Excess Elective Deferrals shall be treated as annual additions under the Plan, unless such amounts are distributed no later than the first April 15 following the close of the Participant's taxable year.

20.4 Actual Deferral Percentage Test. Pre-Tax Contributions hereunder shall not exceed the limits set forth in section 401(k)(3) of the Code. For purposes of applying such limits, section 401(k) of the Code and the Treasury regulations thereunder are incorporated herein by reference.

20.5 Distribution of Excess Contributions: Recharacterization.

20.5.1 Notwithstanding any other provision of the Plan, Excess Contributions, plus any income and minus any loss allocable thereto, shall be distributed no later than the last day of any Plan Year beginning after December 31, 1987 to Participants to whose Accounts Pre-Tax Contributions were allocated for the preceding Plan Year. The Excess Contributions shall be adjusted for income or loss up to the date of distribution. The income or loss allocable to Excess Contributions shall be determined by multiplying the income or loss

allocable to the Participant's Pre-Tax Contributions for the Plan Year by a fraction, the numerator of which is the Excess Contribution on behalf of the Participant for the preceding Plan Year and the denominator of which is the sum of the Participant's account balances attributable to Pre-Tax Contributions on the last day of the preceding Plan Year. Amounts distributed under this Section 20.5.1 shall be made from the Participant's Pre-Tax Contribution Accounts in proportion to the Participant's Pre-Tax Contributions for the Plan Year.

20.5.2 A Participant may treat his Excess Contributions as an amount distributed to the Participant and then contributed by the Participant to the Plan as Post-Tax Contributions. Such recharacterized amounts will remain nonforfeitable and subject to the same distribution requirements as Pre-Tax Contributions. Amounts may not be recharacterized by a Highly Compensated Employee to the extent that such amount in combination with other Post-Tax Contributions and Matching Contributions made by or with respect to that Employee would exceed any limit under Section 20.6 or section 402(g) of the Code. Recharacterization must occur no later than two and one-half months after the last day of the Plan Year in which the Excess Contributions arose and is deemed to occur no earlier than the date the last Highly Compensated Employee is informed in writing of the amount which may be recharacterized and the consequences thereof.

20.6 Actual Contributions Percentage Test.

20.6.1 Matching Contributions and Post-Tax Contributions hereunder shall not exceed the limits set forth in section 401 (m) of the Code. For

purposes of applying such limits, section 401(m) of the Code and the regulations thereunder are incorporated herein by reference.

20.6.2 Contributions made by or on behalf of Highly Compensated Employees shall not exceed the limits imposed upon multiple use of the alternative limitation by section 401(m)(9) of the Code. For this purpose, section 401(m)(9) of the Code and Treasury regulation section 401(m)-2(b) are incorporated herein by reference. If one or more Highly Compensated Employees' contributions exceed the multiple use limit, then the actual contribution ratio ("ACR") of Highly Compensated Employees shall be reduced (starting with such Highly Compensated Employee whose ACR is the highest) so that the limit is not exceeded. The amount of any such reduction shall be treated as an Excess Aggregate Contribution. The actual deferral ratio ("ADR") and ACR of Highly Compensated Employees shall be determined hereunder after any adjustments required to pass the tests described in Sections 20.4 and 20.6.1. Multiple use shall not occur if the actual deferral percentage ("ADP") and the actual contributions percentage ("ACP") (as such terms are defined in the regulations under sections 401(k) and 401(m) of the Code, respectively) of Highly Compensated Employees is not greater than 125 percent of the ADP and ACP of Employees who are not Highly Compensated Employees.

20.7 Distribution of Excess Aggregate Contributions. Notwithstanding any other provision of this Plan, Excess Aggregate Contributions, plus any income and minus any loss allocable thereto, shall be forfeited, if forfeitable, or if not forfeitable, distributed no later than the last day of each Plan Year beginning after December 31, 1987, to

Participants to whose accounts Post-Tax or Matching Contributions were allocated for the preceding Plan Year. The Excess Aggregate Contributions shall be adjusted for income or loss. The income or loss allocable to Excess Aggregate Contributions shall be determined by multiplying the income or loss allocable to the Participant's Post-Tax and Matching Contributions for the Plan Year by a fraction, the numerator of which is the Excess Aggregate Contributions on behalf of the Participant for the preceding Plan Year and the denominator of which is the sum of the Participant's account balance attributable to Post-Tax and Matching Contributions, and any other employee and matching contributions within the meaning of section 401 (m) of the Code, on the last day of the preceding Plan Year. Excess Aggregate Contributions shall be distributed from the Participant's Post-Tax Contribution Account, and forfeited if otherwise forfeitable under the terms of the Plan (or, if not forfeitable, distributed) from the Participant's Matching Contribution Accounts in proportion to the Participant's Post-Tax and Matching Contributions for the Plan Year. The determination of the Excess Aggregate Contributions shall be made after first determining the Excess Elective Deferrals and then determining the Excess Contributions.

ARTICLE 21
Rollover Contributions

21.1 Rollover Contributions. This Article applies to rollover contributions made by a Participant to the Plan. The Administrative Committee may authorize, in its sole discretion, a Participant to contribute any portion of an "eligible rollover contribution" from another "eligible retirement plan" (as such terms are defined in Article 22) on the Appropriate Form and in such manner as the Administrative Committee may prescribe.

21.2 Rollover Account. Any such contribution by a Participant (and any earnings, losses and expenses attributable thereto) shall be credited to a separate "Rollover Account" on behalf of such Participant which reflects his share of the Trust Fund attributable to such rollover contributions.

21.3 Investment Elections. A Participant may, by giving notice on the Appropriate Form and within such time as the Administrative Committee may prescribe designate the proportion of his Rollover Account, in any whole percentage, which shall be allocated to and invested in any Investment Fund. Any such election shall continue in effect until changed by a new designation in accordance with the same procedures then in effect for any change in a Participant's election as to Basic Contributions under Section 4.4, and may be reallocated by the Participant in accordance with the provisions of Section 4.6.

21.4 Vesting: Withdrawals: Loans. Amounts in each Rollover Account shall at all times be fully vested and shall not be subject to forfeiture pursuant to any provision of this Plan. A Participant may withdraw the entire balance of his Rollover Account in accordance with the provisions of Articles 6 and 7 as applicable to a

Participant's Post-Tax Contribution Account. Amounts in a Participant's Rollover Account shall be taken into account for all purposes of any loan made to the Participant in accordance with Section 6.7 and the participant loan program established thereunder.

21.5 Implementation and Suspension. Implementation of this Article shall be delayed until such date, not earlier than January 1, 1995, as the Administrative Committee, in its sole discretion, shall determine. In addition, the Administrative Committee may suspend the authorization contained in this Article as to future rollover contributions, provided, however that any such suspension shall not affect any Participant rollover contribution to the Plan made prior to such suspension date.

ARTICLE 22
Direct Rollover

22.1 This Article applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Article, a distributee may elect, at the time and in the manner prescribed by the Administrative Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

22.2 Definitions.

22.2.1 Eligible Rollover Distribution. An eligible rollover distribution is any distribution of all or any portion of the unencumbered cash balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributed or the joint lives (or joint life expectancies) of the distributed and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

22.2.2 Eligible Retirement Plan. An eligible retirement plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan

described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

22.2.3 Distributee. A distributed includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

22.2.4 Direct Rollover. A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

ARTICLE 23
Profit Sharing

Profit Sharing Contributions shall be made in accordance with the provisions of this Article 23:

23.1 Eligibility. In order to be eligible to receive a Profit Sharing Contribution for a Plan Year under this Section 23.1 an Employee must be an Eligible Employee, except that the Employee must be at least 18 years of age and actively employed by a Profit Sharing Employer at the beginning of a Plan Year. In addition, the Eligible Employee must: (1) not be covered by a collective bargaining agreement unless the applicable collective bargaining agreement expressly provides that he shall be eligible to participate in the Plan; (2) not participate in any other sales or management incentive program offered by a Profit Sharing Employer during a Plan year, subject to the provisions of the following paragraph; (3) complete at least 1,000 Hours of Service during a Plan Year; and (4) be actively employed by the Profit Sharing Employer on the date in the succeeding Plan Year on which Profit Sharing Contributions are made for the preceding Plan Year. The provisions of subparagraphs (2) and (3) shall apply to contributions made during a Plan Year or with respect to the Plan Year for which such contributions are made.An Employee who meets the eligibility requirements set forth in the preceding paragraph but for the fact that such employee is promoted or transferred after March 31 of a Plan Year to a position or salary grade which is ineligible to receive a Profit Sharing Contribution shall be eligible to receive a Profit Sharing Contribution, for such Plan Year based on the period of time during such Plan Year for which he was eligible and based on his Compensation earned during such period of eligibility. An Employee who

meets the eligibility requirements set forth in the preceding paragraph but who takes an approved leave of absence during a Plan Year shall be eligible to receive a Profit Sharing Contribution for such Plan Year based on his period of active employment as an eligible employee under this Article 23.

Only Employees of Profit Sharing Employers who are Eligible Employees and who meet the criteria set forth in Section 23.1 shall be eligible to receive a Profit Sharing Contribution under this Article 23. Notwithstanding the foregoing, however, Eligible Employees who are Highly Compensated Employees shall not be eligible to receive a Profit Sharing Contribution for a Plan Year if such receipt would result in the Plan's violation of Code Section 410(b).

23.2 Profit Sharing Contributions--Amount. The amount of Profit Sharing Contributions (if any) for a Plan Year shall be based upon the achievement (or failure thereof) of financial objectives of the Profit Sharing Employer, which objectives shall be established by the Profit Sharing Employer's authorized officers at the beginning of each Plan Year (or as soon as practicable thereafter).

In its discretion, a Profit Sharing Employer may elect not to establish Profit Sharing objectives for a Plan Year, in which event such Profit Sharing Employer shall have no obligation to make Profit Sharing Contributions for any such Plan Year.

23.3 Profit Sharing Contributions--Payment. Profit Sharing Contributions for a Plan Year (if any) shall be paid to the Trustee as soon as practicable after the Employer has determined the degree to which the financial objectives for such Plan Year have been achieved.

23.4 Form of Profit Sharing Contributions. Profit Sharing Contributions shall be made only in the form of Company Stock, or in cash which is used by the Trustee to purchase shares of Company Stock, as more fully described in the Trust Agreement. All Profit Sharing Contributions shall be invested in the Company Stock Fund, without regard to the investment direction of a Participant, together with all dividends and other distributions resulting from such investments.

23.5 Allocation of Profit Sharing Contributions. Profit Sharing Contributions (and forfeitures in lieu thereof) made on behalf of a Participant made during any month shall be credited to his Profit Sharing Contributions Account as of the day immediately following the date on which such contributions were made.

23.6 Vesting. A Participant's entire Profit Sharing Contributions Account shall be fully vested on the earliest of (a) Normal Retirement Age, (b) Termination of Employment on account of Disability, or (c) death. Prior to the occurrence of any of the foregoing events, a Participant shall be vested in his Profit Sharing Contributions Account as follows:

With respect to Profit Sharing Contributions made for any Plan Year (and dividends and other increments derived directly or indirectly therefrom), at the rate of one third on the date a Profit Sharing Contribution is made and one third on each of the two immediately succeeding January lst following the Plan Year in which such Profit Sharing Contribution is made occurring on or before such Participant's Termination of Employment; provided, that all such Profit Sharing Contributions shall be vested one hundred (100) percent after the Participant completes five (5) years of Service.

In the case of a Participant who has five (5) or more consecutive 1 year Breaks in Service, all Service after such Breaks in Service will be disregarded for the purpose of vesting the Profit Sharing Contributions Account balance that accrued before such Breaks in Service. Such Participant's pre-Break Service will count in vesting his post-Break Profit Sharing Contributions Account balance only if either:

(i) such Participant has any nonforfeitable interest in such account balance at the time of Termination of Employment; or

(ii) upon returning to Service the number of consecutive 1-year Breaks in Service is less than the number of years of Service.

IN WITNESS WHEREOF, and as evidence of the adoption of this amended and restated Plan, the Company has caused this instrument to be executed by its duly authorized officer this 15th day of October, 1997.

REVLON CONSUMER PRODUCTS CORPORATION

By: /s/ Ronald H. Dunbar

SCHEDULE A
As of January 1, 1997

REVLON EMPLOYEES' SAVINGS, INVESTMENT AND PROFIT SHARING PLAN
SCHEDULE OF EMPLOYERS

American Crew, Inc.
Amerinail, Inc.
Applied Science & Technologies Inc.
Creative Nail Design, Inc.
General Wig Manufacturers, Inc.
North American Revsale Inc. (except direct pay beauty advisors and those field merchandisers who are not participants on January 1, 1994)
Prestige Fragrance & Cosmetics, Inc.
Realistic/Roux Professional Products Inc.
Revlon Consumer Corp.
Revlon Consumer Products Corporation
Revlon Government Sales, Inc.
Revlon, Inc.
Revlon Receivable Subsidiary, Inc.
RIROS Corporation
Roux Laboratories, Inc.

SCHEDULE B
As of January 1, 1997

Profit Sharing Employers	
Applied Science & Technologies Inc.	January 1, 1997
Realistic/Roux Professional Products Inc.	January 1, 1997
Revlon Consumer Corp.	January 1, 1997
Revlon Consumer Products Corporation	January 1, 1997
Revlon Government Sales, Inc.	January 1, 1997
Revlon, Inc.	January 1, 1997
RIROS Corporation	January 1, 1997
Roux Laboratories, Inc.	January 1, 1997

REVLON EMPLOYEES' SAVINGS, INVESTMENT AND PROFIT SHARING PLAN
Participant Loan Program

1. Participant Loans Authorized. Upon the application of a Participant at any time prior to the Participant's termination of employment, the Administrative Committee may, in its sole discretion, instruct the Trustee to make one or more loans to such Participant from the Trust Fund, effective as soon as practicable after the Administrative Committee shall receive such application (or in accordance with such other procedures as the Administrative Committee may prescribe); provided that such loan meets the requirements of this Program. Loans made pursuant to this Program and payments thereof, including loan expenses, as described below, shall be appropriately charged and credited against first, the Participant's Basic Account, second, his Pre-IPO Matching Contributions Account, third, the vested portion of his Post-IPO Matching Contributions Account and fourth, the vested portion of his Profit Sharing Contributions Account. The loan request shall be made on an Appropriate Form and within such time and pursuant to such manner as the Administrative Committee may prescribe. The Administrative Committee shall notify the Participant in writing within a reasonable time of the approval or denial of such loan request. If a Participant obtains a loan under this Program, his status as a Participant in the Plan and his rights with respect to his Plan benefits shall not be affected, except to the extent that the Participant has assigned his interests in his Accounts pursuant to Section 2. A Participant taking a loan pursuant to this Program shall not be eligible to take another such loan more than once within any full twelve (12) calendar month period

following the date that such loan is approved; provided, however, that the Administrative Committee may adopt rules permitting more frequent loans, for example, where the Participant certifies in writing to the Administrative Committee that the loan proceeds are to be used to acquire a dwelling unit which, within a reasonable period of time, is to be used as the principal residence of such Participant. A Participant shall not be eligible to have more than two loans under this Program outstanding at any time. All loans shall be granted according to rules applicable to all participants on a uniform and nondiscriminatory basis.

2. Loan Requirements. A loan shall not be made to a Participant pursuant to Section 1 unless such loan meets all of the following requirements:

2.1 Amount. Such loan must be in an amount that is not less than one thousand dollars ($1,000), and not more than the lesser of (a) fifty thousand dollars ($50,000), or (b) fifty percent (50%) of the sum of the Participant's Basic Account and vested Pre-IPO Matching Contributions Account and Post-IPO Matching Contributions Account and vested Profit Sharing Contributions Account at the time of the loan. In determining the maximum amount of a loan under this Section 2.1, there shall be added to any loan amount requested, the excess (if any) of the highest outstanding balance of loans during the one-year period ending on the day before the date on which such loan is made over the outstanding balance on that date of all loans made to the Participant from this Plan and from all other "qualified employer plans" (as described in section 72(p)(4) of the Code) which are maintained by the Company or any Employer or Affiliate referred to in section 72(p)(2)(D) of the Code. If any outstanding balance of a loan (other than a loan made under this Program) is required to be taken into account under the preceding

sentence, the value of the Participant's vested interest under the plan from which such loan was made shall also be taken into account under clause (b) of the first sentence of this Section 2.1.

2.2 Adequate Security. Such loan must be adequately secured by an amount equal to fifty percent (50%) of the present value of the Participant's vested interest in the Plan at the time of the loan and such other or additional security as the Administrative Committee may in its sole discretion require. The loan shall be secured first by amounts in the Participant's Basic Account, second, by his Pre-IPO Matching Contributions Account, third, by his Post-IPO Matching Contributions Account and fourth, by his Profit Sharing Contributions Account.

2.3 Interest. Such loan must bear interest, payable at annual intervals (or more frequent intervals, if the Administrative Committee so requires), at a reasonable rate as determined by the Investment Committee from time to time in a nondiscriminatory manner for such loans entered into for the relevant period and shall otherwise conform to the repayment terms set forth in this Program.

2.4 Repayment Terms. The principal amount of any loan made pursuant to this Program must be payable upon the earlier of the following dates: (a) the expiration of a fixed term to be determined by the Administrative Committee but not to exceed five (5) years from the date of the loan, unless the Participant certifies in writing to the Administrative Committee that the loan proceeds are to be used to acquire a dwelling unit which, within a reasonable period of time, is to be used as the principal residence of such Participant, in which case, the loan shall be repaid over a period not to exceed ten years from the date of such loan; and (b) the date on which distribution is made or otherwise

commences following the Participant's Termination of Employment. Such repayment shall be made in substantially level installments of principal and interest which the Participant shall authorize to be paid, to the extent practicable, by payroll deductions, which payroll deductions shall not exceed 15% of the Participant's salary per pay period. Notwithstanding the foregoing, a Participant shall have the right to repay all of such principal and/or interest amount without penalty at any time. In the event of default, foreclosure on the note and attachment of security will not occur until a distributable event occurs in the Plan.

2.5 Promissory Note and Loan Agreement. A loan granted pursuant to this Program shall be evidenced by a promissory note as contained in an Appropriate Form executed by the Participant and containing such terms and provisions as the Committees shall determine. Such loan must also be made pursuant to a loan agreement executed by the Participant on an Appropriate Form containing such terms and provisions as the Committees shall determine. The occurrence of any event of default under the loan note shall entitle the Trustee of the Plan to reduce the balance of the Participant's Accounts up to the amount of the Plan's security interest therein. The loan note shall be an asset solely of the borrowing Participant's Accounts and interest on the loan shall be credited to his Accounts.

3. Loan Expenses. Any fees, taxes, charges or other expenses (including without limitation any asset liquidation charge or similar extraordinary expense) incurred in connection with a loan shall be charged against the Accounts of the Participant obtaining such loan.

4. Loan Fund. Prior to receiving the proceeds of a loan, the Participant shall direct that funds in an amount equal to the loan amount be transferred from the Participant's Accounts in which it is invested, in a proportion elected by the Participant, to a special loan fund established by the Investment Committee (consisting solely of that Participant's loans) established for purposes of disbursing the loan amount to the Participant. Any such transfer shall be disregarded for purposes of any transfer limitations under Program of the Plan.

5. Source of Funds. Any Participant who enters into an agreement to effect a Participant loan shall be deemed to have redesignated his existing Accounts balances in a manner similar to that provided for in Section 5.6 of the Plan, so that an amount equal to the initial amount of any such Participant loan is invested in the Participant's loan fund immediately coincident with the effective date of such Participant loan. Amounts redesignated in accordance with the preceding sentence shall be charged against each Investment Fund (to the extent available) that the Participant's Accounts are then invested in on a pro rata basis, except as the Participant may otherwise direct.

6. Reallocation to Other Investment Funds. Payments of principal and interest on a Participant's loan shall be initially deposited in the Participant's loan fund for allocation to such Participant's Accounts and shall be reallocated as soon as administratively practicable following such deposit to such other Investment Fund or Funds as the Participant shall have then designated for investment of his Basic Account in accordance with the provisions of Section 5.4 of the Plan or as otherwise directed by the Participant.

7. Suspension. Notwithstanding any other provision of this Plan, the Administrative Committee may suspend the authorization contained in this Program as to

future Participant loans, provided, however that any such suspension shall not affect any Participant loan then outstanding.

8. Compliance with Applicable Laws. The Committees shall take actions as they, upon the advice of counsel, may deem appropriate in order to assure full compliance with all applicable laws and regulations relating to Participant loans and the granting and repayment thereof.

9. Loans Available on Nondiscriminatory Basis.

(a) All loans made pursuant to this Program shall be made available to all Participants on a reasonably equivalent, nondiscriminatory basis.

(b) Notwithstanding the preceding provisions of this Program, loans may be made to a Participant who is, at the time of the loan, both a former employee and a "party in interest" as defined in section 3(14) of ERISA with respect to the Plan. In the case of any such loan, the preceding provisions of this Program dealing with payment by payroll deduction and acceleration on termination of employment shall not be applicable. The provisions of this Section 9(b) shall apply only if and to the extent required by ERISA section 408 or Code section 4975.

(c) Loans shall not be made available to highly compensated employees (as defined in Code section 414(q)) in an amount greater than the amount made available to other employees.

REVLON, INC.

EXHIBIT 21.1

SUBSIDIARIES OF THE REGISTRANT

Set forth below is a list of certain of the Registrant's subsidiaries. Such subsidiaries are incorporated or organized in the jurisdictions indicated. Revlon Consumer Products Corporation is wholly owned by the Registrant. Except as otherwise indicated, each of the other listed subsidiaries is wholly owned by Revlon Consumer Products Corporation directly, or indirectly as indicated, and all listed subsidiaries are included in the Registrant's consolidated financial statements. The names of the Registrant's remaining subsidiaries have been omitted from the following list, but such omitted subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

DOMESTIC SUBSIDIARIES

ALMAY, INC., a Delaware corporation
AMERICAN CREW, INC., a Delaware corporation
AMERINAIL INC., a Delaware corporation
APPLIED SCIENCE & TECHNOLOGIES INC., a Delaware corporation
CARRINGTON PARFUMS LTD., a Delaware corporation
CHARLES REVSON INC., a New York corporation
CREATIVE NAIL DESIGN, INC., a California corporation
    (d/b/a CREATIVE NAIL DESIGN SYSTEMS AND CND INC. in California)
FERMODYL PROFESSIONALS INC., a Delaware corporation
GENERAL WIG MANUFACTURERS, INC., a Florida corporation (1)
    (d/b/a REVLON GENERAL WIG AND BEAUTY TRENDS in Florida)
NORTH AMERICA REVSALE INC., a New York corporation
OXFORD PROPERTIES CO., a Delaware corporation
    (d/b/a OXFORD PROPERTIES OF DELAWARE in North Carolina)
PACIFIC FINANCE & DEVELOPMENT CORP., a California corporation
PPI TWO CORPORATION, a Delaware corporation
PRESTIGE FRAGRANCES, LTD., a Delaware corporation
REALISTIC/ROUX PROFESSIONAL PRODUCTS INC., a Delaware corporation (1)
REVLON COMMISSARY SALES, INC., a Delaware corporation (2)
REVLON CONSUMER CORP., a Delaware corporation
REVLON CONSUMER PRODUCTS CORPORATION, a Delaware corporation

DOMESTIC SUBSIDIARIES, CONTINUED

REVLON GOVERNMENT SALES, INC., a Delaware corporation
REVLON INTERNATIONAL CORPORATION, a Delaware corporation
REVLON PROFESSIONAL, INC., a Delaware corporation (1)
REVLON PROFESSIONAL PRODUCTS INC., a Delaware corporation (1)
REVLON RECEIVABLES SUBSIDIARY, INC., a Delaware corporation
RIROS CORPORATION, a New York corporation
RIT INC., a Delaware corporation (3)
ROUX LABORATORIES, INC., a New York corporation
    (d/b/a REVLON PROFESSIONAL in Florida and New York)
THE COSMETIC CENTER, INC. (a Delaware corporation) (33)
    (d/b/a PRESTIGE FRAGRANCE & COSMETICS in Arizona, California, Colorado, Connecticut, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, Oregon, Pennsylvania, South Carolina, Texas, Vermont, Virginia, Washington and Wisconsin)
    (d/b/a COLOURS & SCENTS in Arizona, California, Colorado, Florida, Georgia, Hawaii, Massachusetts, New York, Nevada, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia and Washington)
    (d/b/a VISAGE BEAUTE in Florida)
    (d/b/a THE COSMETIC WAREHOUSE in Florida)

FOREIGN SUBSIDIARIES

CEIL - COMERCIAL, EXPORTADORA, INDUSTRIAL LTDA. (Brazil) (4)
CENDICO B.V. (Netherlands) (5)
DEUTSCHE REVLON GMBH (Germany) (31)
DEUTSCHE REVLON GMBH & CO. KG (Germany) (27)
EUROPEAN BEAUTY PRODUCTS S.P.A. (Italy) (21)
EUROPEENNE DE PRODUITS DE BEAUTE S.A. (France) (9)
INTERCOSMO S.P.A. (Italy) (10)
LABORATORIOS ZUSKA S.A. (Spain) (36)
REVLON A.B. (Sweden) (11)
REVLON (AUST.) PTY. LIMITED (Australia) (12)
REVLON BELGIUM S.A. (Belgium) (29)
REVLON BERMUDA HOLDINGS LTD. (Bermuda) (35)
REVLON B.V. (Netherlands) (3)
REVLON CANADA INC. (Canada) (3)
REVLON (CAYMAN) LIMITED (Cayman Islands) (22)
REVLON CHILE S.A. (31)
REVLON CHINA HOLDINGS LIMITED (3)
REVLON COIFFURE SNC (France) (13)
REVLON COSMETICS AND FRAGRANCES LIMITED (United Kingdom) (14)
REVLON DE ARGENTINA, S.A.I.C. (Argentina) (15)
REVLON EUROPE, MIDDLE EAST AND AFRICA LTD. (Bermuda) (5)
REVLON FINANCE IRELAND (Ireland) (34)
REVLON GESELLSCHAFT M.B.H. (Austria) (16)
REVLON GROUP LIMITED (United Kingdom)
REVLON (HONG KONG) LIMITED (Hong Kong) (3)
REVLON (ISRAEL) LIMITED (Israel) (17)
REVLON K.K. (Japan) (3)
REVLON REAL ESTATE K.K. (Japan) (3)
REVLON LATIN AMERICA AND CARIBBEAN, LTD. (Bermuda) (5)
REVLON (MALAYSIA) SDN. BHD. (Malaysia) (3)
REVLON MANUFACTURING LTD. (Bermuda) (3)
REVLON MANUFACTURING (U.K.) LIMITED (United Kingdom) (18)
REVLON MAURITIUS LTD. (Mauritius) (3)
REVLON NEDERLAND B.V. (Netherlands) (8)
REVLON NEW ZEALAND LIMITED (New Zealand) (3)
REVLON OFFSHORE LIMITED (Bermuda)
REVLON OVERSEAS CORPORATION, C.A. (Venezuela) (19)
REVLON PENSION TRUSTEE COMPANY (U.K.) LIMITED (United Kingdom)
REVLON - PRODUTOS COSMETICOS, LTDA. (Portugal) (8)
REVLON PROFESIONAL, S.A. DE C.V. (Mexico) (6)
REVLON PROFESSIONAL LIMITED (Ireland) (1)
REVLON (PUERTO RICO) INC. (Puerto Rico) (3)

FOREIGN SUBSIDIARIES, CONTINUED

REVLON-REALISTIC INTERNATIONAL LIMITED (Ireland) (28)
REVLON, S.A. (Mexico) (3)
REVLON, S.A. (Spain) (20)
REVLON (SHANGHAI) LIMITED (32)
REVLON (SINGAPORE) PTE. LTD. (Singapore) (3)
REVLON SOUTH AFRICA (PROPRIETARY) LIMITED (South Africa) (7)
REVLON (SUISSE) S.A. (Switzerland) (3)
REVLON TAIWAN LIMITED (Taiwan) (7)
RGI BEAUTY PRODUCTS (PROPRIETARY) LIMITED (South Africa)
RGI (CAYMAN) LIMITED (Cayman Islands) (30)
RGI LIMITED (Cayman Islands) (23)
RGI MEDICAL PRODUCTS (PTY.) LIMITED (South Africa) (24)
RIC PTY. LIMITED (Australia) (5)
R.I.F.C. BANK LIMITED (Bahamas) (7)
R.O.C. HOLDING C.A. (Venezuela) (3)
SHANGHAI REVSTAR COSMETIC MARKETING SERVICES Limited (32)
TINDAFIL, S.A. (Uruguay) (25)
ULTIMA II COSMETICS GMBH (Germany) (26)
YAE ARTISTIC PACKINGS INDUSTRY LTD. (Israel) (17)
YAE PRESS 2000 (1987) LTD. (Israel) (37)

OWNERSHIP

(1) Owned 100% by ROUX LABORATORIES INC. (New York)
(2) Owned 100% by REVLON GOVERNMENT SALES, INC. (Delaware)
(3) Owned 100% by REVLON INTERNATIONAL CORPORATION (Delaware)
(4) Owned 99% by RGI LIMITED (Cayman Islands)
and less than 1%by REVLON INTERNATIONAL CORPORATION (Delaware)
(5) Owned 100% by REVLON MANUFACTURING LIMITED (Bermuda)
(6) Owned 95% by ROUX LABORATORIES INC. (New York)
and 5% by THIRD PARTIES
(7) Owned 100% by REVLON OFFSHORE LIMITED (Bermuda)
(8) Owned 100% by REVLON, S.A. (Spain)
(9) Owned 62% by REVLON EUROPE, MIDDLE EAST AND AFRICA LTD. (Bermuda),
37% by REVLON INTERNATIONAL CORPORATION (Delaware)
and 1% by REVLON, S.A. (Spain)
(10) Owned 100% by EUROPEAN BEAUTY PRODUCTS S.P.A. (Italy)
(11) Owned 100% by REVLON B.V. (Netherlands)
(12) Owned 50% by REVLON MANUFACTURING LIMITED (Bermuda)
and 50% by RIC PTY. LIMITED (Australia)
(13) Owned 100% by EUROPEENNE DE PRODUITS DE BEAUTE, S.A. (France)
(14) Owned 100% by REVLON MANUFACTURING (UK) LIMITED (United Kingdom)
(15) Owned 84.6% by REVLON INTERNATIONAL CORPORATION (Delaware), 10% by
REVLON (BERMUDA) HOLDINGS LTD. (Bermuda) and 6% by REVLON
MANUFACTURING LTD. (Bermuda)
(16) Owned 74% by REVLON INTERNATIONAL CORPORATION (Delaware)
and 26% by REVLON CONSUMER PRODUCTS CORPORATION (Delaware)
(17) Owned 99.8% by REVLON AB, the remainder by third parties (Sweden)
(18) Owned 100% by REVLON GROUP LIMITED (United Kingdom)
(19) Owned 100% by R.O.C. HOLDING C.A. (Venezuela)
(20) Owned 54% by REVLON EUROPE, MIDDLE EAST AND AFRICA LTD. (Bermuda)
and 46% by REVLON INTERNATIONAL CORPORATION (Delaware)
(21) Owned 95.45% by REVLON, S.A. (Spain)
and 4.55% by REVLON INTERNATIONAL CORPORATION (Delaware)
(22) Owned 100% by PPI TWO CORPORATION (Delaware)
(23) Owned 98% by REVLON CONSUMER PRODUCTS CORPORATION (Delaware)
and 2% by REVLON (CAYMAN) LIMITED (Cayman Islands)
(24) Owned 100% by REVLON SOUTH AFRICA (PTY.) LTD. (South Africa)
(25) Owned 100% by CEIL - COMERCIAL, EXPORTADORA, INDUSTRIAL LTDA. (Brazil)
(26) Owned 75% by REVLON INTERNATIONAL CORPORATION (Delaware)
and 25% by REVLON CONSUMER PRODUCTS CORPORATION (Delaware)
(27) Owned 50% by DEUTSCHE REVLON GMBH (Germany)
and 50% by REVLON OFFSHORE LIMITED (Bermuda)
(28) Owned 97% by REVLON PROFESSIONAL LIMITED (Ireland)
and 3% by ROUX LABORATORIES INC. (New York)
(29) Owned 100% by REVLON NEDERLAND B.V. (Netherlands)

(30) Owned 100% by REVLON (CAYMAN) LIMITED (Cayman Islands)
(31) Owned 99% by REVLON CONSUMER PRODUCTS CORPORATION (Delaware) and 1% by REVLON INTERNATIONAL CORPORATION (Delaware)
(32) Owned 95% by REVLON CHINA HOLDINGS LIMITED and 5% by BEIJING SUMSTAR INDUSTRIAL COMPANY LIMITED, an unrelated third party
(33) Owned 85% by REVLON CONSUMER PRODUCTS CORPORATION (Delaware) and the remainder is publicly held
(34) Owned 99.9% by REVLON CANADA, INC. (Canada) and the remainder is held by REVLON BERMUDA HOLDINGS LTD. (Bermuda)
(35) Owned 99.9% by REVLON CANADA INC. (Canada) and the remainder is held by a nominee shareholder
(36) Owned 100% by REVLON S.A. (Spain)
(37) Owned 100% by REVLON AB (Sweden)

Exhibit 24.1

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Lawrence E. Kreider and Joram C. Salig or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1997 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 18 day of February, 1998.

/s/ RONALD O. PERELMAN

RONALD O. PERELMAN

Exhibit 24.2

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Lawrence E. Kreider and Joram C. Salig or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1997 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 18 day of February, 1998.

/s/ DONALD G. DRAPKIN

DONALD G. DRAPKIN

Exhibit 24.3

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Lawrence E. Kreider and Joram C. Salig or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1997 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 18 day of February, 1998.

/s/ JERRY W. LEVIN

JERRY W. LEVIN

Exhibit 24.4

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Lawrence E. Kreider and Joram C. Salig or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1997 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 18 day of February, 1998.

/s/ HOWARD GITTIS

HOWARD GITTIS

Exhibit 24.5

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Lawrence E. Kreider and Joram C. Salig or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1997 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 19th day of January, 1998.

/s/ VERNON E. JORDAN, JR.

VERNON E. JORDAN, JR.

Exhibit 24.6

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Lawrence E. Kreider and Joram C. Salig or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1997 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 26th day of January, 1998.

/s/ HENRY A. KISSINGER

HENRY A. KISSINGER

Exhibit 24.7

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Lawrence E. Kreider and Joram C. Salig or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1997 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 19 day of January, 1998.

/s/ EDWARD J. LANDAU

EDWARD J. LANDAU

Exhibit 24.8

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Lawrence E. Kreider and Joram C. Salig or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1997 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 21 day of January, 1998.

/s/ LINDA GOSDEN ROBINSON

LINDA GOSDEN ROBINSON

Exhibit 24.9

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Lawrence E. Kreider and Joram C. Salig or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1997 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 18 day of February, 1998.

/s/ TERRY S. SEMEL

TERRY S. SEMEL

Exhibit 24.10

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Lawrence E. Kreider and Joram C. Salig or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1997 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 26th day of January, 1998.

/s/ MARTHA STEWART

MARTHA STEWART

Exhibit 24.11

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Lawrence E. Kreider and Joram C. Salig or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1997 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 17 day of January, 1998.

/s/ MEYER FELDBERG

MEYER FELDBERG

Exhibit 24.12

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Lawrence E. Kreider and Joram C. Salig or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1997 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 20th day of January, 1998.

/s/ MORTON L. JANKLOW

MORTON L. JANKLOW

Exhibit 24.13

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Wade H. Nichols III, Robert K. Kretzman, Lawrence E. Kreider and Joram C. Salig or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution, for him and his name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1997 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 13 day of February, 1998.

/s/ WILLIAM J. FOX

WILLIAM J. FOX

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  12-MOS
         DEC-31-1997
              DEC-31-1997
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                     349,300
              983,500
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                 67,900
                    9,400
            58,500
                     0
               (14,900)
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                 43,600
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                  0.85
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