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, 1996
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 33-99558

REVLON, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

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

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

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

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

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

YES [X] NO [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

AS OF FEBRUARY 12, 1997, 19,875,000 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 REVLON WORLDWIDE CORPORATION, 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 12, 1997) WAS APPROXIMATELY $307,266,000.

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, REVLON RESULTS, ALMAY TIME-OFF, ULTIMA II, JEANNE GATINEAU and NATURAL HONEY in skin care; CHARLIE, FIRE & ICE, CIARA, CHERISH, and JONTUE in fragrances; FLEX, OUTRAGEOUS, AQUAMARINE, MITCHUM, COLORSILK, JEAN NATE, BOZZANO and COLORAMA in personal care products; and ROUX FANCI-FULL, REALISTIC, CREME OF NATURE, FERMODYL, VOILA, COLOMER, CREATIVE NAIL DESIGN SYSTEMS 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 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 20 years) for 1996. The Company has the number two position in face makeup in the United States self-select distribution channel for 1996. Propelled by the success of its new product launches and share gains in its existing product lines, the Company has captured 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 21.5% for 1996. The Company also has leading market positions in several product categories in certain markets outside of the United States, including in Brazil, Canada, South Africa and Australia.

The self-select distribution channel, in which consumers select their own purchases without the assistance of an in-store demonstrator, includes in the United States independent drug stores and chain drug stores (such as Walgreens, CVS Drug stores, Eckerd Drug stores and Revco), 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) and, internationally, Boots in the United Kingdom and Western Europe, and Shoppers Drug Mart in Canada.

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"). To reflect the integration of management reporting responsibilities culminating in the third quarter of 1996, the Company presents its business geographically as its United States operation, which comprise the Company's business in the United States, and its International operation, which comprise its business outside of the United States. The Company previously presented its business as the Consumer Group, which comprised the Company's consumer products operations throughout the world (except principally Spain, Portugal, and Italy) and professional products operations in certain markets, principally in South Africa and Argentina, and the Professional Group, which comprised the Company's professional products operations throughout the world (except principally South Africa and Argentina) and consumer products operations in Spain, Portugal and Italy.

On March 5, 1996, the Company completed an initial public offering (the "Offering") 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 underwriter's discount

and related fees and expenses, of $187.8 million were contributed to Revlon Consumer Products Corporation ("Products Corporation") and used to repay borrowings outstanding under the credit agreement in effect at that time (the "Former Credit Agreement") and to pay fees and expenses related to the credit agreement which became effective on March 5, 1996 (the "Credit Agreement").

In January 1996, Products Corporation entered into the Credit Agreement which became effective upon consummation of the Offering on March 5, 1996. The Credit Agreement includes the following changes from the Former Credit Agreement, among other things: (i) an extension of the term of the facilities from June 30, 1997 to December 31, 2000 (subject to earlier termination in certain circumstances), (ii) a reduction of the interest rates, (iii) an increase in the amount of the credit facilities from $500 million to $600 million and (iv) the release of security interests in assets of certain foreign subsidiaries of Products Corporation which were previously pledged. The Credit Agreement is comprised of four senior secured facilities: a $130 million term loan facility, a $220 million multi-currency facility, a $200 million revolving acquisition facility and a $50 million standby letter of credit facility.

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 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, Super Lustrous, Moon Drops, Velvet Touch, New Complexion, Touch & Glow, Lashful, Lengthwise, Naturally Glamorous, Custom Eyes, Softstroke Timeliner, StreetWear, Revlon Implements	Moon Drops, Revlon Results, Eterna 27	Charlie, Charlie Red, Charlie White, Charlie Sunshine, Fire & Ice, Fire & Ice Cool, Cherish, Lasting, Jontue, StreetWear Scents, Ciara	Flex, Flex Balsam, Outrageous, Aquamarine, Mitchum, Lady Mitchum, Hi & Dri, 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, Arosci, Sensor Perm, Perfect Perm, Fermodyl, Perfect Touch, Salon Perfection, Revlonissimo, Voila, Young Color, Creative Nail Design Systems, Contours, American Crew, R PRO, True Cystem
Almay	Almay, Time-Off, Almay Clear Complexion Makeup, Amazing, One Coat	Time-Off, Moisture Balance, Moisture Renew, Almay Clear Complexion SkinCare		Almay	
Ultima II	Ultima II, Wonderwear, The Nakeds	Ultima II, Interactives, CHR	Madly, UII		
Significant Regional Brands	Colorama(b), Juvena(b), Jeanne Gatineau(b)	Jeanne Gatineau(b), Natural Honey	Floid(b), Versace(a), Charlie Gold, Myrurgia(a)	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 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, the Company's flagship lipstick brand, is produced in 57 shades. MOON DROPS, a moisturizing lipstick, is also produced in 57 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. Revlon nail enamel is the number one brand in the United States self-select distribution channel. STREETWEAR nail enamel, launched in 1996, is produced in 19 shades targeted at the "trend" consumer. STRONG WEAR is a patented strengthening nail enamel formula produced in 19 shades, which contains ingredients that provide protection against splitting, chipping and breaking. The Company sells nail strengtheners, hardeners and fortifiers and quick dry nail products, including CALCIUM GEL NAIL BUILDER strengthener and TOP SPEED quick dry base coat and top coat.

The Company sells face makeup, including foundation, powder, blush and concealers, under such REVLON brand names as REVLON AGE DEFYING, which is targeted to women in the over 35 age bracket; COLORSTAY which uses proprietary 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 and liners. COLORSTAY Eyecolor, and COLORSTAY LASHCOLOR mascara, LASHFUL and LENGTHWISE mascaras, SOFTSTROKE eyeliners and REVLON CUSTOM EYES and OVERTIME SHADOW eye shadows are targeted towards women in the 18 to 49 age bracket, and REVLON AGE DEFYING eye color is targeted to 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 to consumers who want "healthy looking skin". The Company positions the ALMAY brand as the clean, natural 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, the AMAZING collection, which uses long wear transfer-resistant technology and includes AMAZING LASH, ALMAY AMAZING eye makeup, ALMAY AMAZING LASTING makeup, and ALMAY CLEAR COMPLEXION skin care and makeup and ALMAY EASY-TO-WEAR eyecolor and ONE COAT mascara. The Company targets ALMAY to value conscious consumers by offering benefits equal or superior 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 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, which is the top selling popular priced cosmetics line in Brazil, and JUVENA.

The Company's skin care products, including moisturizers, are sold under the brand names ETERNA 27, MOON DROPS and REVLON RESULTS. 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 proprietary technology, cheek and eyecolor products that use patented technology, and WONDERWEAR LIPSEXXXY lipstick, which uses patented transfer-resistant technology that provides long wear, 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, FIRE & ICE, JONTUE and CIARA; highly successful line extensions such as CHARLIE RED and CHARLIE WHITE

and new additions such as CHERISH, CHARLIE SUNSHINE and FIRE & ICE COOL and STREETWEAR SCENTS. 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. The Company's premium priced fragrance brands include CIARA and, in international markets, the Company distributes under license certain brands including VERSACE, VAN GILS and MYRURGIA.

Personal Care Products. The Company sells a broad line of personal care consumer products that 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, JUVENA, LLONGUERAS and NATURAL HONEY brands outside the United States; the COLORSILK, REVLON SHADINGS, FROST & GLOW and ROUX FANCI-FULL hair coloring lines in the United States; 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, 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, FERMODYL, VOILA, REVLONISSIMO, CREME OF NATURE, COLOMER, 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. R PRO, launched in 1996, is a professionally targeted cosmetic line being distributed through open line channels. Through Creative Nail Design, Inc. ("Creative Nail"), which was acquired in November 1995, the Company sells nail enhancement systems and nail color and treatment products and services for use by the professional salon industry under the brand name of CREATIVE NAIL DESIGN SYSTEMS. Through AMERICAN CREW, which was acquired in April 1996 , the Company sells men's shampoos, conditioners, gels, and other hair care products for use by professional salons. 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 has developed a new exclusive line of ethnic products, AROSCI, which was successfully 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. The Company increased advertising expenditures by 17.3% for 1996 over 1995 levels and by 26.2% for 1995 over 1994 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. The Company has devoted greater resources to promotional sales of its permanent line of products and reduced the number of promotional sales of non-recurring products, which historically have had a higher cost of sales and resulted in larger sales returns. 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 30 countries and 16 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 two Color Mobiles, which are on-the-road beauty sampling and information vehicles patterned on the innovative vehicles that launched COLORSTAY lipcolor, that travel to major retailers in the United States, at which Company trainers educate consumers on the COLORSTAY and REVLON AGE DEFYING collections and the latest product and shade offerings. The Color Mobiles create consumer and retail excitement about the Company's new 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 the Company's products and permit consumers to test the products, thereby achieving the benefits of an in-store demonstrator without the corresponding cost, magazine inserts containing samples of the Company's newest products, trial size products and "shade samplers," which are collections of trial size products in different shades. Additionally, the Company has its own website which features current product and promotional information.

Professional Products. Professional products are marketed through educational seminars, advertising, displays and samples to communicate to professionals and consumers the quality and performance characteristics of such products. The shift to exclusive line distributors will 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 group of researchers 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 worldwide 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 Edison facility is responsible for all new product research worldwide. The Edison facility performs research for new products, ideas, concepts and packaging. Research and development for consumer products is also conducted at manufacturing facilities in Brazil. Research and development for the professional products is conducted principally at the Edison facility.

The research and development group at the Edison facility 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.

In certain instances, proprietary technology developed for use in products and packaging is available for licensing to third parties. The Company received the Innovation Award from the Coalition of NorthEast Governors ("CONEG") for its ENVIRO*GLUV glass decorating technology (which resulted in significant cost reductions in decorating REVLON AGE DEFYING and COLORSTAY makeup bottles and REVLON nail enamel bottles in 1996 and which is being offered for licensing to qualified glass decorators). The CONEG challenge awards program is a nationwide competition to publicly recognize companies that make significant contributions to environmental issues relating to packaging and source reduction.

As of December 31, 1996, 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 1996, the Company spent approximately $26.3 million, on research and development activities.

MANUFACTURING AND RELATED OPERATIONS AND RAW MATERIALS

The Company is rationalizing 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 it 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 efforts to continuously improve operating efficiencies, the Company attempts to ensure that a significant portion of its capital expenditures are devoted to improving operating efficiencies.

In the United States, 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. 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 and other implements for sale throughout the world are manufactured at the Company's Irvington, New Jersey facility and Vista, California 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 facility has been ISO-9002 certified.

The Company manufactures its entire line of consumer products (except implements) for sale in most of the countries 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, Australia 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 and Italy. Production of color cosmetics for Japan and Mexico has been shifted to the United States while production of personal care products for Argentina has been centralized in Brazil. The Maestag facility has 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 at the Company's manufacturing sites in Oxford, North Carolina; Phoenix, Arizona; Irvington, New Jersey; and Maesteg, South Wales; 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. As a result of these efforts, accompanied by stronger and more customer-focused management, the Company has developed strong relationships with its retailers.

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 $13 million for 1996. The Company intends to continue to upgrade management information systems in 1997, which will include improved systems for forecasting, production, inventory management, order processing, general and fixed asset ledgers and others. 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.

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 2,100 people as of December 31, 1996, 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 and for salon distribution. 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 58.0% of the Company's 1996 net sales. Of these net sales, approximately 86% were made in the self-select distribution channel. However, the Company intends to use premium products such as ULTIMA II to maintain its presence in the demonstrator-assisted 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, 1996, 19 licenses were in effect relating to 23 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 through Prestige Fragrance & Cosmetics, Inc. ("PFC"), a subsidiary of Products Corporation, approximately 200 retail outlet stores throughout the United States in factory outlet malls, rural areas and other similar locations that are not disruptive to the Company's principal distribution channels. In these stores, the Company sells first quality, first quality excess, returned and refurbished, and discontinued consumer products and retail professional products, as well as similar products of competing cosmetics companies. On November 27, 1996, Products Corporation and PFC entered into an Agreement and Plan of Merger with The Cosmetic Center, Inc. ("Cosmetic Center") pursuant to which PFC will merge with and into Cosmetic Center, with Cosmetic Center surviving the merger (the "Merger"). In the Merger, Products Corporation would receive newly issued Class C common stock of Cosmetic Center constituting between 74% and 84% of the outstanding common stock. The Merger is

subject to a

number of significant conditions, including obtaining financing for Cosmetic Center and approval of the transaction by Cosmetic Center stockholders, among other conditions. Subject to satisfaction of these conditions, the transaction is expected to close during the first quarter of 1997.

International. The International operation's net sales accounted for approximately 42.0% of the Company's 1996 net sales. The International operation's ten largest countries in terms of these sales, which include Brazil, Japan, the United Kingdom, Australia, South Africa, Canada and Spain, accounted for approximately 30.7% of the Company's net sales in 1996, with Brazil accounting for approximately 6.1% 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. The Company actively sells its products through wholly owned subsidiaries 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; South Korea; Southeast Asia; Chile; the Middle East; India; 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 Stores, Drug Emporium, American Drug Stores, Eckerd Drug stores, Revco and Thrifty Payless in the self-select distribution channel, J.C. Penney in the demonstrator-assisted distribution channel, Sally's Beauty Company for professional products, Shoppers Drug Mart in Canada and Boots in the United Kingdom and Western Europe. The foregoing customers are representative of the Company's customers, and for 1996, each of the foregoing customers accounted for 1% or more of the Company's net sales. Wal-Mart and its affiliates accounted for approximately 10.1% of the Company's 1996 consolidated net sales. Although the loss of Wal-Mart as a customer could have an adverse effect on the Company, the Company believes that its relationship with Wal-Mart is satisfactory and the Company has no reason to believe that Wal-Mart will not continue as a customer.

COMPETITION

The 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, FLEX, 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, COLOMER, CREATIVE NAIL, AMERICAN CREW, R PRO 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, FLEX & GO shampoo, LENGTHWISE mascara, REVLON nail enamel, REVLON AGE DEFYING foundation and cosmetics, NEW COMPLEXION makeup, WONDERWEAR foundation, WONDERWEAR LIPSEXXXY lipstick, DAY INTO NIGHT eyeshadows, ALMAY TIME-OFF skin care and makeup, 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 information concerning geographic segments of the Company is set forth in Note 15 of the Notes to Consolidated Financial Statements of the Company.

EMPLOYEES

As of December 31, 1996, the Company employed the equivalent of approximately 14,300 full-time persons. Approximately 2,100 of such employees in the United States at the end of 1996 were covered by collective bargaining agreements. The agreements covering employees in Phoenix, Arizona and Jacksonville, Florida expire in 1997. In addition, the Company will be negotiating collective bargaining agreements or portions thereof covering employees in twelve countries outside the United States during 1997. The Company expects that such agreements will be renewed in the ordinary course of negotiations, and further believes that its employee relations are satisfactory.

ITEM 2. PROPERTIES

The following table sets forth as of December 31, 1996 the Company's major manufacturing, research and warehouse/distribution facilities all of which are owned except where otherwise noted.

LOCATION	USE	APPROXIMATE FLOOR SPACE SQ. FT.
Oxford, North Carolina.....	Manufacturing, warehousing, distribution and office	1,012,000
Phoenix, Arizona	Manufacturing, warehousing, distribution and office (partially leased)	706,000
Holmdel, New Jersey	Warehousing, distribution and office	540,000
Jacksonville, Florida	Manufacturing, warehousing, distribution, research and office	526,000
Mississauga, Canada	Manufacturing, warehousing, distribution and office	245,000
Edison, New Jersey	Research and office (leased)	133,000
Irvington, New Jersey	Manufacturing, warehouse and office	96,000
Sao Paulo, Brazil	Manufacturing, warehousing, distribution, office and research	408,000
Maesteg, South Wales, United Kingdom	Manufacturing, distribution and office	316,000
Santa Maria, Spain	Manufacturing and warehousing	173,000
Barcelona, Spain	Manufacturing, warehousing, research and office	152,000
Caracas, Venezuela	Manufacturing, distribution and office	145,000
Argenteuil, France	Warehousing and distribution (leased)	73,000
Kempton Park, South Africa.	Warehousing, distribution and office (leased)	127,000
Canberra, Australia	Warehousing, distribution and office (leased)	125,000
Isando, South Africa	Manufacturing, warehousing, distribution and office	94,000
Rydalmere, Australia	Manufacturing, warehousing, distribution and office	93,000
Bologna, Italy	Manufacturing, warehousing, distribution, office and research	60,000

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 85,000 square feet are currently sublet to affiliates of the Company). 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 & Forbes"), which is wholly owned by Ronald O. Perelman, which through Revlon Worldwide Corporation ("Revlon Worldwide"), beneficially owns 11,250,000 shares of the 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 the remaining 8,625,000 shares of Class A Common Stock are owned by the public. No dividends were declared or paid during 1996. The terms of the Credit Agreement and Products Corporation's 10 1/2 % Senior Subordinated Notes Due 2003 (the "Senior Subordinated Notes"), 9 3/8% Senior Notes Due 2001 (the "Senior Notes") and 9 1/2% Senior Notes Due 1999 (the "1999 Notes") currently restrict the ability of Products Corporation to pay dividends or make distributions to Revlon, Inc. See the Consolidated Financial Statements of the Company and the Notes thereto.

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

	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 on the New York Stock exchange (NYSE), which is the market in which shares of the Company's stock are traded. The Company's symbol is REV.

ITEM 6. SELECTED FINANCIAL DATA

The statements of Operations Data for each of the years in the five-year period ended December 31, 1996 and the Balance Sheet Data as of December 31, 1996, 1995, 1994, 1993 and 1992 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,				
	1996	1995(A)	1994(A)	1993(A)	1992
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)				
STATEMENTS OF OPERATIONS DATA:					
Net sales	$ 2,167.0	$ 1,937.8	$ 1,732.5	$ 1,588.3	$ 1,632.2
Operating income (loss)	$ 200.2	$ 146.6	$ 108.4	$ 49.9	$ (82.6)(d)
Income (loss) before extraordinary items and cumulative effect of accounting changes	$ 24.4	$ (40.2)	$ (74.0)	$ (130.8)	$ (224.0)
Extraordinary items -early extinguishments of debt	(6.6)	--	--	(9.5)	(2.9)
Cumulative effect of accounting changes	--	--	(28.8)(b)	(6.0)(c)	--

Net income (loss)	$ 17.8	$ (40.2)	$ (102.8)	$ (146.3)	$ (226.9)
INCOME (LOSS) PER COMMON SHARE:					
Income (loss) before extraordinary items and cumulative effect of accounting changes	$ 0.49	$ (0.95)	$ (1.74)	$ (3.08)	$ (5.27)
Extraordinary items	(0.13)	--	--	(0.22)	(0.07)
Cumulative effect of accounting changes	--	--	(0.68)	(0.14)	--
Net income (loss)	$ 0.36	$ (0.95)	$ (2.42)	$ (3.44)	$ (5.34)
Weighted average common shares outstanding (e)	49,687,500	42,500,000	42,500,000	42,500,000	42,500,000

	DECEMBER 31,				
	1996	1995(A)	1994(A)	1993(A)	1992
	(DOLLARS IN MILLIONS)				
BALANCE SHEET DATA:					
Total assets	$1,621.3	$1,535.3	$1,418.1	$1,548.7	$1,438.3
Long-term debt, excluding current portion	1,352.2	1,467.5	1,327.5	1,203.8	969.0
Total stockholders' deficiency	(496.7)	(702.0)	(656.5)	(555.3)	(443.1)

(a) Effective January 1, 1996, Products Corporation acquired from Holdings substantially all of the assets of the Tarlow Advertising Division ("Tarlow") in consideration for the assumption of substantially all of the liabilities and obligations of Tarlow. Net liabilities assumed were approximately $3.4 million. 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 beginning with January 1, 1993 have been restated as if the acquisition took place at the beginning of such period. Products Corporation paid $4.1 million to Holdings which was accounted for as an increase to capital deficiency.

(b) Effective January 1, 1994, the Company adopted 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 1993 first quarter to reflect the cumulative effect of the accounting change.

(d) Includes restructuring charges of $162.7 million in 1992, which included (i) consolidation of certain worldwide manufacturing and warehouse facilities, (ii) consolidation in management information systems, (iii) vacating premises under lease, (iv) personnel reductions and (v) discontinuance of certain product lines.

(e) 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 outlet stores and has a licensing group.

To reflect the integration of management reporting responsibilities culminating in the third quarter of 1996, 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. The Company previously presented its business as the Consumer Group, which comprised the Company's consumer products operations throughout the world (except principally Spain, Portugal and Italy) and professional products operations in certain markets, principally in South Africa and Argentina, and the Professional Group, which comprised the Company's professional products operations throughout the world (except principally South Africa and Argentina) and consumer products operations in Spain, Portugal and Italy. The Company has restated the management's discussion and analysis data for prior periods to conform to the presentation for 1996.

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,		
	1996	1995	1994
Net sales:			
United States	$1,257.2	$1,113.2	$ 983.2
International	909.8	824.6	749.3
	$2,167.0	$1,937.8	$1,732.5

The following sets forth certain statements of operations data as a percentage of net sales:

	YEAR ENDED DECEMBER 31,		
	1996	1995	1994
Cost of sales	33.5%	33.7%	34.5%
Gross profit	66.5	66.3	65.5
Selling, general and administrative expenses	57.3	58.8	59.3
Operating income	9.2	7.5	6.2

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

NET SALES

Net sales were $2,167.0 and $1,937.8 for 1996 and 1995, respectively, an increase of $229.2, 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 $1,257.2 for 1996 from $1,113.2 for 1995, an increase of $144.0, 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 branded cosmetics in the color cosmetics business in the United States self-select distribution channel to 21.5% for 1996 from 19.8% 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. The International operation's sales are 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. Additionally, Mexico will be considered a hyperinflationary economy beginning in 1997. 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. The aforementioned increases in sales that negatively impacted cost of sales were, however, more profitable to the Company's overall

operating results.

Selling, general and administrative ("SG&A") expenses

As a percentage of net sales, SG&A expenses were 57.3% for 1996, an improvement from 58.8% for 1995. SG&A expenses other than advertising expense, 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. In accordance with its business strategy, the Company increased advertising and consumer-directed promotion 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 expense increased by 17.3% to $355.2, or 16.4% of net sales, for 1996 compared to $302.7, or 15.6% of net sales, for 1995.

Operating income

As a result of the foregoing, operating income increased by $53.6, or 36.6%, to $200.2 for 1996 from $146.6 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 Credit Agreement and under the Former Credit Agreement with the use of proceeds from the Company's Offering in the 1996 period and lower interest rates under the Credit Agreement than under the Former 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 extinguishment of the Former Credit Agreement prior to its maturity with the net proceeds from the Offering and borrowings under the Credit Agreement.

YEAR ENDED DECEMBER 31, 1995 COMPARED WITH YEAR ENDED DECEMBER 31, 1994

Net sales

Net sales were $1,937.8 and $1,732.5 for 1995 and 1994, respectively, an increase of $205.3, or 11.8%, primarily as a result of successful new product introductions worldwide, increased demand in the United States, increased distribution internationally into the expanding self-select distribution channel, the development of new international markets and a weaker U.S. dollar versus most foreign currencies.

United States. The United States operation's net sales increased to $1,113.2 for 1995 from $983.2 for 1994, an increase of $130.0, or 13.2%. Net sales improved primarily as a result of continued consumer acceptance of new product offerings and general improvement in consumer demand for the Company's color cosmetics in the United States, contributing to the Company's improved share of the color cosmetics business in the United States self-select distribution channel, as well as increased net sales at the retail outlet stores. New product introductions (including, in 1995, certain products launched during 1994) generated incremental net sales in 1995, principally as a result of the June 1994 launch of COLORSTAY lipcolor, the 1994 first quarter launch of REVLON AGE DEFYING makeup, the 1995 second and third quarter launches of COLORSTAY lip makeup line extensions and eye and face makeup, respectively, which are part of the COLORSTAY collection, the 1995 second quarter launches of REVLON AGE DEFYING line extensions, CHARLIE WHITE fragrance and ALMAY CLEAR COMPLEXION makeup, and the 1995 third quarter launches of ALMAY TIME-OFF line extensions and LASTING fragrance.

International. The International operation's net sales increased to $824.6 for 1995 from $749.3 for 1994, an increase of $75.3, or 10.0%. Net sales improved principally as a result of successful new product introductions, increased distribution into the expanding self-select distribution channel, the development of new international markets and the favorable effect on sales of a weaker U.S. dollar versus most foreign currencies, partially offset by lower unit volume in Mexico and Argentina resulting from recessionary conditions. Net sales were also favorably affected by the continued roll-out of COLORSTAY lipcolor, REVLON AGE DEFYING makeup and CHARLIE WHITE fragrance into various international markets, the continued expansion during the third quarter of 1994 of the ALMAY cosmetics line outside the

United States and the expansion during the third quarter of 1994 of the CHARLIE RED fragrance outside the United States. Introduction of the COLORSTAY cosmetics collection began in the fourth quarter of 1995 and continued in the first part of 1996. The International operation's sales are divided into the following geographic areas: Europe, which is comprised of Europe, the Middle East and Africa (in which net sales increased to $374.6 for 1995 from $334.8 for 1994, an increase of $39.8, or 11.9%); the Western Hemisphere, which is comprised of Canada, Mexico, Central America, South America and Puerto Rico (in which net sales increased to $275.4 for 1995 from $269.7 for 1994, an increase of $5.7, or 2.1%); and the Far East (in which net sales increased to $174.6 for 1995 from $144.8 for 1994, an increase of $29.8, or 20.6%).

The Company's operations in Brazil and Mexico have been subject to significant political and economic uncertainties. Operations in Brazil were significantly improved for 1995 over 1994 primarily as a result of higher unit volume in the first half of 1995. Unit volume in the second half of 1995 declined from the unit volume for the second half of 1994 due to the strong unit volume in the second half of 1994 as a result of the Brazilian government's July 1, 1994 introduction of a new economic and monetary policy, which resulted in increased consumer purchasing. In Brazil, net sales, operating income and income before taxes were $118.6, $22.8 and $19.8, respectively, for 1995 compared with $108.1, $29.5 and $14.9, respectively, for 1994. However, net sales and operating income for 1994 benefited from the hyperinflationary pricing component included in these accounts until the Brazilian government's July 1, 1994 introduction of a new economic and monetary policy and related issuance of a new currency, which significantly reduced inflation. The Company's income before taxes and cash flow from operations in Brazil for 1994 were not affected to the same extent as operating income because of a corresponding charge in the foreign currency translation account. In Mexico, net sales and operating income were $20.5 and $1.6, respectively, for 1995 compared with $31.1 and $3.2, respectively, for 1994. While the December 1994 devaluation of the Mexican peso did not have a significant adverse effect on 1994 operating results in Mexico, 1995 operating results in Mexico were, and future operating results may continue to be, adversely affected by this devaluation and other factors such as decreases in unit

volume, limitations on price increases and higher relative costs of products sourced outside of Mexico. The Company has taken measures to mitigate the effect of these conditions by increasing prices in line with inflation, where possible, and efficiently managing its working capital levels.

Cost of sales

As a percentage of net sales, cost of sales was 33.7% for 1995, an improvement from 34.5% for 1994. This improvement resulted from the benefits on overhead absorption of higher production volumes allocated over a fixed manufacturing base, and globalization benefits such as more efficient production and purchasing performance in 1995 compared with 1994, partially offset by changes in the product mix involving increases in 1995 compared to 1994 in sales of lower margin products sold in Brazil and by the Company's retail outlet stores. The first half of 1994 included the benefit of the inflationary component of pricing in Brazil, partially offset by the adverse impact of higher transition costs associated with factory consolidations charged to cost of sales for inventory produced in 1993 and sold during 1994.

Selling, general and administrative expenses

As a percentage of net sales, SG&A expenses were 58.8% for 1995 and 59.3% for 1994. SG&A expenses, other than advertising expense, as a percentage of net sales improved to 43.2% for 1995 compared with 45.4% for 1994, primarily as a result of reduced general and administrative expenses and improved productivity in 1995 compared with 1994, partially offset by higher European regional headquarters expenses and severance costs in 1995. The Company increased advertising and consumer directed promotion during 1995 compared with 1994, principally in the United States and Europe, to support growth in existing product lines, new product launches and increased distribution in the self-select distribution channel in Europe in 1995. Advertising expense increased by 26.2% to $302.7, or 15.6% of net sales, for 1995 from $239.9, or 13.8% of net sales, for 1994.

Operating income

As a result of the foregoing, operating income increased by $38.2, or 35.2%, to $146.6 for 1995 from $108.4 for 1994.

Other expenses/income

Interest expense was $142.6 for 1995 and $136.7 for 1994, an increase of $5.9, or 4.3%. The increase in 1995 was due to higher outstanding borrowings under the Company's credit facilities.

Foreign currency losses, net, were $10.9 for 1995 and $18.2 for 1994. Results improved in 1995 primarily as a result of reduced inflation associated with the Brazilian government's July 1, 1994 introduction of a new economic and monetary policy and related issuance of a new currency and the January 1995 repayment of approximately $26.9 under the Company's Japanese yen-denominated credit agreement (the "Yen Credit Agreement"), partially offset by the adverse effect of currency devaluation in Venezuela primarily in the fourth quarter of 1995.

Provision for income taxes

The provision for income taxes was $25.4 and $22.8 for 1995 and 1994, respectively. The increase in the provision for income taxes was primarily attributable to higher taxable earnings of certain foreign operations.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash used for operating activities was $10.1, $51.7 and $1.1 for 1996, 1995 and 1994, respectively. 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. The increase in net cash used for operating activities for 1995 compared with 1994 resulted primarily from an increase in inventories associated with expected sales volume, higher trade receivable balances, increased spending on merchandise display units in connection with the Company's continued expansion into the self-select distribution channel and higher income taxes paid, net of refunds, offset in part by higher operating income, lower restructuring payments ($24.2 for 1995 compared with $37.2 for 1994) and lower severance payments.

Net cash used for investing activities was $65.1, $72.5 and $51.0 for 1996, 1995 and 1994, respectively. Net cash used for investing activities for 1996, 1995 and 1994 consisted primarily of capital expenditures and in 1996 and 1995 included $7.1 and $21.2, respectively, used for acquisitions. The Company's capital expenditures for 1996, 1995 and 1994 were $58.0, $54.3 and $52.5, respectively. The increase in capital expenditures through 1996 was primarily attributable to significant information system enhancements in accordance with the Company's business strategy.

Net cash provided by (used for) financing activities was $78.4, $125.2 and $(49.0) for 1996, 1995 and 1994, respectively. Net cash provided by financing activities for 1996 included the net proceeds from the Offering, cash drawn under the Former Credit Agreement and under the Credit Agreement, partially offset by the repayment of borrowings under the Former Credit Agreement, the payment of fees and expenses related to the Credit Agreement and repayment of approximately $5.2 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 at that time and borrowings under the Former Credit Agreement, partially offset by repayments of cash drawn under those credit agreements, repayment of $26.9 under the Yen Credit Agreement and payment of debt issuance costs under the Former Credit Agreement. Net cash used for financing activities for 1994 consisted primarily of repayments of borrowings under the credit agreement of Products Corporation in effect at that time and a repayment of $12.0 under the Yen Credit Agreement.

In February 1995, Products Corporation entered into the Former Credit Agreement, which provided up to $500.0 comprised of three senior secured facilities: a $100.0 term loan facility, a $225.0 revolving credit facility and a $175.0 multi-currency facility. Borrowings under the Former Credit Agreement were used to refinance

Products Corporation's previous $150.0 credit agreement, refinance then existing lines of credit outside of the United States and refinance approximately $26.9 paid under the Yen Credit Agreement in January 1995. The Former Credit Agreement was scheduled to terminate on June 30, 1997. The net proceeds of $187.8 from the Offering were contributed to Products Corporation and were used to repay borrowings under the Former Credit Agreement and to pay fees and expenses related to the Credit Agreement.

In January 1996, Products Corporation entered into the Credit Agreement, which became effective upon consummation of the Offering on March 5, 1996. The Credit Agreement provides, among other things, (i) an extension of the term of the facilities from June 30, 1997 to December 31, 2000, subject to earlier termination in certain circumstances, (ii) a reduction of the interest rates, (iii) an increase in the aggregate amount of the credit facilities from $500 to $600 and (iv) the release of security interests in assets of certain foreign subsidiaries of Products Corporation which were then pledged. The Credit Agreement is 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 special standby letter of credit facility. As of December 31, 1996, Products Corporation had approximately $130.0 outstanding under the term loan facility, $57.2 outstanding under the multi-currency facility, nothing outstanding under the revolving acquisition facility and $33.5 outstanding under the special standby letter of credit facility. In January 1997, the Credit Agreement was amended to, among other things, permit the Merger of PFC into Cosmetic Center and to generally exclude Cosmetic Center (as the survivor of the Merger) from the definition of "subsidiary" under the Credit Agreement. See Note 7(a) to the Consolidated Financial Statements.

A subsidiary of Products Corporation is the borrower under the Yen Credit Agreement, which had a principal balance of approximately Y4.8 billion as of December 31, 1996 (approximately $41.7 U.S. dollar equivalent as of December 31, 1996). In accordance with the terms of the Yen Credit Agreement, approximately Y2.7 billion (approximately $26.9 U.S. dollar equivalent) was paid in January 1995 and approximately Y539 million (approximately $5.2 U.S. dollar equivalent) was paid in January 1996. A payment of approximately Y539 million (approximately $4.6 U.S. dollar equivalent as of December 31, 1996) was paid in January 1997 and the balance of the Yen Credit Agreement of approximately Y4.3 billion (approximately $37.1 U.S. dollar equivalent as of December 31, 1996) is currently due on December 31, 1997. The Company is currently renegotiating an extension of the term of the terms of the Yen Credit Agreement. In the event that such extension is not obtained, the Company is able and intends to refinance the Yen Credit Agreement under existing long-term credit facilities. Accordingly, the Company's obligation under the Yen Credit Agreement has been classified as long-term as of December 31, 1996.

The $61.0 aggregate principal amount of Products Corporation's 10 7/8% Sinking Fund Debentures due 2010 previously purchased on the open market by Products Corporation (which was not previously used for sinking fund payments, including the payment in July 1996) and no longer outstanding will be used to meet future sinking fund requirements of such issue. $9.0 aggregate principal amount of previously purchased debentures was used for the sinking fund payment due July 15, 1996.

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, 1996.

In June 1996, $10.9 in notes due to Products Corporation from Holdings under the Financing Reimbursement Agreement (See "Certain Relationships and Related Transactions") was offset against an $11.7 demand note payable by Products Corporation to Holdings.

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 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 1997 will be approximately $60, including approximately $10 for upgrades to the Company's management information systems. In addition, cash payments related to the 1991 and 1992 restructuring charges are estimated to be approximately $9 for 1997. Pursuant to a tax sharing agreement (See "Certain Relationships and Related Party Transactions - Tax Sharing Agreement"), the

Company may be required to make tax sharing payments to Mafco Holdings Inc. as if the Company were filing separate income tax returns, except that no payments are required by the Company if and to the extent that Products Corporation is prohibited under the Credit Agreement from making tax sharing payments to the Company. The Credit Agreement prohibits Products Corporation

from making any cash tax sharing payments other than in respect of state and local income taxes. The Company anticipates that, as a result of net operating tax losses and prohibitions under the Credit Agreement, no federal tax payments or payments in lieu of taxes pursuant to the tax sharing agreement will be required for 1997.

As of December 31, 1996, Products Corporation was party to a series of interest rate swap agreements (which expire at various dates through December 2001) 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 London Inter-Bank Offered Rate (5.602% per annum at February 11, 1997) 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 considers to be held for other than trading purposes, on December 31, 1996, a loss of approximately $3.5 would have been realized. Certain other swap agreements were terminated in 1993 for a gain of $14.0. The amortization of the realized gain on these agreements for 1996 and 1995 was approximately $3.2 in each of the years. The remaining unamortized gain, which is being amortized over the original lives of the agreements, is $3.1 as of December 31, 1996. Although cash flow from the presently outstanding agreements was positive for 1996, future positive or negative cash flows from these agreements will depend upon the trend of short-term interest rates during the remaining lives of such agreements. Based on current interest rate levels, Products Corporation expects to have a positive cash flow of $0.6 from these agreements in 1997, although no assurances can be given. In the event of nonperformance by the counterparties at any time during the remaining lives of the agreements, Products Corporation could lose some or all of any possible future positive cash flows from these agreements. However, Products Corporation does not anticipate nonperformance by such counterparties, although no assurances can be given.

Products Corporation enters into forward foreign exchange contracts from time to time to hedge certain cash flows denominated in foreign currencies. At December 31, 1996, Products Corporation had forward foreign exchange contracts denominated in various currencies, predominantly the U.K. pound, of approximately $62.0 (U.S. dollar equivalent). If Products Corporation had terminated these contracts on December 31, 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. 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 the Company. The Company, 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 the Company. The terms of the Credit Agreement, the Senior Subordinated Notes, the 1999 Senior Notes and the Senior Notes generally restrict Products Corporation from paying dividends or making distributions, except that Products Corporation is permitted to pay dividends and make distributions to the Company, among other things, to enable the Company 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 in certain circumstances to finance the purchase by the Company of its Class A Common Stock in connection with the

delivery of such Class A Common Stock to grantees under the Revlon, Inc. 1996 Stock Plan. 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.

FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K for the year ended December 31, 1996 as well as other public documents of the Company contains 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 expectation and estimates as to future financial performance, including growth in net sales and earnings, cash flows from operations, capital expenditures and the availability of funds from refinancings of indebtedness. Readers are urged to consider statements which use the terms "believes," "no reason to believe," "expects," "plans," "intends," "estimates," "anticipated" or "anticipates" to be uncertain and forward-looking. 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 development of new markets; (iv) unanticipated costs or difficulties or delays in completing projects associated with the Company's strategy to improve operating efficiencies, including information system upgrades; (v) 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; (vi) actions by competitors, including business combinations, technological breakthroughs, new product offerings and marketing and promotional successes; and (vii) combinations among significant customers or the loss, insolvency or failure to pay its debts by a significant customer or customers.

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, that have experienced hyperinflation in the past three years. This hyperinflation has had a material effect on the Company's results of operations in Brazil and may, in the future, have a material effect on results of operations in Mexico. 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
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
Jerry W. Levin	Chairman of the Board and Director
George Fellows	President, Chief Executive Officer and Director
William J. Fox	Senior Executive Vice President, Chief Financial Officer and Director
Carlos Colomer	Executive Vice President
Ronald H. Dunbar	Senior Vice President, Human Resources
M. Katherine Dwyer	Senior Vice President
Wade H. Nichols III	Senior Vice President and General Counsel
Donald G. Drapkin	Director
Meyer Feldberg	Director
Howard Gittis	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 for the executive officers of the Company are set forth below. Information is as of February 13, 1997.

Mr. Perelman (54) 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 to November 1995. Mr. Perelman has been Chairman of the Board and Chief Executive Officer of MacAndrews & Forbes and various of its affiliates for more than the past five years. Mr. Perelman also is Chairman of the Board of Andrews Group Incorporated ("Andrews Group"), Consolidated Cigar Holdings Inc. ("Cigar Holdings Inc."), Mafco Consolidated Group Inc. ("Mafco Consolidated"), Meridian Sports Incorporated ("Meridian"), Power Control Technologies, Inc. ("PCT") and Toy Biz, Inc. ("Toy Biz") and Chairman of the Executive Committee of the Board of Marvel Entertainment Group, Inc. ("Marvel"). 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"): Andrews Group, California Federal Bank, a Federal Savings Bank ("Cal Fed"), The Coleman Company, Inc. ("Coleman"), Coleman Holdings Inc. ("Coleman Holdings"), Coleman Worldwide Corporation ("Coleman Worldwide"), Cigar Holdings, Consolidated Cigar Corporation ("Consolidated Cigar"), First Nationwide (Parent) Holdings Inc. ("First Nationwide

Parent"), First Nationwide Holdings Inc. ("FN Holdings"), Mafco Consolidated, Marvel, Marvel Holdings Inc. ("Marvel Holdings"), Marvel (Parent) Holdings Inc. ("Marvel Parent"), Marvel III Holdings Inc. ("Marvel III"), Meridian, PCT, Pneumo Abex Corporation ("Pneumo Abex"), Products Corporation, Revlon

Worldwide and Toy Biz. On December 27, 1996, Marvel Holdings, Marvel Parent, Marvel III and Marvel and several of its subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code.

Mr. Levin (52) 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 to January 1997 and President of the Company and of Products Corporation from their respective formations in 1992 to November 1995. He has been the President and a Director of Holdings since 1991 and Chief Executive Officer since March 1992. Mr. Levin has been Executive Vice President of MacAndrews Holdings since March 1989. Mr. Levin has been Chairman and Acting Chief Executive Officer of Coleman since February 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 Holdings, Coleman Worldwide, Ecolab, Inc., First Bank System, Inc., Meridian, Products Corporation and Revlon Worldwide.

Mr. Fellows (54) 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 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 to 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. Prior to 1986, he was President of Holdings' Domestic Beauty Group.

Mr. Fox (40) has been Senior Executive Vice President and Chief Financial Officer of the Company and of Products Corporation since January 1997 and was Executive Vice President and Chief Financial Officer 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 Executive Vice President and Chief Financial Officer of Holdings since November 1991 and prior to such time had been a Vice President of Holdings since 1987. 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 a Director of The Hain Food Group, Inc., which files reports pursuant to the Exchange Act.

Mr. Colomer (52) has been Executive Vice President of the Company and of Products Corporation since August 1993. Prior to August 1993, he served as President and General Manager of various of the Company's and Holdings' international subsidiaries. Mr. Colomer joined Holdings in 1979 when Henry Colomer, S.A., the haircare and cosmetics company that was founded by his father, was acquired by Holdings, and has held positions of increasing responsibility since that date.

Mr. Dunbar (59) 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 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.

Ms. Dwyer (47) was elected as Senior Vice President of the Company and of Products Corporation in November 1996. Prior to that she served in various appointed officer positions for the Company and for Products Corporation, including President of Products Corporation's United States Cosmetics Unit from November 1995 to November 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 Executive Vice President and General Manager for Victoria Creations. Prior to 1991, she served in various senior positions for Avon Products Inc., Cosmair, Inc.
and Gillette.

Mr. Nichols (54) has been Senior Vice President and General Counsel of the Company and of Products Corporation since their respective formations in 1992. He was elected Senior Vice President and General Counsel of Holdings in March 1992. He was Vice President and Secretary of Holdings from 1984 to 1992 and Secretary from 1981 to 1984. He joined Holdings in 1978. Mr. Nichols has been Vice President-Law of MacAndrews Holdings since 1988.

Mr. Drapkin (48) has been a Director of the Company and of Products Corporation since their respective formations in 1992 and of Holdings since January 1992. He has been Vice Chairman 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, Andrews Group, Coleman, Coleman Holdings, Coleman Worldwide, Cigar Holdings, Consolidated Cigar, Marvel, Marvel Holdings, Marvel Parent, Marvel III, Products Corporation, Revlon Worldwide, Toy Biz, and VIMRx Pharmaceuticals Inc. On December 27, 1996, Marvel Holdings, Marvel Parent, Marvel III and Marvel and several of its subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code.

Dr. Feldberg (54) has been a Director of the Company since February 1997. Dr. Feldberg has been the Dean of Columbia University Business School for more than the past five years. Dr. Feldberg is a Director of the following corporations which file reports pursuant to the Exchange Act: Federated Department Stores, Inc., Paine Webber Group, Inc. (certain funds) and KIII Communications Corporation.

Mr. Gittis (62) has been a Director of the Company and of Products Corporation since their respective formations in 1992 and of Holdings since 1985. He has been Vice Chairman 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: Andrews Group, Cal Fed, Cigar Holdings, Consolidated Cigar, FN Holdings, First Nationwide Parent, Mafco Consolidated, PCT, Pneumo Abex, Products Corporation, Revlon Worldwide, Jones Apparel Group, Inc., Loral Space & Communications Ltd. and Rutherford-Moran Oil Corporation.

Dr. Kissinger (73) 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., an 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, Hollinger International Inc. and Freeport-McMoran, Inc., all of which file reports pursuant to the Exchange Act.

Mr. Jordan (61) 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.

Mr. Landau (67) has been a Director of the Company since June 1996. Mr. Landau has been a Senior Partner in the New York law firm of Lowenthal, Landau, Fischer & Bring, P.C. for more than the past five years. He has been a Director of Products Corporation since June 1992 and was a director of Holdings from 1989 until April 1993. Mr. Landau is a director of Offitbank Investment Fund, Inc., which files reports pursuant to the Exchange Act.

Ms. Robinson (44) has been a Director of the Company since June 1996. Ms. Robinson has been Chairman and Chief Executive Officer of Robinson Lerer & Montgomery, LLC, a strategic communications consulting firm, since May 1996. For more than five years prior to that she was Chairman and Chief Executive Officer of Robinson Lerer Sawyer Miller Group, or its predecessors. Ms. Robinson is a director of VIMRx Pharmaceuticals, Inc. which files reports pursuant to the Exchange Act, and is a trustee of New York University Medical Center.

Mr. Semel (53) has been a Director of the Company since June 1996. Mr. Semel has been Chairman and Co-Executive Officer of the Warner Bros., Division of Time Warner Entertainment LP ("Warner Brothers") since March 1994 and of Warner Music Group since November 1995. For more than ten years prior to that he was President of Warner Brothers or its predecessor Warner Bros. Inc.

Ms. Stewart (55) has been a Director of the Company since June 1996. Ms. Stewart is the Chairman of Martha Stewart Living Omnimedia LLC. 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 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 Audit Committee, consisting of Messrs. Landau and Ms. Robinson and, effective February 13, 1997, Dr. Feldberg, 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, 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 and Drapkin and effective June 5, 1996, Mr. Semel, makes recommendations to the Board regarding compensation and incentive arrangements (including performance-based arrangements) for the Chief Executive Officer, other Executive Officers, officers and other key managerial employees of the Company. The Compensation Committee also considers and recommends awards of stock options to purchase shares of Common Stock pursuant to the Revlon, Inc. 1996 Stock Plan (the "Stock Plan") and administers the Stock Plan.

During 1996, the Board of Directors held four meetings and acted two times by unanimous written consent of all members thereof in accordance with the Company's By-Laws and the DGCL, and the Executive Committee acted two times by unanimous written consent of all members thereof in accordance with the Company's By-Laws and the DGCL. The Audit Committee held two meetings in 1996.

During 1996, the Compensation Committee acted five times by unanimous written consent of all members thereof in accordance with the Company's By-Laws and the DGCL. During 1996, all Directors attended 75% or more of the meetings of the Board of Directors and of the Committees of which they were members.

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 Chief Executive Officer of the Company 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, 1996, for services rendered in all capacities to the Company and its subsidiaries during such periods.

SUMMARY COMPENSATION TABLE

		ANNUAL COMPENSATION (A)			LONG-TERM COMPENSATION AWARDS	
NAME AND PRINCIPAL POSITION	YEAR	SALARY ($)	BONUS ($)	OTHER ANNUAL COMPEN-SATION ($)	SECURITIES UNDER-LYING OPTIONS	ALL OTHER COMPEN-SATION ($)
Jerry W. Levin (b)	1996	1,500,000	1,500,000	93,801	170,000	307,213
Chairman of the Board	1995	1,450,000	1,450,000	42,651	0	308,002
	1994	1,300,000	1,300,000	39,184	0	540,177
George Fellows (c)	1996	1,025,000	870,000	15,242	120,000	4,500
President and Chief Executive	1995	841,667	531,700	68,559	0	4,500
Officer	1994	745,833	449,200	11,625	0	104,500
William J. Fox (d)	1996	750,000	598,600	50,143	50,000	56,290
Senior Executive Vice	1995	660,000	455,000	54,731	0	56,290
President and Chief Financial Officer	1994	601,333	329,900	59,143	0	56,290
Carlos Colomer	1996	700,000	192,600	----------	37,000	----------
Executive Vice President	1995	600,000	135,200	----------	0	----------
	1994	550,000	280,200	----------	0	----------
M. Katherine Dwyer (e)	1996	500,000	326,100	90,029	45,000	4,500
Senior Vice President						

(a) The amounts shown in Annual Compensation for 1996, 1995 and 1994 reflect salary and 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 individual and corporate performance goals during the calendar year (with the opportunity for higher awards based upon overachievement of such goals but in no event higher than 100%).

(b) Mr. Levin was Chief Executive Officer of the Company during 1994, 1995 and 1996. 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 and 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 1996 reflects $302,713 in respect of life insurance premiums and $4,500 in respect of matching contributions under the Revlon Employees' Savings and Investment Plan (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. The amount shown for Mr. Levin under Other Annual Compensation for 1994 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 amounts shown for Mr. Levin under All Other Compensation for 1994 reflect payments in respect of life insurance premiums and certain relocation expenses and matching contributions under the 401(k) Plan. In connection with such relocation, the Company purchased for face value a $525,000 purchase money note made by the purchaser of Mr. Levin's home secured by a mortgage on such home.

(c) Mr. Fellows became Chief Executive Officer of the Company in January 1997. 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 up 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. The amount shown for Mr. Fellows under Other Annual Compensation for 1994 reflects payments in respect of gross up for taxes on imputed income arising out of personal use of a Company-provided automobile. The amounts shown for Mr. Fellows under All Other Compensation for 1994 reflect matching contributions under the 401(k) Plan and reimbursement for long-term compensation and other benefits under plans of his prior employer, which Mr. Fellows forfeited by accepting employment with the Company.

(d) Mr. Fox became Senior Executive Vice President of the Company in January 1997. 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. The amount shown for Mr. Fox under Other Annual Compensation for 1994 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 for Mr. Fox. The amounts shown for Mr. Fox under All Other Compensation for 1994 reflect payments in respect of life insurance premiums and matching contributions under the 401(k) Plan.

(e) Ms. Dwyer became an executive officer of the Company on December 17, 1996. The amount shown for Ms. Dwyer under Other Annual Compensation for 1996 reflects $57,264 in expense reimbursements and payments in respect of gross up 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.

OPTION GRANTS IN THE LAST FISCAL YEAR

During 1996, 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 (a)				Grant Date Value (b)
Name	Number of Securities Underlying Option Granted (#)	Percent of Total Options Granted To Employees In Fiscal Year	Exercise Of Base Price ($/Sh)	Expiration Date	Grant Date Present Value $
Jerry W. Levin Chairman (c)	170,000	17%	24.00	2/28/06	1,885,079
George Fellows President and Chief Executive Officer (c)	120,000	12%	24.00	2/28/06	1,330,644
William J. Fox Senior Executive Vice President and Chief Financial Officer (c)	50,000	5%	24.00	2/28/06	554,435
Carlos Colomer Executive Vice President	37,000	4%	24.00	2/28/06	410,282
M. Katherine Dwyer Senior Vice President	45,000	5%	24.00	2/28/06	498,992

(a) Prior to the consummation of the Offering, the Board of Directors made initial grants under the Stock Plan of non-qualified options having a term of 10 years to purchase shares of Class A Common Stock at an exercise price equal to the initial public offering price. The grants to Messrs. Levin, Fellows, Fox and Colomer and Ms. Dwyer 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 the Company other than for "cause", death or "disability" under the applicable employment agreement, such options will vest with respect to 50% of the shares subject thereto (if the termination is between the second and third anniversaries of the grant).

(b) Present values were calculated using the Black-Scholes option pricing model. The model as applied used the grant date of February 29, 1996 and the exercise price per share specified in the table above was equal to the

fair market value per share of Common Stock on the date of grant. The model also assumes (i) risk-free rate of return of 5.99% 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 option, (ii) stock price volatility of .31 based upon the peer group average, (iii) a constant dividend rate of zero percent and (iv) that the options normally would be exercised on the final day of the seventh year after grant. No discount from the theoretical value was taken to reflect the waiting period, if any, prior to vesting of the stock options, the restrictions on the transfer of the stock options and the likelihood that the stock options will be exercised in advance of the final day of their term.

(c) Mr. Levin served as Chief Executive Officer during 1996. Mr. Fellows was elected Chief Executive Officer in January 1997. Mr. Fox was elected Senior Executive Vice President in January 1997.

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

The following chart shows the number of stock options exercised during 1996 and the 1996 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)
Jerry W. Levin Chairman (b)	0	0	0 / 170,000	0 / 998,750
George Fellows President and Chief Executive Officer (b)	0	0	0 / 120,000	0 / 705,000
William J. Fox Senior Executive Vice President and Chief Financial Officer (b)	0	0	0 / 50,000	0 / 293,750
Carlos Colomer Executive Vice President	0	0	0 / 37,000	0 / 217,375
M. Katherine Dwyer Senior Vice President	0	0	0 / 45,000	0 / 264,375

(a) Amounts shown represent the market value of the underlying shares of Class A Common Stock at year-end calculated using the December 31, 1996 New York Stock Exchange (the "NYSE") closing price per share of Class A Common Stock of $29.875 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 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.

(b) Mr. Levin served as Chief Executive Officer during 1996. Mr. Fellows was elected Chief Executive Officer in January 1997. Mr. Fox was elected Senior Executive Vice President in January 1997.

EMPLOYMENT AGREEMENTS AND TERMINATION OF EMPLOYMENT ARRANGEMENTS

Each of the Named Executive Officers has entered into an Executive Employment Agreement with the Company's wholly owned subsidiary, Products

Corporation (except in the case of Mr. Colomer, who has entered into an Executive Employment Agreement with a subsidiary of Products Corporation), which became effective upon consummation of the Offering, providing for their continued employment. At any time on or after the second anniversary of the effective date of the relevant Executive Employment Agreement, the Company may terminate the term by 12 months prior notice of non-renewal. The agreements provide for base salary of not less than $1,500,000, $1,650,000 and $1,800,000 during 1996, 1997 and 1998 and thereafter, respectively, in the case of Mr. Levin, and not less than $1,000,000, $750,000, $700,000 and $500,000 (or any greater amount to which such base salary amounts may be increased) in the case of Messrs. Fellows, Fox and Colomer and Ms. Dwyer, respectively, participation in the Executive Bonus Plan, continuation of life insurance and executive medical insurance coverage in the event of permanent disability, the provision of post-retirement life insurance coverage in the amount of two times base salary in certain circumstances, and participation in other executive benefit plans on a basis equivalent to senior executives of the

Company generally. 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 agreements with Messrs. Levin and Fox provide that, in lieu of any participation in Company-paid pre-retirement life insurance coverage, Products Corporation will pay premiums and gross up 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 also require that management recommend to the Compensation Committee that Messrs. Levin, Fellows, Fox and Colomer and Ms. Dwyer be granted options to purchase 170,000, 120,000, 50,000, 37,000, and 45,000 (in first year and 30,000 thereafter) shares of Class A Common Stock, respectively, each year during the term of the relevant Executive Employment Agreement. The agreements provide that in the event of termination of the term of the relevant Executive Employment Agreement by Products Corporation otherwise than for "good reason" as defined in the Executive Severance Policy or 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 the Executive Severance Policy as in effect on January 1, 1996 (see -"Executive Severance Policy"). In addition, the employment agreement with Mr. Fellows provides that if he remains continuously employed with 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, 1996, 1995, and 1994, Mr. Colomer had a loan

outstanding from the Company's subsidiary in Spain in the amount of 25.0 million Spanish pesetas (approximately $205,000 U.S. dollar equivalent as of December 31, 1996) 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 2.15 million Spanish pesetas (approximately $16,988 U.S. dollar equivalent as of December 31, 1996) for 1996; 2.25 million Spanish pesetas (approximately $18,097 U.S. dollar equivalent as of December 31, 1995) for 1995 and 2.25 million Spanish pesetas (approximately $17,094 U.S. dollar equivalent as of December 31, 1994) for 1994.

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 Named Executive Officers, other than voluntary resignation, retirement 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, not to exceed

six months' base salary). Pursuant to the Executive Severance Policy, upon meeting the conditions set forth therein, Messrs. Levin, Fellows, Colomer and Fox 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, 1996) at normal retirement age (65) to a person retiring with the indicated average compensation and years of credited service, on a straight life annuity basis, after Social Security offset, under the Revlon Employees' Retirement Plan (the "Retirement Plan"), including amounts attributable to the Pension Equalization Plan, each as described below:

HIGHEST CONSECUTIVE FIVE-YEAR AVERAGE COMPENSATION DURING FINAL TEN YEARS	ESTIMATED ANNUAL STRAIGHT LIFE BENEFITS AT RETIREMENT WITH INDICATED YEARS OF CREDITED SERVICE (A)				
	15	20	25	30	35

$600,000	$152,022	$202,696	$253,370	$304,044	$304,044
700,000	178,022	237,363	296,703	356,044	356,044
800,000	204,022	272,029	340,037	408,044	408,044
900,000	230,022	306,696	383,370	460,044	460,044
1,000,000	256,022	341,363	426,703	500,000	500,000
1,100,000	282,022	376,029	470,037	500,000	500,000
1,200,000	308,022	410,696	500,000	500,000	500,000
1,300,000	334,022	445,363	500,000	500,000	500,000
1,400,000	360,022	480,029	500,000	500,000	500,000
1,500,000	386,022	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 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 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, 1997 for Mr. Levin is seven years (which includes credit for service with MacAndrews Holdings), for Mr.

Fellows is eight years (which includes credit for prior service with Holdings), for Mr. Fox is 13 years (which includes credit for service with MacAndrews Holdings) and for Ms. Dwyer is 3 years. 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 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, 1997 under the Foreign Pension Plan is 17 years (which includes credit for service with Holdings).

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 monthly installments, and a fee of $1,000 for each meeting of the Board of Directors or any committee thereof they attend.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Company conducts its business through Products Corporation and Products Corporation's subsidiaries. For 1996, the Company's executive officers were compensated by Products Corporation for services rendered to the Company and its subsidiaries, participated in benefit plans sponsored by Products Corporation and did not receive compensation from the Company other than grants of options under the Stock Plan. The Compensation Committee (made up of Messrs. Gittis and Drapkin effective February 22, 1996 and Mr. Semel effective June 6, 1996) determined compensation of executive officers of the Company from and after the Offering.

During 1996, the Company has used an airplane which was owned by a corporation of which Messrs. Gittis, Drapkin and Levin were the sole stockholders. As of December 31, 1996, Mr. Levin no longer holds an ownership interest in the corporation that owns the airplane. 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 1, 1996, 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 who is a beneficial owner of any shares of Common Stock, (iii) the chief executive officer and each of the four most highly compensated executive officers of the Company during 1996 and (iv) all directors and executive officers of the Company as a group. The number of shares owned are those beneficially owned, as determined under the rules of the Securities and Exchange Commission (the "SEC"), 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 BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Ronald O. Perelman 35 E. 62nd St. New York, NY 10021	11,250,000 (Class A) (1) 31,250,000 (Class B) (1)	56.6% 100%
Carlos Colomer	0	
Donald Drapkin	12,000 (Class A) (2)	*
M. Katherine Dwyer	3,000 (Class A)	*

Meyer Feldberg	0	
George Fellows	10,000 (Class A)	*
William J. Fox	10,000 (Class A) (3)	*
Howard Gittis	15,000 (Class A)	*
Vernon E. Jordan	0	
Henry A. Kissinger	0	*
Edward J. Landau	0	
Jerry W. Levin	26,000 (Class A) (4)	*
Linda Gosden Robinson	0	*
Terry Semel	5,000 (Class A) (5)	*
Martha Stewart	0	
- ------------		
All Nominees and Executive Officers as a Group (18 Persons) (6)	11,352,250 (Class A)	57.1%
	31,250,000 (Class B)	100%

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* Less than one percent

(1) Mr. Perelman through Mafco Holdings Inc. (which through Revlon Worldwide) 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 Revlon Worldwide are pledged by Revlon Worldwide to secure its obligations under certain indebtedness, and shares of intermediate holding companies are or may from time to time be pledged to secure obligations of Mafco Holdings Inc. or its affiliates.

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

(3) 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.

(4) Includes 1,000 shares owned by Mr. Levin's daughter as to which beneficial ownership is disclaimed.

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

(6) Includes 16,500 shares owned by executive officers not listed in the table as to which beneficial ownership is disclaimed for 2,350 shares. Also includes 4,750 shares which may be acquired under options which vest on February 28, 1997.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Through Revlon Worldwide, 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, the Company and Products Corporation entered into an asset transfer agreement with Holdings and certain of its wholly owned subsidiaries (the "Asset Transfer Agreement"), and the Company 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 certain small brands that historically had not been profitable ("Retained Brands"). Holdings agreed to indemnify the Company and Products Corporation against losses arising from the Excluded Liabilities, and the Company 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 1996 was $1.4 million.

BENEFIT PLANS ASSUMPTION AGREEMENT

Holdings, Products Corporation and the Company entered into a benefit plans assumption agreement dated as of July 1, 1992 pursuant to which Products Corporation assumed all rights, liabilities and obligations under all of Holdings' benefit plans, arrangements and agreements, including obligations under the Revlon Employees' Retirement Plan and the Revlon Employees' Savings and Investment Plan. Products Corporation was substituted for Holdings as sponsor of all such plans theretofore sponsored by Holdings.

OPERATING SERVICES AGREEMENT

In June 1992, the Company, 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 the Company'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 the Company for such direct and indirect costs for 1996 was $5.1 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 1996 was approximately $.6 million

REIMBURSEMENT AGREEMENTS

The Company, Products Corporation and MacAndrews Holdings have entered into reimbursement agreements (the "Reimbursement Agreements") pursuant to which (i) MacAndrews Holdings is obligated to provide certain professional and administrative services, including employees, to the Company and its subsidiaries, including Products Corporation, and purchase services from third party providers, such as insurance and legal and accounting services, on behalf of the Company 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 purchase services from third party providers, such as insurance and legal and accounting services, on behalf of MacAndrews Holdings 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 for reasonable out-of-pocket expenses incurred in connection with the provision of such services. MacAndrews Holdings reimburses the Company for the allocable costs of the services purchased for or provided to MacAndrews Holdings 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 standby letter of credit facility (which aggregated approximately $26.4 million as of December 31, 1996) 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 the Company to the extent amounts are drawn under any of such letters of credit with respect to claims for which the Company is not responsible. The net amount reimbursed by MacAndrews Holdings to the Company for the services provided under the Reimbursement Agreements for 1996 was $2.2 million. Each of the Company 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

The Company, for federal income tax purposes, is included in the affiliated group of which Mafco Holdings is the common parent, and the Company's federal taxable income and loss is 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. In June 1992, Holdings, the Company 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 the Company 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 the Company or its subsidiaries) is the common parent for taxable periods beginning on or after January 1, 1992 during which the Company or a subsidiary of the Company is a member of such group. Pursuant to the Tax Sharing Agreement, for all taxable periods beginning on or after January 1, 1992, the Company will pay to Holdings amounts equal to the taxes that the Company 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 the Company), except that the Company will not be entitled to carry back any losses to taxable periods ending prior to January 1, 1992. No payments are required by the Company if and to the extent Products Corporation is prohibited under the Credit Agreement from making cash tax sharing payments to the Company. The Credit Agreement prohibits Products Corporation from making such cash tax sharing payments other than in respect of state and local income taxes. Since the payments to be made by the Company under the Tax Sharing Agreement will be determined by the amount of taxes that the Company 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 the

Company against losses and tax credits generated by Mafco Holdings and its other subsidiaries. There were no cash payments by the Company pursuant to the Tax Sharing Agreement for 1996.

FINANCING REIMBURSEMENT AGREEMENT

Holdings and Products Corporation entered into a financing reimbursement agreement (the "Financing Reimbursement Agreement") in 1992 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 Old Senior Subordinated Notes from affiliates. 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 Former Credit Agreement and 1 1/2 % per annum of the average balance outstanding under the Former Credit Agreement 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. In June 1996, $10.9 million in notes due to Products Corporation, which included $2.0 million of interest reimbursement in 1996, under the Financing Reimbursement Agreement from Holdings was offset against a $11.7 million demand note payable by Products Corporation to Holdings. The Financing Reimbursement Agreement expired on June 30, 1996.

REGISTRATION RIGHTS AGREEMENT

Prior to the consummation of the Offering, the Company and Revlon Worldwide, the direct parent of the Company entered into the Registration Rights Agreement pursuant to which Revlon Worldwide and certain transferees of Common Stock held by Revlon Worldwide (the "Holders") have the right to require the Company 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 the Class B Common Stock owned by such Holders under the Securities Act (a "Demand Registration"); provided that the Company may postpone giving effect to a Demand Registration up to a period of 30 days if the Company believes such registration might have a material adverse effect on any plan or proposal by the Company with respect to any financing, acquisition, recapitalization, reorganization or other material transaction, or the Company 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 the Company. In addition, the Holders have the right to participate in registrations by the Company 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. The Company 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 1996 Products Corporation rented a portion of the administration building located at the Edison

facility and space for a retail store of the Company. 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 1996 was $1.1 million.

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 million. Products Corporation paid $4.1 million 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.

During 1996, Products Corporation leased certain facilities to MacAndrews & Forbes or its affiliates pursuant to occupancy agreements and leases including space at Products Corporation's New York headquarters and at Products Corporation's offices in London and Tokyo. The rent paid by MacAndrews & Forbes or its affiliates to Products Corporation for 1996 was $4.6 million.

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, 1996. 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 1996 was $0.5 million.

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 million and terminates on June 30, 2005. In consideration for Holdings assuming all liabilities and obligations under the lease, Products Corporation paid Holdings $7.5 million (for which a liability was previously recorded) in three installments of $2.5 million 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, Products Corporation paid $0.2 million associated with the N.J. Warehouse on behalf of Holdings and was reimbursed by Holdings for such amount.

During 1996, the Company used an airplane which was owned by a corporation of which Messrs. Gittis, Drapkin and Levin were the sole stockholders. In 1996, the Company paid approximately $0.2 million for the usage of the airplane. As of December 31, 1996, Mr. Levin no longer holds an ownership interest in the corporation that owned the airplane.

Consolidated Cigar, an affiliate of the Company, assembles lipstick cases for Products Corporation. Products Corporation paid approximately $1.0 million for such services in 1996.

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

The law firm of which Mr. Jordan is a senior partner provided legal services to the Company and its subsidiaries during 1996 and it is anticipated that it will provide legal services to the Company and its subsidiaries during 1997.

The Company believes that the terms of the foregoing transactions are at least as favorable to the Company 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.
4.	INSTRUMENTS DEFINING THE RIGHT OF SECURITY HOLDERS, INCLUDING INDENTURES.
4.1	Indenture, dated as of July 15, 1980, between Holdings and The Chase Manhattan Bank, N.A., as Trustee, relating to the 10 7/8 % Sinking Fund Debentures due 2010 (the "Debentures Indenture"). (Incorporated by reference to Exhibit 4.1 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")).
4.2	First Supplemental Indenture, dated as of August 15, 1986, to the Debentures Indenture. (Incorporated by reference to Exhibit 4.2 to the Revlon 1992 Form S-1).
4.3	Instrument of Appointment and Acceptance of Successor Trustee and Appointment of Agent dated as of November 19, 1987, to appoint First National Bank of Minneapolis, as Trustee, relating to the Debentures Indenture. (Incorporated by reference to Exhibit 4.3 to the Revlon 1992 Form S-1).
4.4	Second Supplemental Indenture, dated as of June 24, 1992, among Holdings, Revlon, Inc. and First National Bank of Minneapolis, as Trustee, to the Debentures Indenture. (Incorporated by reference to Exhibit 4.4 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")).
4.5	Third Supplemental Indenture, dated as of June 24, 1992, among Revlon, Inc., Products Corporation and First National Bank of Minneapolis, as Trustee, to the Debentures Indenture. (Incorporated by reference to Exhibit 4.5 to the Revlon 1992 Amendment No. 1).
4.6	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).

EXHIBIT NO.	DESCRIPTION
4.7	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 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).
4.8	Indenture dated as of June 1, 1993, between Products Corporation and NationsBank of Georgia, National Association, as Trustee, relating to Products Corporation's 91/2% 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).
4.9	Financing Reimbursement Agreement by and between Holdings and Products Corporation dated February 28, 1995. (Incorporated by reference to Exhibit 4.30 to the Annual Report on Form 10-K for the year ended December 31, 1994 of Products Corporation (the "Products Corporation 1994 10-K")).
*4.10	Amendment to the Financing Reimbursement Agreement by and between Holdings and Products Corporation dated May 3, 1996.
4.11	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 Products Corporation 1994 10-K).
4.12	Credit Agreement, dated as of February 28, 1995 among Products Corporation, Chemical Bank, Citibank N.A. and the lenders party thereto (the "Former Credit Agreement"). (Incorporated by reference to Exhibit 4.33 to the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1995 of Products Corporation (the "Products Corporation First Quarter 10-Q")).
4.13	First Amendment, dated as of February 28, 1995, with respect to the Former Credit Agreement. (Incorporated by reference to Exhibit 4.34 to the Products Corporation First Quarter 10-Q).
4.14	Second Amendment, dated as of February 28, 1995, with respect to the Former Credit Agreement. (Incorporated by reference to Exhibit 4.35 to the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995 of Products Corporation).
4.15	Third Amendment, dated as of October 30, 1995, with respect to the Former Credit Agreement. (Incorporated by reference to Exhibit 4.17 to the Registration Statement on Form S-1 of Revlon, Inc. filed with the Securities and Exchange Commission on November 17, 1995 (File No. 33-99558) (the "Revlon 1995 Form S-1").)
4.16	Amended and Restated Credit Agreement, dated as of January 24, 1996, among Products Corporation, Chemical Bank, Citibank N.A., Chemical Securities Inc. and the lenders party thereto. (Incorporated by reference to Exhibit 4.18 to the Amendment No. 3 to the Revlon 1995 Form S-1 filed with the Securities and Exchange Commission on February 5, 1996 (the "Revlon 1995 Amendment No. 3").
*4.17	First Amendment and Consent Number 1 dated as of January 9, 1997 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 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 Revlon 1992 Amendment No. 1).

EXHIBIT NO.	DESCRIPTION
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 relating to the Edison facility 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).
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.
*10.8	Second Amended and Restated Operating Services Agreement by and among Holdings, Revlon, Inc. and Products Corporation, as of January 1, 1996.
10.9	Employment Agreement dated as of January 1, 1996 between Products Corporation and Jerry W. Levin (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").
10.10	Employment Agreement dated as of January 1, 1996 between Products Corporation and George Fellows (Incorporated by reference to Exhibit 10.11 to the Products Corporation 1995 10-K).
10.11	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).
10.12	Employment Agreement dated as of January 1, 1996 between RIROS Corporation and Carlos Colomer Casellas (Incorporated by reference to Exhibit 10.13 to the Products Corporation 1995 10-K).
*10.13	Employment Agreement dated as of January 1, 1996 between Products Corporation and M. Katherine Dwyer.
10.14	Revlon Employees' Savings and Investment Plan effective as of January 1, 1996 (Incorporated by reference to Exhibit 10.15 to the Products Corporation 1995 10-K).
10.15	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).
10.16	Amended and Restated Revlon Pension Equalization Plan, effective January 1, 1996. (Incorporated by reference to Exhibit 10.17 to the Revlon 1995 Amendment No. 4).
10.17	Executive Supplemental Medical Expense Plan Summary dated July 1991. (Incorporated by reference to Exhibit 10.18 to the Revlon 1992 Form S-1).
10.18	Description of Post Retirement Life Insurance Program for Key Executives. (Incorporated by reference to Exhibit 10.19 to the Revlon 1992 Form S-1).
10.19	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).
*10.20	Revlon Executive Bonus Plan effective January 1, 1997.

EXHIBIT NO.	DESCRIPTION
10.21	Revlon Executive Deferred Compensation Plan, amended as of October 15, 1993. (Incorporated by reference to Exhibit 10.25 to the Products Corporation 1993 10-K).
10.22	Revlon Executive Severance Policy effective January 1, 1996. (Incorporated by reference to Exhibit 10.23 to the Revlon 1995 Amendment No. 3).
*10.23	Revlon, Inc. 1996 Stock Plan, amended and restated as of December 17, 1996.
21.	SUBSIDIARIES.
*21.1	Subsidiaries of the Registrant.
23.	Consents of Experts and Counsel.
*23.1	Consent of KPMG Peat Marwick LLP.
24.	POWERS OF ATTORNEY.
*24.1	Power of Attorney of Ronald O. Perelman.
*24.2	Power of Attorney of Donald G. Drapkin.
*24.3	Power of Attorney of 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.

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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, 1996.

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, 1996 and 1995, and the related consolidated statements of operations, cash flows and stockholders' deficiency for each of the years in the three-year period ended December 31, 1996. 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, 1996 and 1995 and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1996, in conformity with generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated finical statements taken as a whole, presents fairly in all material respects, the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, in 1994 the Company adopted the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits."

KPMG PEAT MARWICK LLP

New York, New York
January 28, 1997

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

ASSETS	December 31, 1996	December 31, 1995
Current assets:		
Cash and cash equivalents	$ 38.6	$ 36.3
Trade receivables, less allowances of $24.9 and $23.7, respectively	426.3	363.1
Inventories	281.0	277.8
Prepaid expenses and other	74.5	62.4
Total current assets	820.4	739.6
Property, plant and equipment, net	381.1	367.1
Other assets	139.2	142.9
Intangible assets related to businesses acquired, net	280.6	285.7
Total assets	$ 1,621.3	$ 1,535.3
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities:		
Short-term borrowings - third parties	$ 27.1	$ 22.7
Current portion of long-term debt - third parties	8.8	9.2

Accounts payable	161.9	151.6
Accrued expenses and other	365.2	370.6
Total current liabilities	563.0	554.1
Long-term debt - third parties	1,321.8	1,426.2
Long-term debt - affiliates	30.4	41.3
Other long-term liabilities	202.8	215.7
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 A Common Stock, par value $.01 per share; 350,000,000 shares authorized, 19,875,000 and 11,250,000 issued and outstanding, respectively	0.2	0.1
Class B Common Stock, par value $.01 per share; 200,000,000 shares authorized, 31,250,000 issued and outstanding	0.3	0.3
Capital deficiency	(233.2)	(416.8)
Accumulated deficit since June 24, 1992	(300.4)	(318.2)
Adjustment for minimum pension liability	(12.4)	(17.0)
Currency translation adjustment	(5.8)	(5.0)
Total stockholders' deficiency	(496.7)	(702.0)
Total liabilities and stockholders' deficiency	$ 1,621.3	$ 1,535.3

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,		
	1996	1995	1994
Net Sales	$ 2,167.0	$ 1,937.8	$ 1,732.5
Cost of sales	725.7	652.1	597.3
Gross profit	1,441.3	1,285.7	1,135.2
Selling, general and administrative expenses	1,241.1	1,139.1	1,026.8
Operating income	200.2	146.6	108.4
Other expense (income):			
Interest expense	133.4	142.6	136.7
Interest and net investment income	(3.4)	(4.9)	(6.3)
Amortization of debt issuance costs	8.3	11.0	8.4
Foreign currency losses, net	5.7	10.9	18.2
Miscellaneous, net	6.3	1.8	2.6
Other expenses, net	150.3	161.4	159.6
Income (loss) before income taxes	49.9	(14.8)	(51.2)
Provision for income taxes	25.5	25.4	22.8
Income (loss) before extraordinary item and cumulative effect of accounting change	24.4	(40.2)	(74.0)
Extraordinary item -early extinguishment of debt	(6.6)	--	--
Cumulative effect of accounting change:			
Postemployment benefits, net of income tax benefit of $1.3	--	--	(28.8)
Net income (loss)	$ 17.8	$ (40.2)	$ (102.8)
Income (loss) per common share:			
Income (loss) before extraordinary item and cumulative effect of accounting change	$ 0.49	$ (0.95)	$ (1.74)
Extraordinary item	(0.13)	--	--
Cumulative effect of accounting change	--	--	(0.68)
Net income (loss)	$ 0.36	$ (0.95)	$ (2.42)
Weighted average common shares outstanding	49,687,500	42,500,000	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, 1994	$54.6	$0.4	$(416.8)	$(175.2)		$(4.4)
Net loss				(102.8)(b)		
Adjustment for minimum pension liability					$(10.9)	
Currency translation adjustment						(1.4)
Balance, December 31, 1994	54.6	0.4	(416.8)	(278.0)	(10.9)	(5.8)
Net loss				(40.2)		
Adjustment for minimum pension liability					(6.1)	
Currency translation adjustment						0.8
Balance, December 31, 1995	54.6	0.4	(416.8)	(318.2)	(17.0)	(5.0)
Net income				17.8		
Net proceeds from initial public offering		0.1	187.7			
Adjustment for minimum pension liability					4.6	
Currency translation adjustment						(0.8)(d)
Acquisition of business			(4.1)(c)			
Balance, December 31, 1996	$54.6	$0.5	$(233.2)	$(300.4)	$(12.4)	$(5.8)

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(a) Represents net loss since June 24, 1992, the effective date of the transfer agreements referred to in Note 12.

(b) Includes cumulative effect of change to new accounting standard for postemployment benefits as of January 1, 1994.

(c) Represents amounts paid to Revlon Holdings Inc. for the Tarlow Advertising Division ("Tarlow"). See Note 12.

(d) Includes $2.1 of gains related to the Company's simplification of its international corporate structure.

See Notes to Consolidated Financial Statements.

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

	YEAR ENDED DECEMBER 31,		
	1996	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 17.8	$ (40.2)	$(102.8)
Adjustments to reconcile net income (loss) to net cash (used for) provided by operating activities:			
Depreciation and amortization	90.9	88.4	78.8
Extraordinary item	6.6	--	--
Gain on sale of business interests and certain fixed assets, net	--	(2.2)	--
Cumulative effect of accounting change	--	--	28.8
Change in assets and liabilities:			
Increase in trade receivables	(67.5)	(44.5)	(22.1)
(Increase) decrease in inventories	(5.5)	(15.3)	14.1
(Increase) decrease in prepaid expenses and other current assets	(7.2)	4.5	19.1
Increase in accounts payable	10.8	10.2	23.4
Decrease in accrued expenses and other current liabilities	(10.2)	(12.2)	(22.8)

Other, net	(45.8)	(40.4)	(17.6)
Net cash used for operating activities	(10.1)	(51.7)	(1.1)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(58.0)	(54.3)	(52.5)
Proceeds from the sale of business interests and certain fixed assets	--	3.0	4.6
Acquisition of businesses, net of cash acquired	(7.1)	(21.2)	(3.1)
Net cash used for investing activities	(65.1)	(72.5)	(51.0)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings - third parties	5.8	(122.9)	(5.8)
Proceeds from the issuance of long-term debt - third parties	266.4	493.7	157.6
Repayment of long-term debt - third parties	(366.6)	(236.3)	(197.8)
Net proceeds from initial public offering	187.8	--	--
Proceeds from the issuance of debt - affiliates	115.0	157.4	141.7
Repayment of debt - affiliates	(115.0)	(151.0)	(141.7)
Acquisition of business from affiliate	(4.1)	--	--
Payment of debt issuance costs	(10.9)	(15.7)	(3.0)
Net cash provided by (used for) financing activities	78.4	125.2	(49.0)
Effect of exchange rate changes on cash	(0.9)	(0.1)	0.9
Net increase (decrease) in cash and cash equivalents	2.3	0.9	(100.2)
Cash and cash equivalents at beginning of period	36.3	35.4	135.6
Cash and cash equivalents at end of period	$ 38.6	$ 36.3	$ 35.4
Supplemental schedule of cash flow information:			
Cash paid during the period for:			
Interest	$ 139.0	$ 148.2	$ 138.5
Income taxes, net of refunds	15.4	18.8	3.9
Supplemental schedule of noncash investing activities:			
In connection with business acquisitions, liabilities were assumed as follows:			
Fair value of assets acquired	$ 9.7	$ 27.3	$ 3.3
Cash paid	(7.2)	(21.6)	(3.1)
Liabilities assumed	$ 2.5	$ 5.7	$ 0.2

See Notes to Consolidated Financial Statements.

REVLON, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

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 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 are retained by Holdings. Unless the context otherwise requires, all references to the Company mean Revlon, Inc. and its subsidiaries. Through December 31, 1996, 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 1996 included $0.8 in expenses incidental to being a public holding company and the Company has had no cash flows of its own.

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, 1996 and 1995, the amounts reflected in the Company's Consolidated Balance Sheets aggregated a net liability of $23.6 and $31.2, respectively, of which $5.2 and $6.8, respectively, are included in accrued expenses and other and $18.4 and $24.4, respectively, are included in other long-term liabilities, respectively.

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 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:

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, 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.

INTANGIBLE ASSETS RELATED TO BUSINESSES ACQUIRED:

Intangible assets related to businesses acquired principally represent goodwill, 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 $94.2 and $84.2 at December 31, 1996 and 1995, 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 Note 9.

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.

Effective January 1, 1994, the Company adopted SFAS No. 112, "Employers' Accounting for Postemployment Benefits." SFAS No. 112 requires the

Company to accrue for benefits such as severance, disability and health insurance provided to former employees prior to their retirement, if estimable. The cumulative effect of this change was an after-tax charge of $28.8 principally for severance related to benefits previously recorded on an as and when paid basis. Such benefits generally are vested and accumulate over employees' service periods. Effective January 1, 1994, the Company accounts for such benefits on a terminal basis in accordance with the provisions of SFAS No. 5, "Accounting for Contingencies," as amended by SFAS No. 112, 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 is generally when an employee is terminated. The Company does not believe such liabilities can be reasonably estimated prior to termination.

RESEARCH AND DEVELOPMENT:

Research and development expenditures are expensed as incurred. The amounts charged against earnings in 1996, 1995 and 1994 were $26.3, $22.3 and $19.7, respectively.

FOREIGN CURRENCY TRANSLATION:

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

INCOME (LOSS) PER SHARE AND SUPPLEMENTAL FINANCIAL DATA:

Income (loss) per share is calculated assuming that 42,500,000 shares of Common Stock (as defined below) had been outstanding for the periods presented prior to the consummation of the Company's initial public equity offering on March 5, 1996 (the "Offering"), as a result of the conversion of the outstanding shares of the Company's common stock 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 Company's Offering. Basic income (loss) per share is presented as dilution thereof from common stock equivalents amounts to less than three percent.

The following supplemental financial data give effect to 51,125,000 shares of common stock outstanding after the Offering and the application of the net proceeds from the Offering to repay debt and reduce interest expense by an estimated $2.6 as if such transactions had occurred at the beginning of the period presented.

	YEAR ENDED DECEMBER 31, 1996
Supplemental financial data:	
Income before extraordinary item	$27.0
Income before extraordinary item per share	$0.53

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 11.

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. Unrealized gains and losses on outstanding contracts designated as hedges are not recognized.

Gains and losses on contracts 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 forward exchange contracts are included in income currently. Transaction gains and losses have not been material.

2. INVENTORIES

	DECEMBER 31,	
	1996	1995
Raw materials and supplies	$ 76.6	$ 84.8
Work-in-process	19.4	27.9
Finished goods	185.0	165.1
	$281.0	$277.8

3. PREPAID EXPENSES AND OTHER

	DECEMBER 31,	
	1996	1995
Prepaid expenses	$43.1	$36.5
Other	31.4	25.9

$74.5	$62.4

4. PROPERTY, PLANT AND EQUIPMENT, NET

	DECEMBER 31,	
	1996	1995
Land and improvements	$ 37.5	$ 39.4
Buildings and improvements	207.6	203.2
Machinery and equipment	194.9	192.8
Office furniture and fixtures	59.4	47.8
Leasehold improvements	37.5	33.6
Construction-in-progress	43.7	41.4
	580.6	558.2
Accumulated depreciation	(199.5)	(191.1)
	$ 381.1	$ 367.1

Depreciation expense for the years ended December 31, 1996, 1995 and 1994 was $39.1, $38.6 and $34.7, respectively.

5. ACCRUED EXPENSES AND OTHER

	DECEMBER 31,	
	1996	1995
Advertising and promotional costs and accrual for sales returns	$136.4	$127.8
Compensation and related benefits	95.5	100.7
Interest	36.7	37.9
Taxes, other than federal income taxes	35.0	33.8
Restructuring costs	6.9	15.2
Net liabilities assumed from Holdings	5.2	6.8
Other	49.5	48.4
	$365.2	$370.6

6. SHORT-TERM BORROWINGS

Products Corporation maintained short-term bank lines of credit at December 31, 1996 and 1995 aggregating approximately $72.7 and $69.0, respectively, of which approximately $27.1 and $22.7 were outstanding at December 31, 1996 and 1995, respectively. Compensating balances at December 31, 1996 and 1995 were approximately $7.4 and $7.2, respectively. Interest rates on amounts borrowed under such short-term lines at December 31, 1996 and 1995 varied from 2.2% to 12.1% and 2.0% to 13.4%, respectively.

7. LONG-TERM DEBT

	DECEMBER 31,	
	1996	1995
Working capital lines (a)	$ 187.2	$ 277.5
Bank mortgage loan agreement due 1997 (b)	41.7	52.4
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	79.2
Advances from Holdings (g)	30.4	41.3
Other mortgages and notes payable (8.6%-13.0%) due through 2001	7.1	11.3
	1,361.0	1,476.7
Less current portion	(8.8)	(9.2)
	$1,352.2	$1,467.5

(a) The credit agreement in effect at December 31, 1995 (the "Former Credit Agreement"), which was subsequently amended, provided up to $500.0 comprised of three senior secured facilities: a $100.0 term loan facility, a $225.0 revolving credit facility and a $175.0 multi-currency facility. Products Corporation complied with each of the financial covenants contained in the Former Credit Agreement, as of and for the defined measurement periods ended December 31, 1995. The Former Credit Agreement was scheduled to expire on June 30, 1997.

In connection with repayments of indebtedness under the Former Credit Agreement in 1996, the commitments thereunder were extinguished, representing an early extinguishment of a portion of such facilities. Consequently, in 1996, the Company recognized a loss of approximately $6.6 representing the then unamortized debt issuance costs, which have been reported in the Consolidated Statements of Operations as an extraordinary item.

Loans that were outstanding under the Former Credit Agreement's revolving credit facility and term loan facility bore interest initially at a rate equal to, at Products Corporation's option, either (A) the alternate base rate, defined to mean the highest of (i) the prime rate, (ii) the secondary market rate for certificates of deposit plus 1% and (iii) the federal funds rate plus 1/2%; in each case plus 2 1/2% or (B) the Eurodollar Rate plus 3 1/2%. The multi-currency facility bore interest at a rate equal to the Eurocurrency Rate, the local lender rate or the alternate base rate, in each case plus 3 1/2%.

In January 1996, Products Corporation entered into a credit agreement (the "Credit Agreement"), which became effective upon consummation of the Offering on March 5, 1996. The Credit Agreement includes, among other things, (i) an extension of the term of the facilities from June 30, 1997 to December 31, 2000 (subject to earlier termination in certain circumstances), (ii) a reduction of the interest rates, (iii) an increase in the amount of the credit facilities from $500.0 to $600.0 (subject to reduction as described below) and (iv) the release of security interests in assets of certain foreign subsidiaries of Products Corporation which were then pledged.

The Credit Agreement is comprised of four senior secured facilities: a $130.0 term loan facility (the "Term Loan Facility"), a $220.0 multi-currency

facility (the "Multi-Currency Facility"), a $200.0 revolving acquisition facility (the "Acquisition Facility") and a $50.0 standby letter of credit facility (the "Special LC Facility" and together with the Term Loan Facility, 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"). The Credit Facilities (other than loans in foreign currencies) bear interest at a rate equal to, at Products Corporation's option, either (A) the Alternate Base Rate plus 1.5% (or 2.5% for Local Loans); or (B) the Eurodollar Rate plus 2.5%. Loans in foreign currencies bear interest at a rate equal to the Eurocurrency Rate or, in the case of Local Loans, the local lender rate, in each case plus 2.5%. The applicable margin is reduced (or increased, but not above 2% for Alternate Base Rate Loans not constituting Local Loans and 3% for

other loans) in the event Products Corporation attains (or fails to attain) certain leverage ratios. Products Corporation pays the Lender a commitment fee of 1/2 of 1% of the unused portion of the Credit Facilities. 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 Holdings, Products Corporation or any of its subsidiaries of certain additional debt, (iv) 50% of the excess cash flow of Products Corporation and its subsidiaries and (v) certain scheduled reductions in the case of the Term Loan Facility, which commence on January 31, 1997 in the amount of $1.0 annually over the remaining life of the Credit Agreement, and the Acquisition Facility, which will commence on December 31, 1997 in the amount of $20.0, $50.0 in 1998, $60.0 in 1999 and $70.0 in 2000. In addition, the Credit Agreement requires that the net proceeds from any sale of equity securities of any parent of Products Corporation which has the assets of Products Corporation or certain of its subsidiaries as its only substantial assets be contributed to Products Corporation (except to the extent that such proceeds are applied to repay or refinance the Senior Secured Discount Notes due 1998 (the "Senior Secured Discount Notes") of Revlon Worldwide Corporation or are deposited with the trustee under the indenture covering such notes) and that Products Corporation use 50% of such proceeds, in certain circumstances, to reduce commitments under the Credit Agreement. The Credit Agreement will terminate on December 31, 2000 (subject to earlier termination on March 31, 1999 if Products Corporation has not refinanced its 9 1/2% Senior Notes due 1999 (the "1999 Senior Notes") before March 31, 1999 or if an alternative plan for the refinancing of the 1999 Senior Notes has not been approved by the majority lenders prior to March 15, 1999). As of December 31, 1996, Products Corporation had approximately $130.0 outstanding under the Term Loan Facility, $57.2 outstanding under the Multi-Currency Facility, none outstanding under the Acquisition Facility and $33.5 outstanding under the Special LC Facility.

The Credit Facilities, subject to certain exceptions and limitations, are supported by guarantees from Holdings and certain of its subsidiaries, the Company 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 and 66% of the capital stock of its first tier

foreign subsidiaries and the capital stock of certain subsidiaries of Holdings; (iii) domestic intellectual property and certain other domestic intangibles of (x) Products Corporation and its domestic subsidiaries and (y) certain subsidiaries of Holdings; (iv) domestic inventory and accounts receivable of (x) Products Corporation and its domestic subsidiaries and (y) certain subsidiaries of Holdings; and (v) the assets of certain foreign subsidiary borrowers under the Multi-Currency Facility (to support their borrowings only). The Credit Agreement provides that the liens on the stock and personal property referred to above may be shared from time to time with specified types of other obligations incurred or guaranteed by Products Corporation that were not included in the Former Credit Agreement, such as interest rate hedging obligations, working capital lines and the yen credit agreement (as defined below).

The Credit Agreement contains various restrictive covenants prohibiting Products Corporation and its subsidiaries from, among other things, (i) incurring additional indebtedness, with certain exceptions, (ii) making dividend, tax sharing (see Note 9 "Income Taxes") and other payments or loans to the Company or other affiliates, with certain exceptions, including among others, permitting Products Corporation to pay dividends and make distributions to the Company, among other things, to enable the Company 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 up to $5.0 per annum in certain circumstances to finance the purchase by the Company of its common stock in connection with the delivery of such common stock to grantees under any stock option plan, (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 certain financial covenants including,

among other things, covenants requiring Products Corporation and its subsidiaries to maintain minimum consolidated adjusted net worth, minimum EBITDA (defined as earnings before interest, taxes, depreciation and amortization and certain other charges), minimum interest coverage, and covenants which limit the amount of total indebtedness of Products Corporation and the amount of capital expenditures.

In January 1997, the Credit Agreement was amended to, among other things, (i) permit the merger of Prestige Fragrance & Cosmetics, Inc. ("PFC"), a wholly owned subsidiary of Products Corporation, into The Cosmetic Center, Inc. ("Cosmetic Center") and to generally exclude Cosmetic Center (as the survivor of the merger) from the definition of "subsidiary" under the Credit Agreement, (ii) increase the amount of permitted dividends and distributions to finance the purchase by the Company if its common stock in connection with the delivery of such common stock to grantees under any stock option plan to $6.0 per annum, and (iii) permit Products Corporation to purchase capital stock of the Company for purposes of making matching contributions under a proposed Non-Qualified Excess Savings Plan for Key Executives.

(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 Y4.8 billion as of December 31, 1996 (approximately $41.7 U.S. dollar equivalent as of December 31, 1996). In accordance with the terms of the Yen Credit Agreement, approximately Y2.7 billion (approximately $26.9 U.S. dollar equivalent) was paid in January 1995 and approximately Y539 million

(approximately $5.2 U.S. dollar equivalent) was paid in January 1996. A payment of approximately Y539 million (approximately $4.6 U.S. dollar equivalent as of December 31, 1996) was paid in January 1997. The balance of the Yen Credit Agreement of approximately Y4.3 billion (approximately $37.1 U.S. dollar equivalent as of December 31, 1996) is currently due on December 31, 1997. The Company is currently renegotiating an extension of the term of the Yen Credit Agreement. In the event that such extension is not obtained, the Company is able and intends to refinance the Yen Credit Agreement under existing long-term credit facilities. Accordingly, the Company's obligation under the Yen Credit Agreement has been classified as long-term as of December 31, 1996. The applicable interest rate at December 31, 1996 under the Yen Credit Agreement was the Euro-Yen rate plus 2.5% which approximated 3.1%. The interest rate at December 31, 1995, applicable to the remaining balance, was the Euro-Yen rate plus 3.5%, which approximated 4.1%.

(c) 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 the Company, among other things, to enable the Company 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 in certain circumstances to finance the purchase by the Company 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 of 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 therein, 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 the Company, among other things, to enable the Company 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 in certain circumstances to finance the purchase by the Company 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.

(e) 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 of 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 therein, 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 the Company, among other things, to enable the Company 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 $5.0 per annum in certain circumstances to finance the purchase by the Company 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.

(f) Holdings' 10 7/8% Sinking Fund Debentures due 2010 (face value of $85.0, net of repurchases) (the "Sinking Fund Debentures") are redeemable, in whole or in part, at 101.96% of the principal amount for the year beginning July 15, 1996, decreasing evenly each year on July 15, to par by July 15, 2000. Mandatory sinking fund redemptions of $9.0 per year commenced in 1991. Optional sinking fund redemptions of up to an additional $13.5 per year may be made annually and may be applied to reduce any subsequent mandatory sinking fund redemption. Interest is payable on January 15 and July 15. Holdings purchased $115.0 of the Sinking Fund Debentures in the open market prior to 1985, $9.0 of which had been used in each of the years 1991 through 1996 to satisfy sinking fund payment obligations and approximately $61.0 of which is creditable to future sinking fund requirements. The indenture relating to the Sinking Fund Debentures contains various restrictive covenants prohibiting Products Corporation and its subsidiaries from (i) incurring indebtedness in excess of 5% of the consolidated net tangible assets, where such indebtedness is secured by any manufacturing plant in the United States owned or leased by Products Corporation, the book value of which exceeds 2% of the consolidated net tangible assets of Products Corporation, unless the Sinking Fund Debentures are equally and ratably secured, (ii) entering into certain sale and leaseback transactions or (iii) consolidating or merging with or into, or selling or transferring all or substantially all of their properties and assets to, another corporation, unless certain conditions are satisfied.

(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 12, was offset against the $25.0 note and Holdings agreed not to demand payment under the resulting $11.7 note so long as indebtedness remains outstanding under the Credit Agreement. 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 accordance with the Credit Agreement, such amounts, as adjusted, are evidenced by noninterest-bearing promissory notes payable to Holdings that are subordinated to Products Corporation's obligations under the Credit Agreement.

Products Corporation borrows funds from its affiliates from time to time to supplement its working capital borrowings at interest rates more favorable to Products Corporation than the rate under the Credit Agreement. No such borrowings were outstanding at December 31, 1996 or 1995.

The aggregate amounts of long-term debt maturities and sinking fund requirements (at December 31, 1996), in the years 1997 through 2001 are $8.8, $40.6, $201.2, $214.9 and $260.9, respectively, and $634.6 thereafter.

8. FINANCIAL INSTRUMENTS

As of December 31, 1996, Products Corporation was party to a series of interest rate swap agreements (which expire at various dates through December 2001) 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 London Inter-Bank Offered Rate (5.6875% per annum at January 24, 1997) 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 considers to be held for other than trading purposes, on December 31, 1996, a loss of approximately $3.5 would have been realized. Certain other swap agreements were terminated in 1993 for a gain of $14.0. The amortization of the realized gain on these agreements for 1996 and 1995 was approximately $3.2 in each of the years. The remaining unamortized gain, which is being amortized over the original lives of the agreements, is $3.1 as of December 31, 1996. Although cash flow from the presently outstanding agreements was positive for 1996, future positive or negative cash flows from these agreements will depend upon the trend of short-term interest rates during the remaining lives of such agreements. In the event of nonperformance by the counterparties at any time during the remaining lives of the agreements, Products Corporation could lose some or all of any possible future positive cash flows from these agreements. However, Products Corporation does not anticipate nonperformance by such counterparties, although no assurances can be given.

Products Corporation enters into forward foreign exchange contracts from time to time to hedge certain cash flows denominated in foreign currencies. At December 31, 1996, Products Corporation had forward foreign exchange contracts denominated in various currencies, predominantly the U.K. pound of approximately $62.0 (U.S. dollar equivalent). If Products Corporation had terminated these contracts on December 31, 1996, no material gain or loss would have been realized. Products Corporation had similar contracts outstanding at December 31, 1995 in the amount of $8.0 (U.S. dollar equivalent).

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, 1996 was approximately $37.3 more than the carrying value of $1,361.0. 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 $40.9 were outstanding at December 31, 1996. Included in this amount are $26.4 in standby letters of credit which support Products Corporation's self-insurance programs. See Note 12. 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.

9. INCOME TAXES

In June 1992, Holdings, the Company 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 the Company 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 the Company or its subsidiaries) is the common parent for taxable periods beginning on or after January 1, 1992 during which the Company or a subsidiary of the Company is a member of such group. Pursuant to the Tax Sharing Agreement, for all taxable periods beginning on or after January 1, 1992, the Company will pay to Holdings amounts equal to the taxes that the Company 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 the Company), except that the Company will not be entitled to carry back any losses to taxable periods ending prior to January 1, 1992. No payments are required by the Company if and to the extent that Products Corporation is prohibited under the Credit Agreement from making tax sharing payments to the Company. The Credit Agreement prohibits Products Corporation from making any cash tax sharing payments other than in respect of state and local income taxes. Since the payments to be made by the Company under the Tax Sharing Agreement will be determined by the amount of taxes that the Company 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 the Company 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, no federal tax payments or payments in lieu of taxes pursuant to the Tax Sharing Agreement were required for 1996, 1995 or 1994.

Pursuant to the asset transfer agreement referred to in Note 12, 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,

	1996	1995	1994
Income (loss) before income taxes:			
Domestic	$ 9.4	$(38.4)	$(68.0)
Foreign	40.5	23.6	16.8
	$49.9	$(14.8)	$(51.2)
Provision (benefit) for income taxes:			
Federal	$ --	$ --	$ --
State and local	1.2	3.4	2.8
Foreign	24.3	22.0	20.0
	$25.5	$ 25.4	$ 22.8
Current	$22.7	$ 37.1	$ 40.5
Deferred	6.6	3.0	1.4
Benefits of operating loss carryforwards	(4.7)	(15.4)	(18.1)
Carryforward utilization applied to goodwill	1.0	0.8	--
Effect of enacted change of tax rates	(0.1)	(0.1)	--
Beginning-of-year valuation allowance adjustment	--	--	(1.0)
	$25.5	$ 25.4	$ 22.8

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,		
	1996	1995	1994
Statutory federal income tax rate	35.0%	(35.0)%	(35.0)%
State and local taxes, net of federal income tax benefit	1.6	14.9	3.6
Foreign and U.S. tax effects attributable to operations outside the U.S.	36.2	92.8	27.6
Nondeductible amortization expense	5.9	16.8	4.8
U.S. loss without benefit	--	82.1	43.5
Change in valuation allowance	(24.2)	--	--
Other	(3.4)	--	--
Effective rate	51.1%	171.6%	44.5%

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 1996 and 1995 are presented below:

	DECEMBER 31,	
	1996	1995
Deferred tax assets:		
Accounts receivable, principally due to doubtful		

accounts	$ 3.9	$ 3.7
Inventories	12.5	12.8
Net operating loss carryforwards	269.5	270.3
Restructuring and related reserves	10.2	13.4
Employee benefits	31.7	36.3
State and local taxes	12.8	12.8
Self-insurance	3.6	3.9
Advertising, sales discounts and returns and coupon redemptions	23.6	19.1
Other	23.9	19.7
Total gross deferred tax assets	391.7	392.0
Less valuation allowance	(347.3)	(357.2)
Net deferred tax assets	44.4	34.8
Deferred tax liabilities:		
Plant, equipment and other assets	(43.0)	(34.6)
Inventories	(0.2)	(0.2)
Other	(7.2)	(6.3)
Total gross deferred tax liabilities	(50.4)	(41.1)
Net deferred tax liability	$ (6.0)	$ (6.3)

The valuation allowance for deferred tax assets at January 1, 1996 was $357.2. The valuation allowance decreased by $9.9 during the year ended December 31, 1996 and increased by $19.2 during the year ended December 31, 1995.

During 1996, 1995 and 1994, certain of the Company's foreign operations generated taxable income as to which the related tax liability was offset by the utilization of operating loss carryforwards generated in prior years. Accordingly, credits of $4.7, $15.4 and $18.1 representing the reduction of current foreign taxes payable for the years ended December 31, 1996, 1995 and 1994, respectively, have been recognized in the Consolidated Statements of Operations. Certain other foreign operations generated losses during the years 1996, 1995 and 1994 for which the potential tax benefit was reduced by a valuation allowance as it is more likely than not that such benefit will not be realized. At December 31, 1996, the Company had foreign tax loss carryforwards of approximately $332.2 which expire in future years as follows: 1997-$53.3; 1998-$30.0; 1999-$33.0; 2000-$12.1; 2001 and beyond-$30.4; unlimited-$173.4. The Company will receive a benefit only to the extent it has taxable income during the carryforward periods in the applicable foreign 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 $16.1 at December 31, 1996, excluding those amounts which, if remitted in the near future, would not result in significant additional taxes under tax statutes currently in effect.

10. 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 all of the Company's significant pension plans with the respective amounts recognized in the Consolidated Balance Sheets at the dates indicated:

	DECEMBER 31, 1996		
	OVERFUNDED PLANS	UNDERFUNDED PLANS	TOTAL
Actuarial present value of benefit obligation:			
Accumulated benefit obligation as of Septmber 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 to date	$(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)

	DECEMBER 31, 1995		
	OVERFUNDED PLANS	UNDERFUNDED PLANS	TOTAL
Actuarial present value of benefit obligation:			
Accumulated benefit obligation as of Septmber 30, 1995, includes vested benefits of $269.1	$(18.8)	$(257.2)	$(276.0)
Projected benefit obligation as of September 30, 1995 for service rendered to date	$(21.9)	$(294.1)	$(316.0)
Fair value of plan assets as of September 30, 1995	26.3	185.0	211.3
Plan assets in excess of (less than) projected benefit obligation	4.4	(109.1)	(104.7)
Amounts contributed to plans during fourth quarter 1995	0.2	0.9	1.1
Unrecognized net (assets) obligation	(1.3)	0.2	(1.1)
Unrecognized prior service cost	0.3	9.9	10.2
Unrecognized net loss	1.9	45.2	47.1
Adjustment to recognize additional minimum liability	--	(19.9)	(19.9)
Prepaid (accrued) pension cost	$ 5.5	$ (72.8)	$ (67.3)

The weighted-average discount rate assumed was 7.75% for 1996 and 1995 for domestic plans. For foreign plans, the weighted-average discount rate was 7.9% and 7.6% for 1996 and 1995, respectively. The rate of future compensation increases was 5.25% for 1996 and 1995 for domestic plans and was a weighted-average of 5.05% and 4.81% for 1996 and 1995, respectively, for foreign plans. The expected long-term rate of return on assets was 9.0% for 1996 and 1995 for domestic plans and a weighted-average of 10.4% for 1996 and 1995 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, 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. At December 31, 1995, the additional liability was recognized by recording an intangible asset to the extent of unrecognized prior service costs of $1.6, a due from affiliates of $1.3, and a charge to stockholders' deficiency of $17.0.

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

	YEAR ENDED DECEMBER 31,		
	1996	1995	1994
Service cost-benefits earned during the period	$ 10.6	$ 8.2	$ 9.1
Interest cost on projected benefit obligation	24.3	21.7	20.8
Actual (return) loss on plan assets	(30.4)	(27.3)	2.7
Net amortization and deferrals	15.1	13.4	(14.4)
	19.6	16.0	18.2
Portion allocated to Holdings	(0.3)	(0.3)	(0.3)
Net periodic pension cost of the Company	$ 19.3	$ 15.7	$ 17.9

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 1996 and 1995, there was a settlement loss of $0.3 and $0.1, respectively, and a curtailment loss of $1.0 and $0.1, respectively, resulting from workforce reductions.

POSTRETIREMENT BENEFITS OTHER THAN PENSIONS:

During 1996, 1995 and 1994, the Company sponsored an unfunded retiree benefit plan, which provides death benefits payable to beneficiaries of certain key employees. Participation in this plan is limited to participants enrolled as of December 31, 1993. Net periodic postretirement benefit cost for each of the years ended December 31, 1996, 1995 and 1994 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, 1996 and 1995, the portion of accumulated benefit obligation attributable to retirees was $6.9 and $6.7, respectively, and to other fully eligible participants, $1.3 and $1.0, respectively. The amount of unrecognized gain at December 31, 1996 and 1995 was $1.2 and $1.7, respectively. At December 31, 1996 and 1995, the accrued postretirement benefit obligation recorded on the Company's Consolidated Balance Sheets was $9.4. Of these amounts, $2.0 and $2.2 was attributable to Holdings and was recorded as a receivable from affiliates at December 31, 1996 and 1995, respectively. The weighted average discount rate used in determining the accumulated postretirement benefit obligation at September 30, 1996 and 1995 was 7.75%.

11. STOCK COMPENSATION PLAN

At December 31, 1996, the Company has a stock-based compensation plan (the "Plan"), which is described below. The Company applies APB Opinion No. 25

and related Interpretations in accounting for the Plan. Under APB Opinion No. 25, because the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant, no compensation cost has been recognized. Had compensation cost for the Company's Plan been determined consistent with SFAS No. 123, the Company's net income and net income per share for 1996 of $17.8 and $.36, respectively, would have been reduced to the pro forma amounts of $14.6 and $.29, respectively. The effects of applying SFAS No. 123 in this pro forma disclosure are not necessarily indicative of future amounts.

Under the Plan, the Company 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 the Company 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). All other initial option grants 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. The fair value of each option grant is estimated on the date of the grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for option grants in 1996: no dividend yield; expected volatility of 31%; risk-free interest rate of 5.99%; and an expected average life of seven years for the Plan's options. At December 31, 1996 there were no options exercisable under the Plan.

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

	SHARES (000)	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at beginning of year	--	--
Granted	1,010.2	$24.33
Exercised	--	--
Forfeited	(119.1)	24.00
Outstanding at end of year	891.1	24.37

The weighted average fair value of each option granted during 1996 approximated $11.00.

The following table summarizes information about the Plan's options outstanding at December 31, 1996:

RANGE OF EXERCISE PRICES	NUMBER OUTSTANDING (000)	WEIGHTED AVERAGE YEARS REMAINING	WEIGHTED AVERAGE EXERCISE PRICE
$24.00 to $29.88	855.1	9.16	$24.06

31.00 to 33.88 ..	36.0	9.79	31.88
24.00 to 33.88 ..	891.1	9.19	24.37

12. RELATED PARTY TRANSACTIONS

TRANSFER AGREEMENTS

In June 1992, the Company and Products Corporation entered into an asset transfer agreement with Holdings and certain of its wholly owned subsidiaries (the "Asset Transfer Agreement"), and the Company 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 certain small brands that historically had not been profitable ("Retained Brands"). Holdings agreed to indemnify the Company and Products Corporation against losses arising from the Excluded Liabilities, and the Company and Products Corporation agreed to indemnify Holdings against losses arising from the liabilities assumed by Products Corporation. The amounts reimbursed by Holdings to the Company for the Excluded Liabilities for 1996, 1995 and 1994 were $1.4, $4.0 and $7.4, respectively.

BENEFIT PLANS ASSUMPTION AGREEMENT

Holdings, Products Corporation and the Company entered into a benefit plans assumption agreement dated as of July 1, 1992 pursuant to which Products Corporation assumed all rights, liabilities and obligations under all of Holdings' benefit plans, arrangements and agreements, including obligations under the Revlon Employees' Retirement Plan and the Revlon Employees' Savings and Investment Plan. Products Corporation was substituted for Holdings as sponsor of all such plans theretofore sponsored by Holdings.

OPERATING SERVICES AGREEMENT

In June 1992, the Company, 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 the Company'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 the Company for such direct and indirect costs for 1996, 1995 and 1994 were $5.1, $8.6 and $11.5, 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 1996, 1995 and 1994 were approximately $0.6, $1.7 and $1.9, respectively.

REIMBURSEMENT AGREEMENTS

The Company, Products Corporation and MacAndrews Holdings have entered into reimbursement agreements (the "Reimbursement Agreements") pursuant to which (i) MacAndrews Holdings is obligated to provide certain professional and administrative services, including employees, to the Company and its

subsidiaries, including Products Corporation, and purchase services from third party providers, such as insurance and legal and accounting services, on behalf of the Company 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 purchase services from third party providers, such as insurance and legal and accounting services, on behalf of MacAndrews Holdings 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 for reasonable out-of-pocket expenses incurred in connection with the provision of such services. MacAndrews Holdings reimburses the Company for the allocable costs of the services purchased for or provided to MacAndrews Holdings 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 $26.4 as of December 31, 1996) 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 the Company to the extent amounts are drawn under any of such letters of credit with respect to claims for which the Company is not responsible. The net amounts reimbursed by MacAndrews Holdings to the Company for the services provided under the Reimbursement Agreements for 1996, 1995 and 1994 were $2.2, $3.0 and $1.6, respectively. Each of the Company 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

The Company, for federal income tax purposes, is included in the affiliated group of which Mafco Holdings is the common parent, and the Company's federal taxable income and loss is 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. In June 1992, Holdings, the Company and certain of its subsidiaries, and Mafco Holdings entered into the Tax Sharing Agreement pursuant to which Mafco Holdings has agreed to indemnify the Company 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 the Company or its subsidiaries) is the common parent for taxable periods beginning on or after January 1, 1992 during which the Company or a subsidiary of the Company is a member of such group. Pursuant to the Tax Sharing Agreement, for all taxable periods beginning on or after January 1, 1992, the Company will pay to Holdings amounts equal to the taxes that the Company 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 the Company), except that the Company will not be entitled to carry back any losses to taxable periods ending prior to January 1, 1992. No payments are required by the Company if and to the extent Products Corporation is prohibited under the

Credit Agreement from making cash tax sharing payments to the Company. The Credit Agreement prohibits Products Corporation from making such cash tax sharing payments other than in respect of state and local income taxes. Since the payments to be made by the Company under the Tax Sharing Agreement will be determined by the amount of taxes that the Company 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 the Company against losses and tax credits generated by Mafco Holdings and its other subsidiaries. There were no cash payments by the Company pursuant to the Tax Sharing Agreement for 1996, 1995 or 1994.

FINANCING REIMBURSEMENT AGREEMENT

Holdings and Products Corporation entered into a financing reimbursement agreement (the "Financing Reimbursement Agreement") in 1992 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 Old Senior 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 Former Credit Agreement. 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 Former Credit Agreement (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 Former Credit Agreement 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 in 1996, under the Financing Reimbursement Agreement from Holdings was offset against a $11.7 demand note payable by Products Corporation to Holdings. The Financing Reimbursement Agreement expired on June 30, 1996.

REGISTRATION RIGHTS AGREEMENT

Prior to the consummation of the Offering, the Company and Revlon Worldwide Corporation("Revlon Worldwide"), the direct parent of the Company, entered into the Registration Rights Agreement pursuant to which Revlon Worldwide and certain transferees of Common Stock held by Revlon Worldwide (the "Holders") have the right to require the Company 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 the Class B Common Stock owned by such Holders under the Securities Act (a "Demand Registration"); provided that the Company may postpone giving effect to a Demand Registration up to a period of 30 days if the Company believes such registration might have a material adverse effect on any plan or proposal by the Company with respect to any financing, acquisition, recapitalization, reorganization or other material transaction, or the Company 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 the Company. In addition, the Holders have the right to participate in registrations by the Company 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. The Company 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 1996 and 1995 the Company rented a portion of the administration building located at the Edison facility and space for a retail store of the Company. The Company provides certain administrative services, including accounting, for Holdings with respect to the Edison facility pursuant to which the Company 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 the Company for such costs with respect to the Edison facility for 1996, 1995 and 1994 was $1.1, $1.2 and $2.1, respectively.

In the fourth quarter of 1996, Products Corporation and certain of its subsidiaries 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.

Effective January 1, 1994, Products Corporation sold the inventory, contracts, dedicated tools, dies and molds, intellectual property and a license agreement relating to the NEW ESSENTIALS brand to Holdings for $2.2 (representing the net book value of such brand which Products Corporation

believes approximated its fair market value at the time of sale), and the Operating Services Agreement was amended to include NEW ESSENTIALS as a "Retained Brand."

During 1996, 1995 and 1994, Products Corporation leased certain facilities to MacAndrews & Forbes or its affiliates pursuant to occupancy agreements and leases including space at Products Corporation's New York headquarters and at Products Corporation's offices in London and Tokyo. The rent paid by MacAndrews & Forbes or its affiliates to Products Corporation for 1996, 1995 and 1994 was $4.6, $5.3 and $4.1, 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. 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, 1996, 1995 or 1994. 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 the Company for such borrowings for 1996, 1995 and 1994 was $0.5, $1.2 and $1.1, 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, 1995 and 1994, 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, $0.2 and $0.3 for 1996, 1995 and 1994, respectively.

During 1996, 1995 and 1994, the Company used an airplane which was owned by a corporation of which Messrs. Gittis, Drapkin and Levin were the sole stockholders. The Company paid approximately $0.2, $0.4 and $0.5 for the usage of the airplane for 1996, 1995 and 1994, respectively. As of December 31, 1996, Mr. Levin no longer holds an ownership interest in the corporation that owned the airplane.

Consolidated Cigar, an affiliate of the Company, assembles lipstick cases for Products Corporation. Products Corporation paid approximately $1.0,

$1.0 and $0.6 for such services for 1996, 1995 and 1994, respectively.

During 1994, the Company was retained by an affiliate, Meridian, to act as licensing agent for Meridian's trademarks. The Company will receive a percentage of any royalties generated by such licenses. No royalties were earned by Meridian for 1994, 1995 or 1996. However, Meridian paid the Company approximately $0.1 in 1994 for reimbursement of expenses incurred in connection with such licensing activities.

In January 1995, the Company agreed to license certain of its trademarks to Guthy-Renker Corporation ("Guthy-Renker"), a corporation in which an affiliate of MacAndrews & Forbes held a 37.5% equity interest, to be used by Guthy-Renker in connection with the marketing and sale of hair extensions and hair pieces. The amount paid by Guthy-Renker to the Company pursuant to such license for 1995 was less than $0.1. In connection with this licensing arrangement, Guthy-Renker agreed to use the Company as its exclusive supplier of hair extensions and hair pieces. Guthy-Renker purchased $1.1 of wigs from the Company during 1995. The Company terminated the license with Guthy-Renker during 1995.

13. 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 $51.7, $49.3 and $51.0 for the years ended December 31, 1996, 1995 and 1994, 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, 1996 aggregated $230.0; such commitments for each of the five years subsequent to December 31, 1996 are $37.9, $36.4, $31.2, $28.6 and $25.6, respectively. Such amounts exclude the minimum rentals to be received in the future under noncancelable subleases of $16.1.

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.

14. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

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

	YEAR ENDED DECEMBER 31, 1996			
	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
Net sales	$ 464.3	$517.9	$571.1	$613.7
Gross profit	311.4	347.2	378.1	404.6
(Loss) income before extraordinary item	(29.1)	1.5	21.1	30.9
Net (loss) income	(35.7)(a)	1.5	21.1	30.9
Income (loss) per common share:				
Income (loss) before extraordinary item	(0.64)	0.03	0.41	0.60
Extraordinary item	(0.15)	--	--	--
Net (loss) income	$ (0.79)	$ 0.03	$ 0.41	$ 0.60

	YEAR ENDED DECEMBER 31, 1995(b)			
	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
Net sales	$412.2	$452.6	$514.6	$558.4
Gross profit	270.6	299.1	346.8	369.2
Net (loss) income	(33.4)	(14.0)	3.4	3.8
Net (loss) income per share	(0.79)	(0.33)	0.08	0.09

(a) Includes a charge of $6.6 resulting from the write-off of deferred financing costs associated with the extinguishment of the Former Credit Agreement prior to maturity.

(b) 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 presented 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 to capital deficiency.

15. GEOGRAPHIC SEGMENTS

The Company operates in a single business segment. The Company has operations based in 26 foreign countries 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 enters into forward foreign exchange contracts to hedge certain cash flows denominated in foreign currency. In addition, the Company's operations in Brazil (which accounted for approximately 6.1% of the Company's net sales for 1996) are subject to hyperinflationary conditions. There can be no assurance as to the future effect of changes in social, political and economic conditions on the Company's business or financial condition. During 1996, one customer accounted for approximately 10.1% of the Company's consolidated net sales. Information related to the Company's geographic segments for each of the years in the three-year period ended December 31, 1996 with respect to operating results, and as of December 31, 1996 and 1995 with respect to identifiable assets, is presented below.

Operating profit (loss), as presented below, is operating income, net foreign currency translation (gains) losses and identifiable miscellaneous income and expense; it excludes general corporate income and expenses, net interest and investment income and expense, including amortization of debt issuance costs, and income taxes. Export sales, including those to affiliates, are not significant. Export sales to non-affiliates and related operating profits are reflected in their geographic area of origin.

Identifiable assets, as presented below, are those assets used in each geographic area. Corporate assets are principally cash and cash equivalents, certain property and equipment and nonoperating assets.

	YEAR ENDED DECEMBER 31,

	1996	1995	1994
GEOGRAPHIC AREAS			
Net sales:			
United States	$1,282.2	$1,155.8	$ 1,019.8
Europe, Middle East and Africa	404.1	357.1	320.7
Latin America, Canada and Puerto Rico	297.2	259.5	253.4
Far East, Australia and other areas of the world	183.5	165.4	138.6
	$2,167.0	$1,937.8	$1,732.5
Operating profit (loss):			
United States	$ 163.9	$ 121.7	$ 85.7
Europe, Middle East and Africa	9.9	7.6	16.2
Latin America, Canada and Puerto Rico	23.3	14.9	18.3
Far East, Australia and other areas of the world	7.5	7.8	(3.7)
	204.6	152.0	116.5
Unallocated expenses (income):			
Interest expense	133.4	142.6	136.7
Interest and net investment income	(3.4)	(4.9)	(6.3)
Amortization of debt issuance costs	8.3	11.0	8.4
Corporate expenses and miscellaneous, net	16.4	18.1	28.9
Income (loss) before income taxes	$ 49.9	$ (14.8)	$ (51.2)

	DECEMBER 31,	
	1996	1995
Identifiable assets:		
United States	$ 944.1	$ 897.6
Europe, Middle East and Africa	287.6	268.3
Latin America, Canada and Puerto Rico	198.7	167.8
Far East, Australia and other areas of the world	130.6	127.0
Corporate	60.3	74.6
	$1,621.3	$1,535.3

	COSMETICS AND FRAGRANCES	SKIN CARE, PERSONAL CARE AND PROFESSIONAL	TOTAL
CLASSES OF SIMILAR PRODUCTS (UNAUDITED):			
1996	$1,263.9	$903.1	$ 2,167.0
% of net sales	58%	42%	100%
1995	$1,075.2	$862.6	$ 1,937.8
% of net sales	55%	45%	100%
1994	$ 884.8	$847.7	$ 1,732.5
% of net sales	51%	49%	100%

16. PENDING ACQUISITION

On November 27, 1996, Products Corporation and PFC entered into an Agreement and Plan of Merger with Cosmetic Center pursuant to which PFC will merge with and into Cosmetic Center, with Cosmetic Center surviving the merger (the "Merger"). In the Merger, Products Corporation would receive newly issued common stock of Cosmetic Center constituting between 74% and 84% of the outstanding common stock. The Merger is subject to a number of significant conditions, including obtaining financing for Cosmetic Center and approval of

the transaction by Cosmetic Center stockholders, among other conditions.

SCHEDULE II

REVLON, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994
(DOLLARS IN MILLIONS)

	BA.ANCE AT BEGINNING OF YEAR	CHARGED TO COST AND EXPENSES	OTHER DEDUCTIONS	BALANCE AT END OF YEAR
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
YEAR ENDED DECEMBER 31, 1994:				
Applied against asset accounts:				
Allowance for doubtful accounts	$14.6	$ 4.6	$ (8.1)(1)	$11.1
Allowance for volume and early payment discounts	$ 9.7	$26.0	$(25.1)(2)	$10.6

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Notes:

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

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

SIGNATURES

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

Revlon, Inc.
(Registrant)

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

Dated: February 14, 1997

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 February 14, 1997 and in the capacities indicated.

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

o 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

AS OF JANUARY 30, 1997

AMENDED AND RESTATED

BY-LAWS

OF

REVLON, INC.

AS OF JANUARY 30, 1997

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AS OF JANUARY 30, 1997

AS OF JANUARY 30, 1997

BY-LAWS

(as restated and amended)

OF

REVLON, INC.

(hereinafter called the "Corporation")

ARTICLE I

OFFICES

Section 1 . Registered Office. The registered office of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2 . Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings. Meetings of the stockholders for the

election of directors or for any other purpose shall be held at any place, either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meetings. The Annual Meetings of Stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which meetings the stockholders shall elect a Board of

Directors, and transact such other business as may properly be brought before the meeting. Written notice of the Annual Meeting of Stockholders stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

Section 3. Special Meetings. Unless otherwise prescribed by law or by the Certificate of Incorporation, Special Meetings of Stockholders, for any purpose or purposes, may be called by either (i) the Board of Directors, (ii) the Chairman of the Board of Directors, (iii) the Chairman of the Executive Committee of the Board of Directors or (iv) the President. Such request shall state the purpose or purposes of the proposed meeting. Written notice of a Special Meeting of Stockholders stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting.

Section 4. Quorum. Except as otherwise required by law or by the Certificate of Incorporation, the holders of a majority in total number of votes of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the Chairman of the meeting or the holders of a majority in number of votes of the capital stock entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place of the adjourned meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty

days, or if after the adjournment a new record date is fixed for the adjourned meeting, a written notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting not less than ten nor more than sixty days before the date of the meeting.

Section 5. Proxies. Any stockholder entitled to vote may do so in person or by his proxy appointed by an instrument in writing subscribed by such stockholder or by his attorney thereunto authorized, delivered to the Secretary of the meeting; provided, however, that no proxy shall be voted or acted upon after three years from its date, unless said proxy provides for a longer period. All proxies must be filed with the Secretary of the Corporation at the beginning of the meeting in order to be counted in any vote at the meeting.

Section 6. Voting. At all meetings of the stockholders at which a quorum is present, except as otherwise required by law, the Certificate of Incorporation or these By-Laws, any question brought before any meeting of stockholders shall be decided by the affirmative vote of the holders of a majority of the total number of votes of the capital stock present in person or represented by proxy and entitled to vote thereat voting as a single class. At

the Annual Meeting of Stockholders, or any Special Meeting of Stockholders at which directors are to be elected, the directors shall be elected by a plurality vote.

Section 7. Organization and Order of Business. At every meeting of stockholders, the Chairman of the Board of Directors or, in such person's absence, the Chairman of the Executive Committee of the Board of Directors or, in such person's absence, the President, or in the absence of the three of them, such person as shall have been designated by the Board of Directors or, if none, by the Chairman of the Board of Directors, or, if none, by the Chairman of the Executive Committee of the Board of Directors or, if none, by the President, shall act as Chairman of the meeting. The Secretary or, in such person's absence, an Assistant Secretary, shall act as Secretary of the meeting. The Chairman of the meeting shall have the sole authority to prescribe the agenda

and rules of order for the conduct of any Annual or Special Meeting of Stockholders and to determine all questions arising thereat relating to the order of business and the conduct of the meeting, except as otherwise required by law. Unless otherwise directed by the Chairman of the meeting, the vote at any meeting of the stockholders need not be by written ballot. In case none of the officers above designated to act as Secretary of the meeting shall be present, the Chairman of the meeting or Secretary of the meeting shall be appointed by vote of a majority of the total number of votes of the capital stock present in person or represented by proxy and entitled to vote thereat.

Section 8. Consent of Stockholders in Lieu of Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken at any Annual or Special Meeting of Stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. In the event that the action which is consented to is such as would have required the filing of a certificate under the General Corporation Law of the State of Delaware ("DGCL") if such action had been voted on by stockholders at a meeting thereof, the certificate filed shall state, in lieu of any statement concerning any vote of stockholders, that written consent and written notice has been given as provided in this Section 8.

Section 9. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the

number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder of the Corporation who is present.

Section 10. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 9 of this Article II or the books of the

Corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 11. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date: (1) in the case of determination of stockholders entitled to vote at any meeting of stockholders or adjournment thereof, shall not be more than sixty nor less than ten days before the date of such meeting; (2) in the case of determination of stockholders entitled to express consent to corporate action in writing without a meeting, shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (3) in the case of any other action, shall not be more than sixty days prior to such other action.

If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting when no prior action of the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, or if prior action by the Board of Directors is required by law, shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 12. Inspectors of Election. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors of elections to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the Chairman of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by law, inspectors may be officers, employees or agents of the Corporation. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his ability. The inspector shall take charge of the polls and, when the vote is completed,

shall make a certificate of the result of the vote taken and of such other facts as may be required by law.

ARTICLE III

DIRECTORS

Section 1. Number and Election of Directors. The Board of Directors shall consist of not less than three members, the exact number of which shall from time to time be determined by resolution of the Board of Directors. Except

as provided in Section 2 of this Article, directors shall be elected by the stockholders at the Annual Meetings of Stockholders, and each director so elected shall hold office until his successor is duly elected and qualified, or until his death, or until his earlier resignation or removal. Directors need not be stockholders.

Section 2. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, except that any vacancy resulting from the death, resignation, removal or disqualification of a director elected by the holders of any class or classes of the stock of the Corporation voting as a class, or from an increase in the number of directors which such holders are entitled to elect, may be filled by the affirmative vote of a majority of the directors elected by such class or classes, or by a sole remaining director so elected, and each director so chosen shall hold office until his successor is duly elected and qualified or until his death, or until his earlier resignation or removal, or disqualification.

Section 3. Duties and Powers. The business of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders.

Section 4. Organization. At each meeting of the Board of Directors, the Chairman of the Executive Committee of the Board of Directors or the Chairman of the Board of Directors, or, in the absence of both of them, a director chosen by a majority of the directors present, shall act as Chairman. The Secretary of the Corporation shall act as Secretary at each meeting of the Board of Directors. In case the Secretary shall be absent from any meeting of the Board of Directors, an Assistant Secretary shall perform the duties of Secretary at such meeting; and in the absence from any such meeting of the Secretary and all the Assistant Secretaries, the Chairman of the meeting may appoint any person to act as Secretary of the meeting.

Section 5. Resignations and Removals of Directors. Any director of the Corporation may resign at any time, by giving written notice to the Chairman of the Board of Directors, the Chairman of the Executive Committee of the Board of Directors, the President or the Secretary of the Corporation. Such resignation shall take effect at the time therein specified or, if no time is specified, immediately; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective. Except as otherwise required by law, any director or the entire Board of Directors may be removed, with or without cause, by the affirmative vote or written consent of a majority in total voting power of the issued and outstanding capital stock of the Corporation represented and entitled to vote in the election of directors.

Section 6. Meetings. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held at such time and at such place as may from time to time be determined by the Board of Directors and, unless required by resolution of the Board of Directors, without notice. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors, the Chairman of the Executive Committee of the Board of Directors, or a majority of directors then in office. Notice thereof stating the place, date and hour of

the meeting shall be given to each director either by mail not less than forty-eight hours before the date of the meeting; by telephone, telecopy or telegram on twenty-four hours notice; or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the

circumstances.

Section 7. First Yearly Meeting. The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon as practicable after each Annual Meeting of Stockholders, and no notice of such meeting to the existing or newly elected directors shall be necessary in order to legally constitute the meeting, provided a quorum is present. Such first meeting may be held at any other time or place specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or in a waiver of notice thereof.

Section 8. Quorum and Manner of Acting. Except as otherwise required by law, the Certificate of Incorporation or these By-Laws, at all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place of the adjourned meeting, until a quorum shall be present.

Section 9. Action by Written Consent. Unless otherwise required by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 10. Meetings by Means of Conference Telephone. Unless otherwise required by the Certificate of Incorporation or these By-Laws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 10 shall constitute presence in person at such meeting.

Section 11. Compensation. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary, or such other emoluments, as the Board of Directors shall from time to time determine. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Each director who shall serve as a member or Chairman of special or standing committee may be allowed like compensation for attending committee meetings.

Section 12. Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers, are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if (i) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even

though the disinterested directors be less than a quorum; or (ii) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE IV

COMMITTEES

Section 1. How Constituted and Powers. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation, except as otherwise provided in these By-Laws. The Board of Directors may designate one or more directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board of Directors to act in the place of any absent or disqualified. Each committee, to the extent permitted by law, shall have and may exercise all the powers and authority

of the Board of Directors in the management of the business and affairs of the Corporation as provided in the resolution establishing such committee.

Section 2. Executive Committee. The Board of Directors may designate an Executive Committee, to consist of not less than three members of the Board of Directors, which shall have and may exercise, to the extent permitted by law, all of the powers of the Board of Directors in the management of the business and affairs of the Corporation, including, unless otherwise specified by a resolution or resolutions of the Board of Directors, the power and authority to declare dividends, to authorize the issuance of stock and to adopt a certificate of ownership and merger pursuant to Section 253 of the DGCL.

Section 3. Organization. The Board of Directors or each such committee may choose its Chairman and Secretary, and shall keep and record all its acts and proceedings and report the same from time to time to the Board of Directors.

Section 4. Meetings. Regular meetings of any such committee, of which no notice shall be necessary, shall be held at such times and in such places as shall be fixed by the committee or by the Board of Directors. Special meetings of any such committee shall be held at the request of any member of the committee.

Section 5. Quorum and Manner of Acting. A majority of the members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of the committee.

Section 6. General. The Board of Directors shall have the power at any time to change the members of, fill vacancies in, and discharge or disband any such committee, either with or without cause.

ARTICLE V

OFFICERS

Section 1. Officers. The Board of Directors shall elect a Chairman of the Board of Directors, a President, one or more Vice Presidents, a Treasurer, a Controller and a Secretary. The Board of Directors may designate one or more Vice Presidents as Senior Executive Vice Presidents, Executive Vice Presidents or Senior Vice Presidents, and may use such other descriptive words as it may determine to designate the seniority or areas of special competence or responsibility of the officers. Any two or more offices may be held by the same person.

Section 2. Term of Office and Qualifications. Each such officer shall hold office until such officer's successor shall have been duly chosen and shall qualify, or until such officer's death, resignation or removal in the manner hereinafter provided. The Chairman of the Board of Directors shall be chosen from among the directors, but no other officer need be a director. Each officer shall have such functions or duties as are provided in these By-Laws, or as the Board of Directors may from time to time determine.

Section 3. Subordinate Officers. The Board of Directors may from time to time elect such other officers or assistant officers as it may deem necessary, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these By-Laws, or as the Board of Directors may from time to time determine.

Section 4. Removal. Any officer may be removed, either with or without cause, by the Board of Directors, and any officer also may be removed in such other manner as may be specified by the Board of Directors in the resolution or resolutions electing such officer. Any officer may be suspended by the Chairman of the Board of Directors either with or without cause.

Section 5. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board of Directors or the Secretary of the

Corporation. Any such resignation shall take effect at the time therein specified or if no time is specified, immediately; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these ByLaws for the regular election to that office.

Section 7. Compensation. Salaries or other compensation of the officers may be fixed from time to time by the Board of Directors or any duly authorized committee of directors and shall be so fixed by the Board of Directors or such committee as to any officer serving the Corporation as a director. No officer shall be prevented from receiving proper compensation for such officer's services by reason of the fact that such officer is also a director of the Corporation.

Section 8. Chairman of the Board of Directors. The Chairman of the Board of Directors, if present, shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board of Directors may, with the Treasurer or the Secretary or an Assistant Treasurer or an Assistant Secretary, sign certificates for stock of the Corporation. The Chairman of the Board of Directors may enter into and execute in the name of the Corporation deeds, mortgages, bonds, guarantees, contracts and other instruments, except in cases where the making and execution thereof shall be

expressly restricted or delegated by the Board of Directors or by a duly authorized committee of directors or by these By-Laws to some other officer or agent of the Corporation, or shall be required by law otherwise to be made or executed. In general, the Chairman of the Board of Directors shall have all authority incident to the office of Chairman of the Board of Directors and shall have such other authority and perform such other duties as may from time to time be assigned by the Board of Directors or by any duly authorized committee of directors.

Section 9. President. The President shall be the chief executive officer of the Corporation and shall have general supervision of the business, affairs and property of the Corporation and over its several officers, subject, however, to the control of the Board of Directors. The President also shall be the chief operating officer of the Corporation and, subject to the direction of the Board of Directors, any duly authorized committee of directors, shall have general supervision of the operations of the Corporation. The President may, with the Treasurer or the Secretary or an Assistant Treasurer or an Assistant Secretary, sign certificates for stock of the Corporation. The President may enter into and execute in the name of the Corporation deeds, mortgages, bonds, guarantees, contracts and other instruments, except in cases where the making and execution thereof shall be expressly restricted or delegated by the Board of Directors or by a duly authorized committee of directors, or by these By-Laws to some other officer or agent of the Corporation, or shall be required by law otherwise to be made or executed. The President shall have the power to fix the compensation of elected officers whose compensation is not fixed by the Board of Directors or a committee thereof in accordance with Section 7 of this Article V, and also to engage, discharge, determine the duties and fix the compensation of all employees and agents of the Corporation necessary or proper for the transaction of the business of the Corporation. In general, the President shall have all authority incident to the office of President and chief executive officer and chief operating officer and shall have such other authority and perform such other duties as may from time to time be assigned by the Board of Directors or by any duly authorized committee of directors or by the Chairman of the Board of Directors. The President shall, at the request or in the absence or disability of the Chairman of the Board of Directors, perform the duties and exercise the powers of such officer.

Section 10. Vice Presidents. The Vice Presidents shall have supervision over the operations of the Corporation within their respective areas of special competence or responsibility

and in accordance with policies, procedures and practices in effect from time to time, subject, however, to the control of the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the President and any other officer to whom they report. They shall, within such areas (in the order of their designation, or in the absence of such designation, in the order of their seniority based on title or, in the case of officers of equal title, in order of their tenure), at the request or in the absence or disability of the Chairman of the Board of Directors, perform the duties and exercise the powers of such officer and at the request or in the absence or disability of the President, perform the duties and exercise the powers of such officer and at the request or in the absence or disability of the President, perform the duties and exercise the power of such officer. They may, with the Treasurer or the Secretary or an Assistant Treasurer or an Assistant Secretary, sign certificates for stock of the Corporation. They may enter into and execute in the name of the Corporation deeds, mortgages, guarantees, bonds, contracts and other instruments, except in cases where the making and execution thereof shall be expressly restricted or otherwise delegated by these By-Laws or by the Board of Directors, a duly authorized committee of directors, the Chairman of the Board of Directors, the President or any other officer to whom they report, or shall be required by law otherwise to be made or executed. In general, they shall have all authority incident to

their respective offices and shall have such other authority and perform such other duties as may from time to time be assigned to them by the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the President or any other officer to whom they report.

Section 11. Treasurer. The Treasurer shall, if required by the Board of Directors, the Chairman of the Board of Directors, the President or any other officer to whom the Treasurer reports, give a bond for the faithful discharge of duties, in such sum and with such sureties as may be so required. The Treasurer shall have custody of, and be responsible for, all funds and securities

of the Corporation; receive and give receipts for money due and payable to the Corporation from any source whatsoever; deposit all such money in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Section 5 of Article VI of these By-Laws; against proper vouchers, cause such funds to be disbursed by check or draft on the authorized depositories of the Corporation signed in such manner as shall be determined in accordance with the provisions of Section 4 of Article VI of these By-Laws and be responsible for the accuracy of the amounts of all funds so disbursed; regularly enter or cause to be entered in books to be kept by the Treasurer or under the Treasurer's direction, full and adequate accounts of all money received and paid by the Treasurer for the account of the Corporation; have the right to require, from time to time, reports or statements giving such information as the Treasurer may determine to be necessary or desirable with respect to any and all financial transactions of the Corporation from the officers and agents transacting the same; render to the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the President or any officer to whom the Treasurer reports, whenever they or any of them, respectively, shall require the Treasurer so to do, an account of the financial condition of the Corporation and of all transactions of the Treasurer; exhibit at all reasonable times the books of accounts and other records provided for herein to any of the directors of the Corporation; and, in general, have all authority incident to the office of Treasurer and such other authority and perform such other duties as from time to time may be assigned by the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the President or any other officer to whom the Treasurer reports, and may sign with the Chairman of the Board of Directors, the President or any Vice President, certificates for stock of the Corporation.

Section 12. Controller. The Controller shall be responsible for preparing and maintaining reasonable and adequate books of account and other accounting records of the assets,

liabilities and transactions of the Corporation in accordance with generally accepted accounting principles and procedures, shall see that reasonable and adequate audits thereof are regularly made and that reasonable and adequate systems of financial control are maintained, shall examine and certify the financial accounts of the Corporation, shall prepare and render such budgets and other financial reports as the Board of Directors, the Chairman of the Board of Directors, the President or any other officer to whom the Controller reports may require, and shall, in general, have all authority incident to the office of Controller and such other authority and perform such other duties as from time to time may be assigned by the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the President or any other officer to whom the Controller reports.

Section 13. Secretary. The Secretary shall act as Secretary of all meetings of the stockholders and of the Board of Directors of the Corporation; shall keep the minutes thereof in the proper book or books to be provided for that purpose; shall see that all notices required to be given by the

Corporation in connection with meetings of stockholders and of the Board of Directors are duly given; may, with the Chairman of the Board of Directors, the President or any Vice President, sign certificates for stock of the Corporation; shall be the custodian of the seal of the Corporation and shall affix the seal or cause it or a facsimile thereof to be affixed to all certificates for stock of the Corporation and to all documents or instruments requiring the same, the execution of which on behalf of the Corporation is duly authorized in accordance with the provisions of these By-Laws; shall have charge of the stock records and also of the other books, records and papers of the Corporation relating to its organization and acts as a corporation, and shall see that the reports, statements and other documents related thereto required by law are properly kept and filed; and shall, in general, have all authority incident to the office of Secretary and such other authority and perform such other duties as from time to time may be assigned by the Board of Directors, any duly

authorized committee of directors, the Chairman of the Board of Directors, the President or any other officer to whom the Secretary reports.

Section 14. Duties of Assistant Treasurers, Assistant Secretaries and Other Subordinate Officers. The Assistant Treasurers shall, respectively, if required by the Board of Directors, the Chairman of the Board of Directors, the President or any other officer to whom they report, give bonds for the faithful discharge of their duties in such sums and with such sureties as may be so required. Assistant Treasurers and Assistant Secretaries may, with the Chairman of the Board of Directors, the President or any Vice President, sign certificates for stock of the Corporation. Subordinate officers shall have all authority incident to their respective offices and such other authority and perform such other duties as shall be assigned to them by the Board of Directors, any duly authorized committee of directors, the Chairman of the Board of Directors, the President or the officers to whom they report.

Section 15. Appointed Officers. The Chairman of the Board of Directors and the President may appoint or cause to be appointed, in accordance with the policies and procedures established by them, such Presidents, Vice Presidents and other officers of the Divisions, Groups and Staffs of the Corporation (each an "Appointed Officer") as each of them shall determine to be necessary or desirable in furtherance of the business and affairs of such Divisions, Groups and Staffs, may designate such Vice Presidents as Senior Executive Vice Presidents, Executive Vice Presidents or Senior Vice Presidents, and may use such other descriptive words as each of them may determine to designate the seniority or areas of special competence or responsibility of the Appointed Officers appointed in accordance with this Section 15. Appointed Officers appointed in accordance with this Section 15 shall not be deemed to be officers as elsewhere referred to in this Article V or in Article X hereof but as between themselves and the Corporation shall have such authority and perform such duties in the management and operations of the Divisions, Groups and

Staffs of the Corporation of which they are appointed officers as the officer appointing them and the persons to whom they report may from time to time determine. Such Appointed Officers shall have the authority as between themselves and third parties to bind the Corporation solely to the extent of their apparent authority based upon their titles and solely in relation to the business affairs of the Divisions, Groups and Staffs of which they are appointed officers.

ARTICLE VI

CONTRACTS, VOTING OF STOCK HELD, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

Section 1. Execution of Contracts. The Board of Directors or any duly authorized committee of directors, except as by these By-Laws otherwise require, may authorize any officer other than or in addition to the officers authorized by Article V of these By-Laws, including Appointed Officers, and any employee or agent or agents, in the name and on behalf of the Corporation, to enter into and execute any deed, mortgage, bond, guarantee, contract or other instrument, and any such authority may be general or may be confined to specific instances or otherwise limited.

Section 2. Loans and Loan Guarantees. Any officer, employee or agent of the Corporation thereunder authorized by the Board of Directors or by any duly authorized committee of directors may effect in the name and on behalf of the Corporation, loans or advances from, or guarantees of loans or advances to, any bank, trust company or other institution or any firm, corporation or individual, and for such loans and advances or guarantees may make, execute and deliver promissory notes, bonds or other certificates or evidences of indebtedness or guaranty of the Corporation, and may pledge or hypothecate or transfer any securities or other property of the Corporation as security for any such loans, advances or guarantees. Such authority conferred by the

Board of Directors or any duly authorized committee of directors may be general or may be confined to specific instances or otherwise limited.

Section 3. Voting of Stock Held. The Chairman of the Board of Directors and the President and, unless otherwise provided by resolution of the Board of Directors or directed by the Chairman of the Board of Directors or the President, the Secretary may from time to time personally or by an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, cast the votes which the Corporation may be entitled to cast as a stockholder or otherwise in any other corporation, any of the stock or securities of which may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporations, or consent in writing to any action by any such other corporation, and may instruct any person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed on behalf of the Corporation and under its corporate seal, or otherwise, such written proxies, consents, waivers or other instruments as the Secretary may deem necessary or proper in the premises; or may attend any meeting of the holders of stock or other securities of any such other corporation and thereat vote or exercise any or all other powers of the Corporation as the holder of such stock or other securities of such other corporation.

Section 4. Checks, Drafts, etc. All checks, drafts and other orders for payment of money out of the funds of the Corporation and all notes and other evidences of indebtedness of the Corporation shall be signed on behalf of the Corporation by the Treasurer or an Assistant Treasurer or by any other officer, employee or agent of the Corporation to whom such power may from time to time be delegated by the Board of Directors or any duly authorized committee of directors or by any officer, employee or agent of the Corporation to whom the power of delegation may from time to time be granted by the Board of Directors or any duly authorized committee of directors.

Section 5. Deposits. The funds of the Corporation not otherwise employed shall be deposited from time to time to the order of the Corporation in such banks, trust companies or other depositories as the Board of Directors or any duly authorized committee of directors may from time to time select, or as may be selected by any officer, employee or agent of the Corporation to whom such power may from time to time be delegated by these By-Laws, the Board of Directors or any duly authorized committee of directors.

ARTICLE VII

STOCK AND DIVIDENDS

Section 1. Form of Certificates. (a) Every holder of stock in the Corporation shall be entitled to have a certificate signed, in the name of the Corporation (i) by the Chairman of the Board of Directors, the President or one of the Vice Presidents and (ii) by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by him in the Corporation.

(b) If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, provided that, except as otherwise required by Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of

stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 2. Signatures. Any or all signatures on the certificate may be a facsimile. In case an officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, unless otherwise ordered by the Board of Directors, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 3. Lost, Destroyed, Stolen or Mutilated Certificates. The Board of Directors may direct a new certificate to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit or such other proof satisfactory to the Board of Directors of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation and its transfer agents and registrars with respect to the certificate alleged to have been lost, stolen or destroyed or the issuance of such new certificate.

Section 4. Transfers. Except as otherwise prescribed by law or the Certificate of Incorporation, stock of the Corporation shall be transferable in the manner prescribed in these By-Laws. Transfers of stock shall be made on the books of the Corporation only by the person named in the certificate or by such person's duly authorized attorney appointed by a power of attorney duly executed and filed with the Secretary of the Corporation or a transfer agent of the Corporation,

and upon surrender of the certificate or certificates for such stock properly endorsed for transfer and payment of all necessary transfer taxes; provided, however, that such surrender and endorsement or payment of taxes shall not be required in any case in which the officers of the Corporation shall determine

to waive such requirement. Every certificate exchanged, returned or surrendered to the Corporation shall be marked "Canceled," with the date of cancellation, by the Secretary or an Assistant Secretary of the Corporation or the transfer agent thereof. No transfer of stock shall be valid as against the Corporation, its stockholders or creditors for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred.

Section 5. Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agencies and registry offices or agencies at such place or places as may be determined from time to time by the Board of Directors.

Section 6. Beneficial Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

Section 7. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property, or in shares of the Corporation's capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies,

or for purchasing any of the shares of capital stock, warrants, rights, options, bonds, debentures, notes, scrip or other securities or evidences of indebtedness of the Corporation, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 8. Limitations on Transfer. A written restriction on the transfer or registration of transfer of a security of the Corporation, if permitted by Section 202 of the DGCL and noted conspicuously on the certificate representing the security or, in the case of uncertificated shares, contained in the notice sent pursuant to Section 151(f) of the DGCL, may be enforced against the holder of the restricted security or any successor or transferee of the holder including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder. Unless noted conspicuously on the certificate representing the security or, in the case of uncertificated shares, contained in the notice sent pursuant to Section 151(f) of the DGCL, a restriction, even though permitted by Section 202 of the DGCL, is ineffective except against a person with actual knowledge of the restriction. A restriction on the transfer or registration of transfer of securities of the Corporation may be imposed either by the Certificate of Incorporation or by these By-Laws or by an agreement among any number of security holders or among such holders and the Corporation. No restriction so imposed shall be binding with respect to securities issued prior to the adoption of the restriction unless the holders of the securities are parties to an agreement or voted in favor of the restriction.

ARTICLE VIII

NOTICES

Section 1. Notices. Whenever written notice is required by law, the Certificate of Incorporation or these By-Laws to be given to any director, member of a committee or stockholder,

such notice may be given by mail, addressed to such director, member of a committee or stockholder, at such person's address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Written notice may also be given personally or by courier service, facsimile transmission, telegram, telex or cable.

Section 2. Waivers of Notice. (a) Whenever any notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed, by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting, present by person or represented by proxy, shall constitute a waiver of notice of such meeting, except where the person attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

(b) Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any written waiver of notice unless so required by law, the Certificate of Incorporation or these By-Laws.

ARTICLE IX

BOOKS

Section 1. Books. The Corporation shall keep in accordance with applicable law correct and adequate books and records of account and minutes of proceedings of the stockholders, the Board of Directors and any committees of the Board of Directors. The Corporation shall keep in accordance with applicable law at the office designated in the Certificate of Incorporation or at

the office of the transfer agent or registrar of the Corporation, a record containing the names and addresses of all stockholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof.

Section 2. Form of Books. Any books maintained by the Corporation, including its stock ledger, books of account and minute books, may be kept on, or be in the form of, electronic data storage, computer discs, punch cards, magnetic tape, photographs, microphotographs or any other information storage device, provided that the records so kept can be converted into clearly legible written form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.

ARTICLE X

INDEMNIFICATION

Section 1. Power to Indemnify in Actions, Suits or Proceedings other Than Those by or in the Right of the Corporation. Subject to Section 3 of this Article X, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at

the request of the Corporation as a director or officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action

or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

Section 2. Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation. Subject to Section 3 of this Article X, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section 3. Authorization of Indemnification. Any indemnification under this Article X (unless ordered by a court) shall be made by the Corporation only as authorized in the

specific case upon a determination that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2, and in each case Section 11, of this Article X, as the case may be. Such determination shall be made (i) by a majority vote of the directors who were not parties to such action, suit or proceeding, even though less than a quorum, or (ii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (iii) by the stockholders. To the extent, however, that a director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

Section 4. Good Faith Defined. For purposes of any determination under Section 3 of this Article X, a person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed

to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 4 shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other entity or enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The

provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 1 or 2, and in each case Section 11, of this Article X, as the case may be.

Section 5. Indemnification by a Court. Notwithstanding any contrary determination in the specific case under Section 3 of this Article X, and notwithstanding the absence of any determination thereunder, any director or officer may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Sections 1 and 2, and in each case Section 11, of this Article X. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standards of conduct set forth in Sections 1 or 2, and in each case Section 11, of this Article X, as the case may be. Neither a contrary determination in the specific case under Section 3 of this Article X nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the director or officer seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 5 shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director or officer seeking indemnification shall also be entitled to be paid the expense of prosecuting such application.

Section 6. Expenses Payable in Advance. Expenses (including attorneys' fees) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article X.

Section 7. Nonexclusivity of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by or granted pursuant to this Article X shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, contract, vote of stockholders or disinterested directors or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Sections 1 and 2 of this Article X shall be made to the fullest extent permitted by law. The provisions of this Article X shall not be deemed to preclude the indemnification of any person who is not specified in Sections 1 or 2 of this Article X but whom the Corporation has the power or

obligation to indemnify under the provisions of the DGCL, or otherwise.

Section 8. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article X.

Section 9. Certain Definitions. For purposes of this Article X, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors or

officers, so that any person who is or was a director or officer of such constituent corporation, or is or was a director or officer of such constituent corporation serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise, shall stand in the same position under the provisions of this Article X with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article X, references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article X. For purposes of this Article X, the term "officers" shall not include "Appointed Officers" as defined in Section 15 of Article V.

Section 10. Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article X shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 11. Limitation on Indemnification. Notwithstanding anything contained in this Article X to the contrary, except for proceedings to enforce rights to indemnification (which shall be governed by Section 5 hereof), the Corporation shall not be obligated to indemnify any director or officer in connection with a proceeding (or part thereof) initiated by such person unless

such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

Section 12. Indemnification of Appointed Officers, Employees and Agents. The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to Appointed Officers, employees and agents of the Corporation similar to those conferred in this Article X to directors and officers of the

Corporation.

ARTICLE XI

AMENDMENT OF BY-LAWS

Section 1. Amendment of By-Laws. These By-Laws may be altered, amended or repealed, in whole or in part, or new By-Laws may be adopted by the stockholders or by the Board of Directors; provided, however, that notice of such alteration, amendment, repeal or adoption of new By-Laws be contained in the notice of such meeting of stockholders or Board of Directors as the case may be. All such amendments must be approved by either the affirmative vote of the holders of a majority in total number of votes of the outstanding capital stock entitled to vote thereon or by a majority of the directors then in office.

Section 2. Entire Board of Directors. As used in this Article XI and in these By-Laws generally, the term "entire Board of Directors" means the total number of directors which the Corporation would have if there were no vacancies.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Seal. The Board of Directors shall approve a corporate seal which shall be in the form of a circle and shall bear the name of the Corporation, the year of its incorporation and the word "Delaware." The Seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be determined and may be changed by resolution of the Board of Directors, and unless and until otherwise so determined, shall be the calendar year.

AMENDMENT TO THE
FINANCING REIMBURSEMENT AGREEMENT

AMENDMENT dated May 3, 1996 (this "Amendment"), to the Financing Reimbursement Agreement dated as of February 28, 1995 (the "Financing Reimbursement Agreement"), between Revlon Holdings Inc., a Delaware corporation ("Old Revlon") and Revlon Consumer Products Corporation, a Delaware corporation ("Products Corporation").

WHEREAS, Old Revlon and Products Corporation wish to amend the Financing Reimbursement Agreement, pursuant to Section 4.01 thereof, to more accurately express the agreement of the parties.

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

SECTION 1. Definitions. Unless the context requires otherwise, all capitalized terms used herein and not otherwise defined herein have the meaning assigned to them in the Financing Reimbursement Agreement.

SECTION 2. Effectiveness; Counterparts. Upon execution by the parties hereto, this Amendment shall be deemed effective as of February 28, 1995. As amended hereby, the Financing Reimbursement Agreement is hereby ratified, confirmed and continued in all respects. This Amendment may be signed in separate counterparts, each of which shall be deemed for all purposes an original, but all such counterparts shall constitute one and the same instrument.

SECTION 3. Amendment to the Financing Reimbursement Agreement.

(a) Amendment to Section 2.01. Section 2.01 of the Financing Reimbursement Agreement is hereby amended in its entirety to read as follows:

"Section 2.01. Subject to the terms of this Agreement, Old Revlon agrees to pay to Products Corporation on the Maturity Date an amount as shall be determined pursuant to Section 2.02 hereof (the "Interest Allocation") which shall represent reimbursement by Old Revlon of interest paid by Products Corporation on account of indebtedness incurred under the New Credit Agreement and under borrowings from affiliates of Products Corporation. Such agreement hereunder by Old Revlon shall constitute the promise and obligation of Old Revlon to pay the Interest Allocation, without interest thereon, to Products Corporation on the Maturity Date."

(b) Amendment to Section 2.02. Section 2.02 of the Financing Reimbursement Agreement is hereby amended in its entirety to read as follows:

"Section 2.02. The Interest Allocation shall be calculated with respect to each fiscal quarter of Products Corporation, beginning with the quarter ended March 31, 1995, and shall equal the sum of the products with respect to each fiscal quarter of multiplying the rate of interest of 1.5% per annum by the average balance outstanding under the New Credit Agreement for each such quarter and the average balance outstanding under borrowings from affiliates of Products Corporation for each such quarter."

SECTION 4. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

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

REVLON CONSUMER PRODUCTS CORPORATION

By: /s/ Robert K. Kretzman

Name: Robert K. Kretzman
Title: Vice President

REVLON HOLDINGS INC.

By: /s/ Glenn P. Dickes

Name: Glenn P. Dickes
Title: Vice President

CONFORMED COPY

FIRST AMENDMENT AND CONSENT NUMBER 1

FIRST AMENDMENT AND CONSENT NUMBER 1, dated as of January 9, 1997 (this "Amendment"), to the Amended and Restated Credit Agreement, dated as of January 24, 1996 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Revlon Consumer Products Corporation, a Delaware corporation (the "Company"), the Borrowing Subsidiaries from time to time parties thereto (the "Borrowing Subsidiaries"; collectively with the Company, the "Borrowers"), the financial institutions from time to time parties thereto (the "Lenders"), the Arranger named therein, the Co-Agents named therein, Citibank, N.A., as documentation agent (in such capacity, the "Documentation Agent"), and The Chase Manhattan Bank (formerly known as Chemical Bank), as administrative agent (in such capacity, the "Administrative Agent").

W I T N E S S E T H :

WHEREAS, the Company has entered into the Agreement and Plan of Merger, dated as of November 27, 1996 (the "Merger Agreement"), with The Cosmetic Center, Inc. ("Cosmetic Center") and Prestige Fragrance & Cosmetics, Inc. ("PFC"), pursuant to which PFC is to be merged with and into Cosmetic Center (or a subsidiary thereof) and Cosmetic Center is to be the surviving entity of such merger (the "Cosmetic Center Merger");

WHEREAS, in connection with the Cosmetic Center Merger, the Company has requested that the Agents and the Lenders amend certain provisions of the Credit Agreement, as more fully described herein;

WHEREAS, the Company has requested that the Agents and the Lenders consent to certain other transactions, as more fully described herein;

WHEREAS, the Agents and the Lenders are willing to amend such provisions and consent to such transactions, but only 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 Agents and the Lenders hereby agree as follows:

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

2. Amendment of Subsection 1.1. Subsection 1.1 of the Credit Agreement hereby is amended by:

(a) deleting therefrom, in its entirety, the definition of the term "Subsidiary"; and

(a) inserting therein, in proper alphabetical order, the following new defined terms:

"Cosmetic Center Merger" shall mean the merger of Prestige Fragrance & Cosmetics, Inc. with and into The Cosmetic Center, Inc. (or any wholly-owned Subsidiary thereof) substantially upon the terms described in the Agreement and Plan of Merger, dated as of November 27, 1996, among The Cosmetic Center, Inc., the Company and Prestige Fragrance & Cosmetics, Inc.

"Subsidiary" of any Person shall mean a corporation or other entity of which shares of stock or other ownership interests having

ordinary voting power (other than stock or other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the directors of such corporation, or other Persons performing similar functions for such entity, are owned, directly or indirectly, by such Person; provided that, (a) unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Company, (b) unless otherwise qualified, all references to a "wholly owned Subsidiary" or to "wholly pledged Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Company of which the Company directly or indirectly owns all of the capital stock or other equity interests (other than directors' qualifying shares) and (c) from and after the consummation of the Cosmetic Center Merger, The Cosmetic Center, Inc. and each of its Subsidiaries shall be deemed not to constitute a "Subsidiary" of the Company for any purpose under this Agreement (including, without limitation, the calculation of compliance with the financial covenants contained in subsection 13.1), other than:

(x) the representations and warranties contained in subsections 10.7, 10.8, 10.24, 10.28;

(y) the Defaults and Events of Default contained in Section 14(g), (m), (n) and (o); and

(z) the provisions of subsections 9.4 (with respect to any Net Proceeds Event in respect of capital stock of The Cosmetic Center, Inc., with The Cosmetic Center, Inc. being deemed to be a Subsidiary of the Company for purposes of the definition of the term "Net Proceeds Event") and 12.11 (with respect to capital stock or other equity interests of The Cosmetic Center, Inc., but not of any Subsidiaries thereof);

3. Amendment of Subsection 10.30. Subsection 10.30 of the Credit Agreement hereby is amended by deleting clause (b) thereof in its entirety and by substituting therefor the following:

(b) Neither the Company nor any of its Domestic Subsidiaries maintains any Inventory (as defined in the Company Security Agreement or the Subsidiary Security Agreement, as the case may be) with respect to which the Administrative Agent does not possess a perfected, first priority security interest, other than (i) any such Inventory with respect to which the Agent holds a perfected security interest which is subject only to prior Liens which are permitted to encumber such Inventory pursuant to subsection 13.3 and (ii) any such inventory which is maintained by the Company and its Subsidiaries at a location at which the book value of all such inventory does not exceed $1,000,000 in the aggregate.

4. Amendment of Subsection 12.1. Subsection 12.1 of the Credit Agreement hereby is amended by inserting therein as a new clause (d) the following:

(d) as soon as available, but in any event within 45 days after the end of each fiscal quarter of each fiscal year of the Company (or, in the case of the fourth fiscal quarter of each fiscal year, within 90 days after the end thereof), a copy of (i) the unaudited consolidated balance sheet of each of the Company and its Subsidiaries (other than The Cosmetic Center, Inc. and its Subsidiaries) and The Cosmetic Center, Inc. and its Subsidiaries as at the end of each such quarter, (ii) the related unaudited consolidated statements of operations and of cash flows for the portion of the fiscal year through such date and (iii) the related unaudited consolidated statements of operations for such quarterly period, certified (subject to normal year-end audit adjustments) by a Responsible Officer of the Company; provided that the financial statements delivered with respect to The Cosmetics Center, Inc. and its Subsidiaries for the fourth fiscal

quarter of each fiscal year shall be certified without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by independent certified public accountants of nationally recognized standing;

5. Amendment of Subsection 13.2(d). Subsection 13.2(d) of the Credit Agreement hereby is amended by deleting clause (d) thereof in its entirety and by substituting therefor the following:

(d) Indebtedness (i) of the Company to any of its wholly-owned Subsidiaries, (ii) of any wholly-owned Subsidiary of the Company to any other wholly-owned Subsidiary of the Company and (iii) of any wholly-owned Subsidiary of the Company to the Company;

6. Amendment of Subsection 13.5. Subsection 13.5 of the Credit Agreement hereby is amended by:

(a) deleting the word "and" which appears at the end of clause (a) thereof;

(b) deleting the period which appears at the end of clause (b) thereof and by substituting therefor a semi-colon, followed by the word "and"; and

(c) inserting therein as a new clause (c) thereof the following:

(c) the Company may consummate the Cosmetic Center Merger.

7. Amendment of Subsection 13.7. Subsection 13.7 of the Credit Agreement hereby is amended by deleting clause (a)(iv) thereof in its entirety and by substituting therefor the following:

(iv) Restricted Payments made from time to time to finance (A) the purchase by Revlon of its common stock (for not more than market price) in connection with the delivery of such common stock to grantees under any stock option plan maintained by it upon the exercise by such grantees of stock options or stock appreciation rights settled with common stock or upon the grant of shares of common stock pursuant thereto and (B) the payment by Revlon of amounts owing in respect of stock appreciation rights and performance units under any such stock option plan; provided that (x) the sum of (i) the aggregate amount of Restricted Payments made pursuant to this clause (iv) and (ii) the aggregate amount of open-market purchases of common stock of Revlon, Inc. under subsection 13.8(h), does not exceed $6,000,000 in any year and (y) amounts available pursuant to this clause (iv) to be utilized for Restricted Payments during any year which are not utilized during such year may be carried forward and utilized in any succeeding year;

8. Amendment of Subsection 13.8. Subsection 13.8 of the Credit Agreement hereby is amended by:

(a) deleting the word "and" which appears at the end of clause (e) thereof;

(b) deleting the period which appears at the end of clause (f) thereof and by substituting therefor a semi-colon; and

(c) inserting therein as new clauses (g) and (h) thereof the following:

(g) the Company and its Subsidiaries may make or commit to make investments in The Cosmetic Center, Inc. in connection with the consummation of the Cosmetic Center Merger; and

(h) the Company may make investments in open-market purchases of common stock of Revlon, Inc. to the extent necessary to permit the Company to satisfy its obligations under its "excess 401-K plan" for highly compensated employees; provided that (i) the sum of (A) the aggregate amount of Restricted Payments made pursuant to subsection

13.7(a)(iv) and (B) the aggregate amount of such purchases under this subsection 13.8(h), does not exceed $6,000,000 in any year and (ii) amounts available pursuant to this subsection 13.8(h) to be

utilized for investments during any year which are not utilized during such year may be carried forward and utilized in any succeeding year.

9. Consents. (a) The Agents and the Lenders hereby (i) consent to the release of Prestige Fragrance & Cosmetics, Inc. (and The Cosmetic Center, Inc., as successor thereto) from its obligations under the Subsidiaries Guarantee, the Subsidiary Security Agreement and the Intellectual Property Security Documents to which it is party immediately upon the consummation of the Cosmetic Center Merger and (ii) authorize and instruct the Administrative Agent to execute and deliver such documents, instruments and agreements (including, without limitation, Uniform Commercial Code termination statements) as may reasonably be requested by the Company in order to effectuate such release.

(b) The Agents and the Lenders hereby authorize and instruct the Administrative Agent to execute and deliver such documents, instruments and agreements as may reasonably be requested by the Company (or as otherwise may be desirable) in order to amend the definitive documentation governing the pledge to the Administrative Agent of the capital stock of Prestige Fragrance & Cosmetics, Inc. such that, upon consummation of the Cosmetic Center Merger, the Administrative Agent shall hold a first priority, perfected security interest in all of the issued and outstanding capital stock of The Cosmetic Center, Inc. which is owned by the Company and its Subsidiaries.

(c) The Lenders hereby authorize and instruct the Administrative Agent to take such action and execute such documents, instruments and agreements as reasonably may be necessary in order that, upon the consummation of the Cosmetic Center Merger, (i) each reference to "Prestige Fragrance & Cosmetics, Inc." contained in the Collateral Agency Agreement (Bank Obligations) or the Credit Agreement shall be a reference to "The Cosmetic Center, Inc." and (ii) the Intercreditor Agreement shall be amended to reflect the consummation of the Cosmetic Center Merger and such amendments to the Collateral Agency Agreement (Bank Obligations).

10. Consent to Rose Chandel Sale. The Agents and the Lenders hereby consent that the sale by the Company and its Subsidiaries of the trademark "Rose Chandel" and certain related assets shall be deemed to constitute a Specified Disposition for purposes of the Credit Documents; provided that the aggregate consideration received by the Company and its Subsidiaries on account of such sale (other than the sale of any inventory relating to the Rose Chandel trademark) is not more than $350,000.

11. Conditions to Effectiveness. This Amendment shall become effective on and as of the date that the Administrative Agent shall have received counterparts of this Amendment, duly executed by the Company, the Majority Lenders and each Fronting Lender, and duly acknowledged and consented to by each Guarantor, Grantor and Pledgor (other than the Company); provided that it also shall be a condition to the effectiveness of clauses (a) and (b) of Section 9 hereof that the Administrative Agent shall have received counterparts of this

Amendment, duly executed by Lenders holding not less than 85% of the Aggregate Commitment.

12. 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 10 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.

13. 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 8 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.

14. 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.

15. 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 and Treasurer

THE CHASE MANHATTAN BANK (formerly known as Chemical Bank and as successor by merger to The Chase Manhattan Bank, N.A.), as Administrative Agent, as a Co-Agent and as a Lender

By: /s/ Neil R. Boylan

Name: Neil R. Boylan
Title: Vice President

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

By: /s/ James Buchanan

Name: James Buchanan
Title: Attorney-in-Fact

VAN KAMPEN AMERICAN CAPITAL PRIME RATE INCOME TRUST

By: /s/ Jeffrey W. Maillet

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

GENERAL ELECTRIC CAPITAL CORPORATION,
as a Co-Agent and as a Lender

By: /s/ Michael McGonigle

Name: Michael McGonigle
Title: Duly Authorized Signatory

BANK OF AMERICA ILLINOIS, as a Co-Agent
and as a Lender

By: /s/ L. Dustin Vincent, III

Name: L. Dustin Vincent, III
Title: Managing Director

CREDIT LYONNAIS NEW YORK BRANCH as a Co-Agent

By: /s/ Frederick Haddad

Name: Frederick Haddad
Title: Senior Vice President

CREDIT LYONNAIS CAYMAN ISLAND BRANCH, as
a Co-Agent

By:

Name:
Title:

CREDIT SUISSE, as a Co-Agent and as a Lender

By: /s/ Joel Glodowski

Name: Joel Glodowski
Title: Managing Director

By: /s/ Chris T. Horgan

Name: Chris T. Horgan
Title: Associate

THE FIRST NATIONAL BANK OF BOSTON, as a
Co-Agent and as a Lender

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

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

THE FUJI BANK, LIMITED, NEW YORK BRANCH, as a Co-Agent and as a Lender

By: /s/ Teiji Teramoto

Name: Teiji Teramoto
Title: Vice President and Manager

THE LONG-TERM CREDIT BANK OF JAPAN, LTD., LOS ANGELES Agency, as a Co-Agent and as a Lender

By: /s/ Paul B. Clifford

Name: Paul B. Clifford
Title: Deputy General Manager

NATIONSBANK, N.A., as a Co-Agent and as a Lender

By: /s/ Ellen M. Bagnato

Name: Ellen M. Bagnato
Title: Vice President

THE TORONTO-DOMINION BANK, as a Co-Agent and as a Lender

By: /s/ David G. Parker

Name: David G. Parker
Title: Manager, Credit Administration

BANQUE FRANCAISE DU COMMERCE EXTERIEUR

By: /s/ G. Kevin Dooley

Name: G. Kevin Dooley
Title: Vice President

By: /s/ Frederick K. Kammler

Name: Frederick K. Kammler
Title: Vice President

FIRST BANK NATIONAL ASSOCIATION

By: /s/ Elliot Jaffee

Name: Elliot J. Jaffee
Title: Vice President

CERES FINANCE, LTD.

By: /s/ Darren P. Riley

Name: Darren P. Riley
Title: Director

STRATA FUNDING LTD.

By: /s/ Darren P. Riley

Name: Darren P. Riley
Title: Director

AERIES FINANCE, LTD.

By: /s/ Andrew Wignall

Name: Andrew Ian Wignall
Title: Director

MERRILL LYNCH SENIOR FLOATING RATE FUND, INC.

By: /s/ R. Douglas Henderson

Name: R. Douglas Henderson
Title: Vice President

MERRILL LYNCH PRIME RATE PORTFOLIO

By: Merrill Lynch Asset Management, L.P., as
Investment Advisor

By: /s/ R. Douglas Henderson

Name: R. Douglas Henderson
Title: Vice President

THE BANK OF NEW YORK

By: /s/ Eliza S. Adams

Name: Eliza S. Adams
Title: Vice President

PRIME INCOME TRUST

By:

Name:

Title:

PILGRIM AMERICA PRIME RATE TRUST

By: /s/ Howard Tiffen

Name: Howard Tiffen
Title: Senior Vice President

SENIOR DEBT PORTFOLIO

By: Boston Management and Research, as Investment Advisor

By: /s/ Payson Swaffield

Name: Payson F. Swaffield
Title: Vice President

ABN-AMRO BANK, N.V.

By: /s/ Frances O'R. Logan

Name: Frances O'R. Logan
Title: Group Vice President

By: /s/ Thomas T. Rogers

Name: Thomas T. Rogers
Title: Assistant Vice President

KEYPORT LIFE INSURANCE COMPANY

By: Chanceller LGT Senior Secured Management, Inc., as Portfolio Advisor

By: /s/ Christopher E. Jansen

Name: Christopher E. Jansen
Title: Managing Director

MEDICAL LIABILITY MUTUAL INSURANCE

By: Chanceller LGT Senior Secured Management, Inc., as Portfolio Advisor

By: /s/ Christopher E. Jansen

Name: Christopher E. Jansen
Title: Managing Director

ALLIED IRISH BANK

By: /s/ W. P. Murray

Name: W. P. Murray
Title: Vice President

By: /s/ W. J. Strickland

Name: W. J. Strickland
Title: Senior Vice President

ACKNOWLEDGEMENT AND CONSENT
dated as of January 9, 1997

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 Second Amendment and (b) after giving effect to such Second 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 Second Amendment. Each of the undersigned hereby further acknowledges and agrees that any Acceptances created under the Credit Agreement shall, for all purposes under the Security Documents, be deemed to constitute a Local Subsidiary Loan and be secured, guaranteed or otherwise supported (as the case may be) as such.

ALEXANDRA DE MARKOFF, LTD.
ALMAY, INC.
APPLIED SCIENCE & TECHNOLOGIES INC.
ASTERION, INC.
BILL BLASS, INC.
CARRINGTON PARFUMS LTD.
CHARLES OF THE RITZ GROUP LTD.
CHARLES REVSON INC.
COSMETIQUES HOLDINGS, INC.
DOLLY PARTON INC.
ETHEREA, INC.
FASHION & DESIGNER FRAGRANCE GROUP,INC.
FERMODYL PROFESSIONALS INC.
FIFTIETH FLOOR WORKSHOP, INC.
FRAGRANCE & BEAUTY PRODUCTS, INC.
GENERAL WIG MANUFACTURERS, INC.
INSPIRATIONS 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 FRAGRANCE & COSMETICS, INC.
PRESTIGE FRAGRANCES, LTD.
REALISTIC/ROUX PROFESSIONAL PRODUCTS
INC.

REVLON, INC.
REVLON COMMISSARY SALES, INC.
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.
REVLON RESEARCH CENTER, INC.
RIROS CORPORATION
RIT INC.
RLI HOLDINGS, INC.
RLL CORPORATION
ROUX LABORATORIES, INC.
VISAGE BEAUTE COSMETICS, INC.

By: /s/ Steven Berns

Name: Steven Berns
Title: Vice President

SECOND AMENDMENT TO TAX SHARING AGREEMENT

This is the Second Amendment dated as of January 1, 1997 to the TAX SHARING AGREEMENT entered into as of June 24, 1992 (as amended on February 28, 1995) (the "Agreement"), by and among MAFCO HOLDINGS, INC., a Delaware corporation ("Parent"), REVLON HOLDINGS INC., a Delaware corporation ("Holdings"), REVLON, INC., a Delaware corporation ("Public Co."), REVLON CONSUMER PRODUCTS CORPORATION, a Delaware corporation ("Operating Co.") and the Subsidiaries of Public Co. that are signatories hereto (capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agreement).

RECITALS

The Agreement provides that Public Co. shall make certain payments in respect of taxes to Holdings and Operating Co. and its Subsidiaries shall make certain payments to Public Co. in respect of taxes under circumstances as provided in the Agreement. The parties desire to amend the Agreement as set forth herein.

AGREEMENT

For good and valuable consideration, the parties hereto agree as follows:

1. Amendment of Section 4(b). Section 4(b) of the Agreement is hereby amended and restated in its entirety as follows:

> "(b) Each of the Subsidiaries of Operating Co. agrees to pay to Operating Co. an amount equal to its liability for Federal, state and local income taxes (including estimated taxes), if any; such liability to be determined as if such Subsidiary had not been included in the consolidated income tax return for the Parent Group with respect to such Taxable Period but had instead filed its own separate return for such Taxable Period but otherwise calculated in accordance with the principles of Paragraphs 1(c), 1(e), 3(a) and 3(b) hereof, no later than one business day prior to the date upon which the relevant payment by Operating Co. to Public Co. is required to be made under the terms hereof or, if no such payment by Operating Co. is required to be made hereunder, not later than one business day prior to the due date of the Parent Group's consolidated

> Federal income tax return or any relevant combined state or local income tax return (or the relevant due date for the payment of Estimated Taxes), as the case may be, for such Taxable Period. Operating Co. agrees to pay to Public Co. its share, if any, of each of the items of Public Co. Group's Federal Tax and Public Co. Group's State and Local Tax and of payments of Estimated Tax, each such share to be determined in accordance with the principles of Paragraphs 1(c), 1(e), 3(a) and 3(b) hereof as if Operating Co. had not been included in the consolidated income tax return for the Parent Group with respect to such Taxable Period but had instead filed its own consolidated return for such Taxable Period, no later than one business day prior to the date upon which the relevant payment by Public Co. is required to be made under the terms hereof. Public Co. agrees to pay to Operating Co. its share of any payment received by Public Co. from Parent or Holdings pursuant to this Agreement and Operating Co. agrees to pay to each Subsidiary of Operating Co. its share of any payment received by Operating Co. from Public Co. pursuant to this Agreement, in each case, each such share to be determined in accordance with the principles of Paragraphs 1(c), 1(e), 3(a) and 3(b) hereof as if Operating Co. or such Subsidiary of Operating Co., as the case may be, had not been included in the

consolidated income tax return for the Parent Group with respect to such Taxable Period but had instead filed its own consolidated return for such Taxable Period, as promptly as practicable following the receipt of any such payment and the determination of such share."

2. Amendment of Section 5. Section 5 of the Agreement is hereby amended and restated in its entirety as follows:

"5. Restricted Payments. Notwithstanding any other provision of this Agreement, in no event shall any payment be made by Operating Co. to Public Co. pursuant to this Agreement to the extent that and for so long as such payment is prohibited under or is inconsistent with the terms of that certain Credit Agreement dated as of June 24, 1992, among Operating Co., the lenders that are parties thereto, the Chase Manhattan Bank, N.A., Chemical Bank and Citibank, N.A., as Managing Agents for the lenders, and Chemical Bank, as Administrative Agent, and any credit agreement resulting from the refinancing of such Agreement (any such agreement and refinancing agreement shall be referred to as the "Credit Agreement"). To the extent that and for so long as any such payment by Operating Co. to Public Co. is prohibited, Public Co. shall not be required to make the corresponding payments to Holdings; provided that Public Co. shall be liable to pay over such amount promptly upon termination of such prohibition."

3. This Second Amendment shall be effective as of January 1, 1997. Except as amended by this Second Amendment, the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by its respective duly authorized officer as of the date first above written.

MAFCO HOLDINGS INC.

By: /s/ Glenn P. Dickes

Name: Glenn P. Dickes
Title: Senior Vice President

REVLON HOLDINGS INC.

By: /s/ Stanley B. Dessen

Name: Stanley B. Dessen
Title: Senior Vice President

REVLON, INC.

By: /s/ Stanley B. Dessen

Name: Stanley B. Dessen
Title: Senior Vice President

REVLON CONSUMER PRODUCTS CORPORATION

By: /s/ Stanley B. Dessen

Name: Stanley B. Dessen
Title: Senior Vice President

ALMAY, INC.
AMERICAN CREW, INC.
APPLIED SCIENCE & TECHNOLOGIES INC.
CARRINGTON PARFUMS LTD.

CHARLES REVSON INC.
CREATIVE NAIL DESIGN, INC.
DOLLY PARTON INC.
FASHION & DESIGNER FRAGRANCE GROUP, INC.
FERMODYL PROFESSIONALS INC.
GENERAL WIG MANUFACTURERS, INC.
NORTH AMERICA REVSALE INC.
OXFORD PROPERTIES CO.
PACIFIC FINANCE & DEVELOPMENT CORP.
PPI TWO CORPORATION
PRESTIGE FRAGRANCE & COSMETICS, INC.

PRESTIGE FRAGRANCES, LTD.
REALISTIC/ROUX PROFESSIONAL PRODUCTS INC.
REVLON COMMISSARY SALES, INC.
REVLON CONSUMER CORP.
REVLON GOVERNMENT SALES, INC.
REVLON INTERNATIONAL CORPORATION
REVLON PROFESSIONAL, INC.
REVLON PROFESSIONAL PRODUCTS INC.
REVLON RECEIVABLES SUBSIDIARY, INC.
RIROS CORPORATION
RIT INC.
ROUX LABORATORIES, INC.

For and on behalf of the above-listed companies:

By: /s/ Stanley B. Dessen

Name: Stanley B. Dessen
Title: Vice President

- ---

SECOND AMENDED AND RESTATED

OPERATING SERVICES AGREEMENT

by and among

REVLON HOLDINGS INC.,

REVLON, INC.

and

REVLON CONSUMER PRODUCTS CORPORATION

June 24, 1992

(Amended and Restated as of January 1, 1996)

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SECOND AMENDED AND RESTATED
OPERATING SERVICES AGREEMENT

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 (this "Agreement"), by and among Revlon Holdings Inc., a Delaware corporation ("Holdings"), Revlon, Inc., a Delaware corporation and a wholly owned subsidiary of Holdings ("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, pursuant to an Asset Transfer Agreement, dated June 24, 1992 (the "Transfer Agreement"), by and among Holdings, National Health Care Group, Inc., a Delaware corporation and a wholly owned subsidiary of Holdings, Charles of the Ritz Group Ltd., a Delaware corporation and a wholly owned subsidiary of Holdings, Public Co. and Operating Co., Public Co. has acquired from Holdings and Operating Co. has acquired from Public Co., among other things, the Contributed Assets (as defined in the Transfer Agreement, capitalized terms used and not defined herein shall have the meanings ascribed to them in the Transfer Agreement); and

WHEREAS, Holdings owns certain assets relating to the Charles of the Ritz, Visage Beaute, Bill Blass, Ellen Tracy, Norell, Alexandra de Markoff, Guess and New Essentials businesses (such brands and any brands hereinafter transferred from Operating Co. to Holdings, in each case, to the extent

retained by Holdings (and not sold, licensed, sublicensed or otherwise disposed of to Operating Co. or any third party) are collectively referred to herein as the "Retained Brands").

WHEREAS, in connection with and as part of the Transfer Agreement, Operating Co. is willing to perform, or cause its subsidiaries to perform, for Holdings or subsidiaries of Holdings those services for the Retained Brands as set forth herein, for the consideration and upon and subject to the other terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

SERVICES

Section 1.1 Services. Operating Co. hereby agrees to provide, or cause its subcontractors, subsidiaries or subsidiaries' subcontractors to provide, such services (the

"Services"), including but not limited to manufacturing, warehousing, invoicing, collection (taking into account adjustments for returns, allowances and related items), accounting, management information services, research and development, advertising, sales, promotional, marketing, management, licensing, tax, treasury (including making payments on Holdings' behalf), legal and distribution services, for the Retained Brands as had been provided by Holdings, or subsidiaries of Holdings, for the Retained Brands prior to the date hereof or as are reasonably necessary or desirable in order to operate the Retained Brands.

Section 1.2 Retained Brands Inventory. (a) At such time as a third party shall order inventory transferred to Operating Co. pursuant to the Transfer Agreement which relates to the Retained Brands (other than New Essentials), Operating Co. shall sell to Holdings, and Holdings shall purchase from Operating Co., such inventory at a price equal to the value of such inventory as reflected on the books of Operating Co. Such sale to a third party shall be satisfied using such inventory.

(b) At such time as any raw materials, packaging, bulks and componentry ("basic inventory") transferred to Operating Co. pursuant to the Transfer Agreement which is exclusively related to the Retained Brands is converted into finished goods inventory of the Retained Brands, Operating Co. shall sell to Holdings, and Holdings shall purchase from Operating Co., such inventory at a price equal to the cost of goods of such inventory, as reflected on the books of Operating Co. Sales to third parties of such inventory shall be for the account of Holdings.

Section 1.3 Manufactured Goods. At such time as any finished goods inventory of the Retained Brands is manufactured by Operating Co. pursuant to this Agreement, Operating Co. shall sell to Holdings, and Holdings shall purchase from Operating Co., such inventory at a price equal to the cost of goods of such inventory, as reflected on the books of Operating Co.

ARTICLE II

PAYMENT FOR SERVICES

Section 2.1 Payment for Services. Holdings shall pay Operating Co. a fee in cash (the "Service Fee") for the Services provided hereunder which shall be equal to (i) all of Operating Co.'s (and its subsidiaries') and Public Co.'s direct and indirect costs (including an allocable portion of corporate overhead) in connection with providing the Services, all as allocated by Operating Co., and (ii) a fee equal to five percent of the net sales (determined on a basis consistent with Operating Co.'s published financial statements) of the products of the Retained Brands (other than sales of products of the Retained Brands by Operating Co. to Holdings pursuant to

Section 1.2 hereof).

Section 2.2 Payment of Charges. Operating Co. shall provide a schedule to Holdings on or before the 30th day following each calendar month calculating the Service Fee and the payments due pursuant to Section 1.2 hereof, annexing schedules in reasonable detail itemizing the charges so scheduled and the calculations thereof. Payment (net of Holdings' accounts receivables collected by Operating Co. on behalf of Holdings which shall be applied by Operating Co. for payments due Operating Co. hereunder) shall be due on or before the 45th day following each calendar quarter.

ARTICLE III

TERM

Section 3.1 Termination. (a) Subject to Section 6.3 hereof, each of Holdings or Public Co. may terminate this Agreement effective at the end of any calendar month upon 90-days written notice provided, however, that Public Co. may not terminate this Agreement with respect to any Rights owed to a third party arising out of, related to or due to ("related to") the Retained Brands existing on the date hereof or entered into with the consent of Public Co. or Operating Co. for so long as such Rights remain in effect.

(b) Upon the termination of this agreement in accordance with its terms, Operating Co. shall sell to Holdings, and Holdings shall purchase from Operating Co., any finished goods or basic inventory related to the Retained Brands (other than New Essentials) at a price equal to the value of such inventory, as reflected on the books of Operating Co.

ARTICLE IV

INDEMNIFICATION

Section 4.1 Indemnification. (a) Holdings shall indemnify and hold harmless Public Co., Operating Co., their respective subsidiaries and their respective directors, officers, employees, representatives and agents (collectively, the "Public Co. Indemnified Parties") from and against any and all Losses of any kind whatsoever that may be incurred by, imposed upon or asserted or awarded against a Public Co. Indemnified Party related to Public Co.'s, Operating Co.'s or Operating Co.'s subsidiaries performance of the Services, except to the extent the same are related to a Public Co. Indemnified Party's gross negligence or willful misconduct.

(b) Public Co. and Operating Co. shall jointly and severally indemnify and hold harmless Holdings, its subsidiaries and affiliates (other than Public Co. and its subsidiaries) and their respective directors, officers, employees, representatives and agents (collectively, the "Holdings Indemnified Parties") from and against any and all Losses of any kind whatsoever that may be incurred by, imposed upon or asserted or awarded against a

Holdings Indemnified Party to the extent related to the gross negligence or willful misconduct of Public Co.'s or Operating Co.'s performance of the Services.

(c) Notwithstanding anything in subsection (a) or (b) to the contrary, Public Co. and Operating Co. shall jointly and severally indemnify and hold harmless a Holdings Indemnified Party for all Losses on account of pollution or the violation of any environmental law, regulations, rules or orders of any federal, state, local or foreign government to the extent directly related to the provision of the Services hereunder, other than Losses attributable to the period prior to the date hereof.

Section 4.2 Insurance. The amount of any claim by a party entitled to indemnification under this Agreement (an "Indemnitee") shall be reduced by any insurance or other benefits which the Indemnitee receives in respect of such Loss. If any Loss for which indemnification has been provided is subsequently reduced by any reimbursement from insurance coverage or other sources, the amount of such reduction shall be remitted to the indemnifying party. The Indemnitee shall use its reasonable efforts to obtain such benefit or reimbursement.

ARTICLE V

ADDITIONAL COVENANTS

Section 5.1 Confidentiality. Holdings and Public Co. and Operating Co. acknowledge that in connection with the performance of Services hereunder, each of (i) Holdings and (ii) Public Co. and Operating Co., as the case may be, will gain access to highly confidential and proprietary information regarding the other and its financial and business affairs, and each of (i) Holdings and (ii) Public Co. and Operating Co., as the case may be, hereby agrees to keep such information confidential and further agrees not to disclose such information to a third party (other than for the purposes of this Agreement and the transactions contemplated hereby), without the prior written consent of the other party except (i) as required by law or the rules of any stock exchange on which any of its securities are listed, (ii) in respect of information to the extent publicly available through no fault or breach hereof by either Holdings or Public Co. or Operating Co., as the case may be, (iii) in respect of information obtained from a third party not, to the knowledge of the party obtaining such information, under any obligation to either Holdings or Public Co. or Operating Co., as the case may be, or (iv) in respect of disclosure made in connection with the $500,000,000 Credit Agreement dated as of June 24, 1992 by and among Operating Co., the lenders parties thereto, The Chase Manhattan Bank, N.A., Chemical Bank and Citibank, N.A., as Managing Agents, and Chemical Bank, as Administrative Agent or any amendment thereto or credit agreement resulting from the refinancing thereof or any successor credit agreement.

Section 5.2 Limited License. (a) Holdings hereby grants to Operating Co. (and its subsidiaries) during the term of this Agreement a non-exclusive royalty-free license to

those trademarks, patents and other intellectual property rights owned by or licensed to Holdings on the date hereof that are Excluded Assets under the Transfer Agreement, other than any intellectual property rights which are the subject of the Sublicensing Agreements, or that come into existence during the term of this Agreement, and that would have been Excluded Assets had they been in existence on the date hereof used in the manufacturing, marketing, advertising, promotion, distribution or sale of, or research and development in connection with, the Retained Brands (the "Holdings Intellectual Property") subject to and on the condition that Operating Co. at all times adhere to the methods, formulas, specifications and other quality standards of Holdings in effect from time to time in order that the products and services identified by the Retained Brands shall be of a standard and quality satisfactory to Holdings.

(b) Operating Co. acknowledges the ownership (or license rights, as the case may be) of the Holdings Intellectual Property in Holdings and agrees that Operating Co. shall obtain no right of ownership or any other right whatsoever over and in relation to the Holdings Intellectual Property through any right herein permitted, and that all use of the Holdings Intellectual Property shall inure to the benefit of Holdings. Operating Co. agrees not to use the Holdings Intellectual Property after the termination of this Agreement.

(c) Operating Co. hereby grants to Holdings during the term of this Agreement a non-exclusive royalty-free license to continue to use those trademarks, patents and other intellectual property owned by Operating Co. on the date hereof that are Contributed Assets under the Transfer Agreement used

in the manufacture, marketing, advertising, promotion, distribution or sale of, or research and development in connection with, the Retained Brands (the "Operating Co. Intellectual Property") subject to and on the condition that Holdings at all times adheres to the methods, formulas, specifications and other quality standards of Operating Co. in effect from time to time in order that the products and services identified by the Retained Brands shall be of a standard and quality satisfactory to Operating Co.

(d) Holdings acknowledges the ownership of the Operating Co. Intellectual Property in Operating Co. and agrees that Holdings shall obtain no right of ownership or any other right whatsoever over and in relation to the Operating Co. Intellectual Property through any right herein permitted, and that all use of the Operating Co. Intellectual Property shall inure to the benefit of Operating Co. Holdings agrees not to use the Operating Co. Intellectual Property after the termination of this Agreement.

Section 5.3 Force Majeure. (a) If performance by Operating Co. of any of the Services is prevented or delayed by strikes, walkouts, fires, embargoes, war or other outbreak of hostilities, acts of federal, state, municipal or other government agencies, delays of carriers or suppliers, public emergency, act of God, or any other cause (including the foregoing) which is beyond Operating Co.'s reasonable control (each, a "Force Majeure Event"), such delay or failure to perform shall not be deemed a breach of this Agreement but any such duty or obligation, the performance or satisfaction of which has been delayed thereby, shall remain in

force and shall be performed or satisfied pursuant to this Agreement as soon as said performance or satisfaction becomes legally and commercially practicable. In the event of such a failure or delay, Operating Co. shall provide its full cooperation to Holdings to secure another party or parties to provide the Services.

(b) Holdings shall have the right to terminate the Services on five days written notice if a material interruption of the provision of such Service is continuous for a period of 30 days unless such interruption is cured prior to the end of the notice period.

ARTICLE VI

RIGHT OF FIRST REFUSAL

Section 6.1 Grant of Right of First Refusal. (a) If Holdings receives a bona fide offer (the "Offer"), from an individual or entity other than Public Co. or Operating Co. (a "Third Party") which Holdings desires to accept, to purchase or otherwise acquire all or any part of the Retained Brands, Holdings shall within 48 hours after it determines that it desires to accept such Offer submit to Public Co. and Operating Co. a notice of such Offer (the "Offer Notice") together with a complete copy of the contract, letter of intent, term sheet, agreement in principle or similar document in respect of such Offer if such has been submitted to Holdings or, if such has not been submitted to Holdings, a reasonably detailed description of the terms of such Offer, including, but not limited to, the name of the proposed purchaser, the price and consideration offered, the duration of the Offer and any other material terms and conditions of the Offer.

(b) Either of Public Co. or Operating Co. shall have the right (the "Purchase Right") at any time during the 90-day period (the "Exercise Period") commencing on the date of Public Co.'s and Operating Co.'s receipt of the Offer Notice to notify Holdings that it intends to purchase the Retained Brands on terms substantially the same as those specified in the Offer Notice by delivering to Holdings a written notice (the "Exercise Notice") to that effect prior to the expiration of the Exercise Period. The Exercise Notice shall also specify a closing date (the "Closing Date") which shall not be later than the later of (i) the closing date specified in the Offer or (ii) 30 days after the date of the Exercise Notice.

(c) If the consideration proposed to be paid by such Third Party consists of non-cash consideration, Public Co. or Operating Co. may, at its election, pay the fair market value of such non-cash consideration (or any part thereof) in cash. The fair market value of such non-cash consideration shall be determined in good faith by Holdings and Public Co. or Operating Co.

(d) The closing associated with the sale of all or a portion of the Retained Brands (the "Closing") shall occur on the Closing Date and at a place and at a time mutually agreed upon by Holdings and Public Co.

(e) If Public Co. or Operating Co. fails to deliver an Exercise Notice during the Exercise Period or the Closing shall not occur by the Closing Date, Holdings shall be free to sell such portion of the Retained Brands to the Third Party on terms no less favorable to Holdings as those specified in the Offer Notice for a period of 180 days after the earlier to occur of (i) the expiration of the Exercise Period and (ii) the date Public Co. or Operating Co. declines to exercise its Purchase Right, provided Holdings shall give Public Co. and Operating Co. notice of such sale at least ten days prior to the closing therefor together with a copy of each definitive agreement relating thereto. If the sale or transfer of the Retained Brands is not so consummated within such period or if any of the terms or conditions of the proposed sale or transfer are modified in any manner materially adverse to Holdings, Holdings shall not have the right to sell, dispose of or otherwise transfer such portion of the Retained Brands unless and until it re-offers Public Co. and Operating Co. the Purchase Right pursuant to the terms of this Article VI. Thereafter, Public Co. shall have the rights set forth in this Section 6.1 with respect to such renewed or modified offer as if the same were an original Offer as described above.

(f) If the terms of an Offer are at any time modified, amended or supplemented in any material respect, Holdings shall promptly furnish Public Co. with a copy of such modification, amendment or supplement.

Section 6.2 Notice of Intention to Sell the Retained Brands. If at any time Holdings desires to actively seek offers to purchase all or a portion of the Retained Brands, Holdings shall promptly give Public Co. and Operating Co. a written notice to that effect and shall thereupon make available to Public Co. and Operating Co. for immediate inspection the Retained Brands and other relevant data with respect to the Retained Brands. Holdings shall provide to Public Co. and Operating Co. all written presentations made available to Third Parties in connection with a prospective sale of the Retained Brands.

Section 6.3 Termination. (a) If, in accordance with the terms of this Article VI, Public Co. and Operating Co. elect not to exercise a Purchase Right with respect to all or a portion of the Retained Brands and Holdings transfers the Retained Brands to a Third Party in accordance with the terms of the Offer, Public Co.'s and Operating Co.'s Purchase Right with respect to the Retained Brands so transferred shall terminate upon the transfer of the Retained Brands to such Third Party. Notwithstanding the foregoing, no failure of Public Co. to exercise its Purchase Right as to any portion of the Retained Brands shall be deemed a waiver or limitation of any rights of Public Co. as to any other portion of the Retained Brands.

(b) Upon any transfer of all or a portion of the Retained Brands to a Third Party, this Agreement shall terminate with respect to the Retained Brands so transferred.

ARTICLE VII

MISCELLANEOUS

Section 7.1 Amendment and Modification; Waiver. This Agreement may be amended, modified or supplemented only by written agreement of the parties hereto. The failure of any of the parties hereto to comply with any obligation, covenant, agreement or condition herein may be waived by the party entitled to the benefit thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Section 7.2 Successors and Assigns; Parties in Interest; Assignment. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective permitted successors and assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person or persons any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties hereto, except that Public Co. or Operating Co. may transfer or assign, in whole or from time to time in part, to one or more of their respective affiliates, any or all of its rights and obligations hereunder, and Public Co. or Operating Co. may assign its obligations hereunder with respect to any Service to an entity which acquires the facility at which such Service is performed, provided that such acquirer agrees to assume and perform the same, but no such transfer or assignment to an affiliate or third party will relieve the transferring party of its obligations hereunder.

Section 7.3 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given upon receipt by the respective parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to Holdings, to:

c/o MacAndrews & Forbes Holdings Inc.
38 East 63rd Street
New York, New York 10022
Attention: Glenn P. Dickes, Esq.

(b) if to Public Co., to:

Revlon, Inc.
625 Madison Avenue
New York, New York 10022
Attention: Wade H. Nichols III, Esq.

(c) if to Operating Co., to:

Revlon Consumer Products Corporation
625 Madison Avenue
New York, New York 10022
Attention: Wade H. Nichols III, Esq.

Section 7.4 Expenses. The payment of taxes incurred in connection with this Agreement shall be governed by the Tax Sharing Agreement (as defined in Section 7.7 hereof). Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

Section 7.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

Section 7.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which

together shall constitute one and the same instrument.

Section 7.7 Entire Agreement. This Agreement, the Transfer Agreements, the Reimbursement Agreement, the Real Property Asset Transfer Agreement, the Sublicensing Agreements and the Tax Sharing Agreement, and the exhibits and schedules hereto and thereto, as such agreements may be amended or modified, constitute the entire agreement among the parties hereto with respect to the subject matter hereof and supersede all prior agreements, understandings and negotiations, both written and oral, among the parties with respect to the subject matter hereof.

Section 7.8 Captions. The captions herein are included for convenience of reference only and are not intended to be part of or affect the meaning or interpretation of this Agreement.

Section 7.9 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any of the provisions of this Agreement were not performed in

accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

Section 7.10 Severability. This Agreement shall be deemed severable; the invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of this Agreement or of any other term hereof, which shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto here caused this Agreement to be duly executed by their respective authorized officers 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

Employment Agreement

EMPLOYMENT AGREEMENT, dated as of January 1, 1996 but effective as of the date provided in Section 2.1, 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 cosmetics, fragrances, skin treatments and implements 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 President 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 President of the Company. The Executive's title shall be President, Revlon Cosmetics 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 on the effective date of the initial public offering of the Company's (or its immediate parent's) common stock (the "Effective Date") and shall end on such date as is provided pursuant to Section 2.2. This Agreement will become null and void if the Effective Date has not occurred prior to January 1, 1997.

2.2 End-of-Term Provisions. At any time on or after the second anniversary of the Effective Date the Company shall have the right to give written notice of non-renewal of the Term. In the event the Company gives such notice of non-renewal, 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. If the Company shall not theretofore have given such notice, from and after the third 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.

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 $500,000 (the "Base Salary"). All payments of Base Salary or other compensation hereunder shall be less such deductions or withholdings as are required by applicable law and regulations. In the event that the Company, in its sole discretion, from time to time determines to increase the Base Salary, such increased amount shall, from and after the effective date of the increase, constitute "Base Salary" for purposes of this Agreement.

3.2 Bonus. In addition to the amounts to be paid to the Executive pursuant to Section 3.1, the Executive shall receive an annual bonus in accordance with the Company's Executive Bonus Plan as in effect from time to time or such plan or program as may replace it, on the basis of a target bonus of 50% of Base Salary.

3.3 Stock Options. From and after an initial public offering of the Company's (or its immediate parent's) common stock, 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 at the time of the initial public offering to purchase 45,000 shares of Revlon common stock and an option during each subsequent year during the Term to purchase 30,000 shares of Revlon Common Stock, with (i) the initial such grant to be on the date of the initial public offering for a term of 10 years at an option exercise price equal to the initial public offering price and with the option not becoming exercisable until the third anniversary of the date of grant and then becoming 100%

exercisable for the balance of the term of such option, unless prior thereto the Executive's employment is terminated by the Company otherwise than for cause pursuant to Section 4.3, in which event the option shall be exercisable with respect to 25% if termination occurs during the period from the first to the second anniversaries of the grant date and with respect to 50% if termination occurs during the period from the second to the third anniversaries of the grant date and in either case shall remain so exercisable for one year from the date of such termination and (ii) each subsequent grant to vest and otherwise 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.

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

3.6 Fringe Benefits.

(i) During the Term, the Executive shall be entitled to participate in those qualified and non-qualified defined benefit, defined contribution, group insurance, medical, dental, disability and other benefit plans of the Company as from time to time in effect made available to senior executives of the Company generally and 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.

(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) for 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 equalled an aggregate of six months, by written notice to the Executive (but before the Executive has returned to active service following such disability), terminate the Term and no further amounts or benefits shall be payable hereunder, except that the Executive shall be entitled to receive until the first to occur of (x) the Executive ceasing to be disabled or (y) the Executive's attaining the age of 65, continued coverage for the Executive under the Company paid group life insurance plan (including supplemental coverage under Section 3.6) and for the Executive and his or her spouse and children 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 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 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, 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.

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

10.3 This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. No representation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.

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

/s/ M. Katherine Dwyer

M. Katherine Dwyer

REVLON
EXECUTIVE
BONUS PLAN

Corporate Human Resources
January 1, 1997

REVLON

EXECUTIVE BONUS PLAN

I. OBJECTIVES

This Executive Bonus Plan ("Plan") for Revlon, Inc. ("Revlon") and its participating affiliates (collectively, the "Company") is intended to provide an annual cash incentive program which will:

- reinforce the Company's Strategic Principles and goals and each eligible individual's role in achieving them;
- attract, retain, and motivate the executive human resources necessary to operate the Company;
- encourage improved profitability, return on investment, and growth of the Company;
- enhance the major values of the Company -- quality, growth, and teamwork; and
- reflect the Company's commitment to pay for performance.

II. ELIGIBILITY

(1) Executives whose positions are classified in grades 9 and above of the Company's exempt salary program, and (2) general managers and above and other key executives of the Company's operations outside the United States are eligible for participation in the Plan. No eligible executive may be a participant in the Plan unless he or she shall have signed Revlon's Employee Agreement as to Confidentiality and Non-Competition (as the same may be amended from time to time by the Company).

III. PARTICIPATION LEVELS/TARGET AWARDS

All participants will be assigned a Participation Level which will determine their Target Award. The Target Award is the Bonus, expressed as a percent of base salary, which will be earned at 100% achievement of Plan objectives.

	BONUS AWARD OPPORTUNITY			
PARTICIPATION LEVEL	MINIMUM AWARD	THRESHOLD AWARD	TARGET AWARD	MAXIMUM AWARD
A	0	50.0%	100.0%	100.0%
B	0	37.5%	75.0%	100.0%
C	0	30.0%	60.0%	100.0%
I	0	25.0%	50.0%	100.0%
II	0	20.0%	40.0%	80.0%
III	0	15.0%	30.0%	60.0%
IV	0	7.5%	15.0%	30.0%
V	0	3.0%	6.0%	12.0%

The maximum award payable with respect to any bonus year to any individual participant is the lesser of the Maximum Award set forth above or $2,000,000.

The Participation Level and all other determinations regarding participation of the Chairman and the President and CEO of Revlon are determined by the Committee of the Board of Directors of Revlon administering the Plan. The Participation Level of all other participants is recommended by the executive's Group Head and approved by the Senior Vice President, Human Resources of Revlon and the President and CEO of Revlon, subject to certification by such Committee to the extent required hereby.

Generally, participation levels are based on an individual's grade level, reporting level, and the impact the position has on the organization's results.

It is Management's responsibility to communicate Participation Levels to each participant.

IV. BUSINESS AND PERSONAL PERFORMANCE OBJECTIVES

Each participant will be notified of their performance objectives as soon as practical after the beginning of the Plan year. Performance objectives will fall into two major performance categories -- Business Objectives and Personal Performance Objectives. Unless otherwise specified by the President and CEO of Revlon, the portion of the Target Award assigned to Business Objectives and Personal Performance Objectives shall be as follows:

	TARGET AWARD	% OF TARGET AWARD		% OF BASE SALARY	
PARTICIPATION LEVEL	AS % OF BASE SALARY	BUSINESS OBJECTIVES	PERSONAL OBJECTIVES	BUSINESS OBJECTIVES	PERSONAL OBJECTIVES
A	100.0%	100.0%	--	100.00%	--
B	75.0%	100.0%	--	75.00%	--
C	60.0%	100.0%	--	60.00%	
I	50.0%	100.0%	--	50.00%	--
II	40.0%	85.0%	15.0%	34.00%	6.00%
III	30.0%	80.0%	20.0%	24.00%	6.00%
IV	15.0%	75.0%	25.0%	11.25%	3.75%
V	6.0%	75.0%	25.0%	4.50%	1.50%

A. BUSINESS OBJECTIVES

Business Objectives should include operating income, operating cash flow, net sales, or other quantifiable business performance factors. A minimum of two and maximum of five Business Objectives will be established each year. If operating income is a stated Business Objective, then operating cash flow or major components thereof must also be measured. Each Business Objective will be assigned a weight so that the total percentage of the Business Objectives for each Participation Level will equal the percentage indicated in the above table.

Business Objectives will be developed by each Group Head and approved by the Senior Executive Vice President, Chief Financial Officer of Revlon and the President and CEO of Revlon, subject to final review and approval by the Committee administering the Plan.

B. PERSONAL PERFORMANCE OBJECTIVES

This portion of the Bonus Award will be based on Personal Performance Objectives which are specific to each individual, such as human resource management, advertising, account penetration, new product development, etc. A maximum of five to seven Personal Performance Objectives will be established each year with appropriate standards of performance.

Personal Performance Objectives will be developed by each participant's Department Head, approved by the Group Head and reviewed with the participant.

V. ACTUAL BONUS AWARDS

Actual Bonus Awards will be determined for each participant based on the degree to which the participant's Business Objectives and Personal Performance Objectives are achieved. The earned award for the achievement of Business Objectives will be added to the earned award for the achievement of Personal Performance Objectives to determine a participant's total Bonus Award earned under the Plan, subject to the maximums provided for in Section III.

A. BUSINESS OBJECTIVES

Bonuses earned under this portion of the Plan will be based on achievement against each Business Objective's target in accordance with its assigned weight, as follows:

- 50% of the weighted Target Award will be earned if approximately 90% of the Business Objective's target is achieved. No bonus will be earned for any Business Objective which is not achieved at this minimum threshold.

- 100% of the weighted Target Award will be earned when the targeted Business Objective is achieved.

- A maximum of 200% of the weighted Target Award will be earned only if the Business Objective's target is overachieved by approximately 20% - 30%.

Proportionate awards will be earned for achievement between the threshold, target, and maximum Objectives.

B. PERSONAL PERFORMANCE OBJECTIVES

Bonuses earned under this portion of the Plan will be based on each participant's performance against Personal Performance Objectives. Based on criteria established at the

beginning of the year by the President and CEO of Revlon, participants may earn up to 200% of their personal performance target award.

VI. CORPORATE/GROUP BUSINESS OBJECTIVES

To foster each executive's commitment to teamwork and sharing in the Company's overall success, targeted Business Objectives for participants should include Corporate/Group/Division performance factors as suggested below:

PARTICIPANT'S ORGANIZATION UNIT OR REPORTING LEVEL	PERCENT OF TOTAL OBJECTIVES CORPORATE PERFORMANCE	GROUP PERFORMANCE	DIVISION PERFORMANCE
Corporate Staff	100%		
Group Direct Reports to President and CEO of Revlon	25%	75%	
Group	20%	80%	
Division		*	*

*Split between Group/Division, if any, to be determined by Group Head.

VII. ADMINISTRATION AND AWARD PAYMENTS

The Plan will be administered by a Committee of the Board of Directors of Revlon's parent consisting of at least two "independent" directors. The Plan will be overseen by the Senior Vice President, Human Resources of Revlon, and all awards must be approved by the President and CEO of Revlon prior to payment.

Each Plan year will commence on January 1 and end on December 31.

In January of each Plan year, the proposed Business Objectives at Threshold, Target, and Maximum will be submitted to the Senior Executive Vice President, Chief Financial Officer of Revlon, and a listing of the Plan participants with recommended Participation Levels will be submitted to the Senior Vice President, Human Resources of Revlon. Business Objectives and Participation Levels will be reviewed and approved by the President and CEO of Revlon. Personal Objectives will be submitted to the senior human resource executive of each Group and reviewed and approved by the Group Head.

Operating results will be reviewed by the senior financial officer of each Division and the Senior Executive Vice President, Chief Financial Officer of Revlon. The decision of the Senior Executive Vice President, Chief Financial Officer of Revlon is final with

respect to results used in calculating Bonus Awards under the Plan, subject only to Committee review.

Base salary earned during the Plan year will be used in calculating Bonus Awards under the Plan.

The Committee will review and approve Business Objectives, Personal Objectives and Participation Levels annually, with review and approvals related to awards payable to Named Executive Officers subject to Section 162(m) of the Internal Revenue Code or any successor provision ("162(m)") obtained by March 31 of each Plan Year. Business Objectives will be calculated before the impact of extraordinary items, discontinued operations and accounting changes and may be adjusted by the Committee to reflect major acquisitions and divestitures.

In the event of a change of assignment or transfer prior to October 31 of the Plan year, the participant's Bonus Award will be calculated for each position on a pro-rated basis. Similarly, an executive who is newly hired or who joins the Plan after the start of the Plan year, and prior to October 31, will be eligible for a pro-rated Bonus Award based on the percentage of the Plan year actually worked while a participant.

The Committee will certify awards to Named Executive Officers before payment.

Bonus Awards will be distributed on or about March 15 following the bonus year. Bonus Awards will not be paid to a participant who does not remain actively employed by the Company through the date Bonus Awards are distributed except that, in the sole discretion of the President and CEO of Revlon:

i) an executive whose employment terminates due to death, disability, or retirement at any time after the start of a Plan year, or

ii) an executive whose employment is terminated by the Company otherwise than for "good reason" (as defined in the Revlon Executive Severance Policy) or other like cause at any time after June 30 of a Plan year,

may receive a Bonus Award, pro-rated if appropriate, based on the number of months of active employment during the Plan year.

Participation in the Plan shall not confer upon any participant any rights to continue in the employ of the Company, limit in any way a participant's right or the right of the Company to terminate a participant's employment at any time, or confer upon any participant any claim to receive a Bonus Award other than as provided in the Plan, and no participant's rights under the Plan may be assigned, attached, pledged or alienated by operation of law or otherwise.

Revlon reserves the right to revise or terminate the Plan at any time during or after a Plan performance period, or to grant special incentive awards outside the formulas set forth in the Plan. The President and CEO of Revlon, at his discretion, may also make exceptions to this Plan as required, except as otherwise required by 162(m).

Awards to Named Executive Officers subject to 162(m) may be decreased, but may not be increased, by action of the Committee to reflect factors other than Business Objectives and/or Personal Objectives.

REVLON, INC.
AMENDED AND RESTATED 1996 STOCK PLAN
(Amended and Restated as of December 17, 1996)

GENERAL

1.1 Purpose. The purpose of this 1996 Stock Plan (the "Plan") is to provide for certain officers, directors and key employees of Revlon, Inc. ("Revlon" and, together with its subsidiaries, the "Company") and certain of its Affiliates an incentive to maintain and enhance the long-term performance and profitability of the Company. It is the further purpose of the Plan to permit the granting of awards that will constitute performance based compensation for certain executive officers, as described in section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder.

1.2 Administration.

(a) The Plan shall be administered by a committee (the "Committee") appointed by the Board of Directors of Revlon (the "Board"), which committee shall consist of two or more directors. It is intended that the directors appointed to serve on the Committee shall be "disinterested persons" (within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934 (the "Act") and "outside directors" (within the meaning of Code section 162(m)) to the extent Rule 16b-3 and Code section 162(m), respectively, are applicable; however, the mere fact that a Committee member shall fail to qualify under either of the foregoing requirements shall not invalidate any award made by the Committee which award is otherwise validly made under the Plan. The members of the Committee shall be appointed by, and may be changed at any time and from time to time in the discretion of, the Board.

(b) The Committee shall have the authority (i) to exercise all of the powers granted to it under the Plan, (ii) to construe, interpret and implement the Plan and Plan agreements executed pursuant to Section 2.6, (iii) to prescribe, amend and rescind rules and regulations relating to the Plan, (iv) to make all determinations necessary or advisable in administering the Plan, and (v) to correct any defect, supply any omission and reconcile any inconsistency in the Plan.

(c) The determination of the Committee on all matters relating to the Plan or any Plan agreement (as defined in Section 2.6) shall be conclusive.

(d) No member of the Committee shall be liable for any Plan Action (as defined in Section 3.2), including without limitation any action or determination made in good faith with respect to the Plan or any Award hereunder.

1.3 Persons Eligible for Awards. Awards under the Plan may be made to such officers, directors and executive, managerial or professional employees ("key personnel") of the Company or its Affiliates as the Committee shall in its sole discretion select; provided, that officers and directors who are not employees of either the Company or an Affiliate shall not be eligible to receive Awards under the Plan.

1.4 Types of Awards Under Plan.

(a) Awards may be made under the Plan in the form of (i) stock options ("options"), (ii) stock appreciation rights ("stock appreciation

rights") related to an option ("related stock appreciation rights"), (iii) stock appreciation rights not related to any option ("unrelated stock appreciation rights"), (iv) restricted stock awards, (v) unrestricted stock awards and (vi) performance awards, all as more fully set forth in Article II (collectively, "Awards").

(b) Options granted under the Plan may be either (i) "nonqualified" stock options subject to the provisions of Code section 83 or (ii) options intended to qualify for incentive stock option treatment described in Code section 422.

(c) All options when granted are intended to be nonqualified options, unless the applicable Plan agreement explicitly states that an option is intended to be an incentive stock option. If an option is granted with the stated intent that it be an incentive stock option, and if for any reason such option (or any portion thereof) shall not qualify as an incentive stock option, then, to the extent of such nonqualification, such option (or portion) shall be regarded as a nonqualified option appropriately granted under the Plan provided that such option (or portion) otherwise satisfies the terms and conditions of the Plan relating to nonqualified options generally.

1.5 Shares Available for Awards.

(a) Subject to Section 3.5 (relating to adjustments upon changes in capitalization), as of any date the total number of shares of Common Stock with respect to which Awards may be granted shall be equal to the excess (if any) of (i) 5,000,000 shares, over (ii) the sum (without duplication) of (A) the number of shares subject to outstanding options, outstanding unrelated stock appreciation rights, outstanding restricted stock awards not vested pursuant to the lapse of restrictions and outstanding performance awards as to which the performance cycle has not expired, granted under the Plan, (B) the number of shares previously issued pursuant to the exercise of options granted under the Plan, (C) the number of shares subject to an option, restricted stock award or performance award or part thereof which is canceled by the Committee and for which cash is paid in respect thereof pursuant to Section 2.8(f), (D) the number of shares in respect of which stock appreciation rights granted under the Plan shall have previously been exercised, (E) the number of shares previously vested pursuant to the lapse of restrictions under restricted stock awards granted under the Plan, (F) the number of shares previously issued pursuant to unrestricted stock awards, and (G) the number of shares previously issued or issuable pursuant to performance units as to which the performance cycle has expired. In accordance with (and without limitation upon) the preceding sentence, if and to the extent an Award under the Plan expires, terminates or is canceled for any reason whatsoever without the grantee having received any benefit therefrom, the shares covered by such Award shall again become available

for future Awards under the Plan. For purposes of the foregoing sentence, a grantee shall not be deemed to have received any "benefit" (i) in the case of forfeited restricted stock awards by reason of having enjoyed voting rights and dividend rights prior to the date of forfeiture or (ii) in the case of an Award canceled pursuant to subsection (c) of this Section 1.5 by reason of a new Award being granted in substitution therefor.

(b) Shares of Common Stock that shall be subject to issuance pursuant to Awards made under the Plan shall be authorized and unissued or treasury shares of Common Stock.

(c) Without limiting the generality of the preceding provisions of this Section 1.5, the Committee may, but solely with the grantee's consent, agree to cancel any Award under the Plan and issue a new Award in substitution therefor upon such terms as the Committee may in its sole discretion determine, provided that the substituted Award satisfies all applicable Plan requirements as of the date such new Award is made.

(d) In any calendar year, a person eligible for Awards under the Plan may not be granted options or stock appreciation rights covering in the aggregate a total of more than 300,000 shares of Common Stock.

1.6 Definitions of Certain Terms.

(a) The term "Affiliate" as used herein means any person or entity which, at the time of reference, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Company.

(b) The term "Common Stock" as used herein means the shares of Class A Common Stock of the Company as constituted on the effective date of the Plan, and any other shares into which such Common Stock shall thereafter be changed by reason of a recapitalization, merger, consolidation, split-up, combination, exchange of shares or the like.

(c) Except as otherwise determined by the Committee in its sole discretion, the term "fair market value" as used herein as of any date and in respect of any share of Common Stock shall refer to the mean between the high and low sales prices of a share of Common Stock as reported on the New York Stock Exchange.

(d) In no event shall the fair market value of any share of Common Stock, the option exercise price of any option, the appreciation base per share of Common Stock under any stock appreciation right, or the amount payable per share of Common Stock under any other Award, be less than the par value per share of Common Stock.

ARTICLE II.

STOCK OPTIONS; STOCK APPRECIATION RIGHTS; STOCK AWARDS; PERFORMANCE AWARDS

2.1 Grant of Stock Options. The Committee may grant options under the Plan to purchase shares of Common Stock to such key personnel, in such amounts and subject to such terms and conditions as the Committee shall from time to time determine in its sole discretion, subject to the terms and provisions of the Plan.

2.2 Grant of Stock Appreciation Rights.

(a) The Committee may grant a related stock appreciation right in connection with all or any part of an option granted under the Plan, either at the time such option is granted or at any time thereafter prior to the exercise, termination or cancellation of such option, and subject to such terms and conditions as the Committee shall from time to time determine in its sole discretion, consistent with the terms and provisions of the Plan. The grantee of a related stock appreciation right shall, subject to the terms and conditions of the Plan and the applicable Plan agreement, thereby have the right by exercise thereof to surrender to the Company for cancellation all or a portion of such related stock appreciation right, but only to the extent that the related option is then exercisable, and to be paid therefor an amount equal to the excess (if any) of (i) the aggregate fair market value of the shares of Common Stock subject to the related stock appreciation right or portion thereof surrendered (determined as of the exercise date), over (ii) the aggregate appreciation base (determined pursuant to Section 2.6(d)) of the shares of Common Stock subject to the stock appreciation right or portion thereof surrendered.

(b) The Committee may grant an unrelated stock appreciation right to such key personnel, and in such amount and subject to such terms and

conditions, as the Committee shall from time to time determine in its sole discretion, subject to the terms and provisions of the Plan. The grantee of an unrelated stock appreciation right shall, subject to the terms and conditions of the Plan and the applicable Plan agreement, have the right to surrender to the Company for cancellation all or a portion of such stock appreciation right, but only to the extent that such stock appreciation right is then exercisable, and to be paid therefor an amount equal to the excess (if any) of (i) the aggregate fair market value of the shares of Common Stock subject to the stock appreciation right or portion thereof surrendered (determined as of the exercise date), over (ii) the aggregate appreciation base (determined pursuant to Section 2.6(d)) of the shares of Common Stock subject to the stock appreciation right or portion thereof surrendered.

(c) Payment due to the grantee upon exercise of a stock appreciation right shall be made (i) by check, (ii) in Common Stock (valued at the fair market value thereof as of the date of exercise), or (iii) partly in the manner provided in clause (i) and partly in the manner provided in clause (ii), all as determined by the Committee in its sole discretion. If the Committee shall determine to make all of such payments in Common Stock, no fractional shares shall be issued and no payments shall be made in lieu of fractional shares.

(d) The grant or exercisability of any stock appreciation right may be subject to such conditions as the Committee, in its sole discretion, shall determine, including a change of ownership or control of the Company or an Affiliate. A stock appreciation right may be deemed to be automatically exercised upon the occurrence of such events or conditions as may be determined by the Committee in an applicable Plan agreement.

2.3 Special ISO Requirements. In order for a grantee to receive special tax treatment with respect to stock acquired under an option granted as an incentive stock option, the grantee of such option must be, at all times during the period beginning on the date of grant and ending on the day three months before the date of exercise of such option, an employee of the Company or any of the Company's parent corporations (within the meaning of Code section 424), or of a corporation or a parent or subsidiary corporation of such corporation issuing or assuming a stock option in a transaction in which Code section 424(a) applies. If an option granted under the Plan is intended to be an incentive stock option, and if the grantee, at the time of grant, owns stock possessing 10 percent or more of the total combined voting power of all classes of stock of the grantee's employer corporation or of its parent or subsidiary corporation, then (i) the option exercise price per share shall in no event be less than 110% of the fair market value of the Common Stock on the date of such grant and (ii) such option shall not be exercisable after the expiration of five years after the date such option is granted.

2.4 Restricted and Unrestricted Stock Awards.

(a) The Committee may grant restricted stock awards, alone or in tandem with other Awards under the Plan, to such key personnel, and subject to such restrictions, terms and conditions, as the Committee shall determine in its sole discretion and as shall be evidenced by the applicable Plan agreements. The vesting of a restricted stock award granted under the Plan may be conditioned upon the completion of a specified period of employment with the Company or any Affiliate, upon the attainment of specified performance goals, and/or upon such other criteria as the Committee may determine in its sole discretion.

(b) The Committee may grant unrestricted stock awards, alone or in tandem with other Awards under the Plan, to such key personnel and subject to such terms and conditions as the Committee shall determine in its sole discretion and as shall be evidenced by the applicable Plan agreements.

(c) Each Plan agreement with respect to a restricted stock award shall set forth the amount (if any) to be paid by the grantee with

respect to such Award and when or in what circumstances such payment is required to be made. If a grantee made any payment for a restricted stock award or portion thereof which does not vest, appropriate payment shall be made to the grantee upon or following such forfeiture if and on such terms and conditions as the Committee may determine.

(d) The Committee may provide that a certificate or certificates representing the shares underlying a restricted stock award shall be registered in the grantee's name and bear

an appropriate legend specifying that such shares are not transferable and are subject to the provisions of the Plan and the restrictions, terms and conditions set forth in the applicable Plan agreement, or that such certificate or certificates shall be held in escrow by the Company on behalf of the grantee until such shares become vested or are forfeited, all on such terms and conditions as the Committee may determine. Except as the applicable Plan agreement may otherwise provide, no shares underlying a restricted stock award may be assigned, transferred, or otherwise encumbered or disposed of by the grantee until such shares have vested in accordance with the terms of such Award. Subject to the provisions of Section 3.2, as soon as practicable after any restricted stock award shall vest, the Company shall issue or reissue to the grantee (or to the grantee's designated beneficiary in the event of the grantee's death) a certificate or certificates for the Common Stock underlying such restricted stock award without such restrictive legend.

(e) If and to the extent that the applicable Plan agreement may so provide, a grantee shall have the right to vote and receive dividends on the shares underlying a restricted stock award granted under the Plan. Unless otherwise provided in the applicable Plan agreement, any stock received as a dividend on, or in connection with a stock split of, the shares underlying a restricted stock award shall be subject to the same restrictions as the shares underlying such restricted stock award.

(f) Subject to Section 3.5 (relating to adjustments upon changes in capitalization), as of any date the total number of shares of Common Stock with respect to which restricted and unrestricted stock awards may be granted shall not exceed (i) 1,000,000 shares less (ii) the sum (without duplication) of (A) the number of shares subject to outstanding restricted stock awards or parts thereof not vested pursuant to the lapse of restrictions, (B) the number of shares subject to restricted stock awards or parts thereof which are canceled by the Committee and for which cash is paid in respect thereof pursuant to Section 2.8(f), (C) the number of shares subject to restricted stock awards which have vested pursuant to the lapse of restrictions and (D) the number of shares subject to unrestricted stock awards, plus (iii) the number of shares subject to restricted stock awards or parts thereof not vested pursuant to the lapse of restrictions which are canceled without payment of cash or other consideration in connection with termination of the grantee's employment or otherwise.

2.5 Performance Awards.

(a) The Committee may grant performance awards, alone or in tandem with other Awards under the Plan, to acquire shares of Common Stock to such key personnel and in such amounts and subject to such terms and conditions as the Committee shall from time to time in its sole discretion determine, subject to the terms of the Plan.

(b) Each performance award under the Plan shall relate to a specified maximum number of shares, and shall be exchangeable for all or a portion of such shares, or for cash (or such other form of consideration as may be determined by the Committee equivalent in value thereto) in up to an amount equal to the fair market value of an equal number of unrestricted shares, at the end of such specified period (a "performance cycle") as may be

established by the Committee. The number of such shares which may be deliverable pursuant to such performance award shall be based upon the degree of attainment over such performance cycle of such measure of the performance of the Company, an Affiliate, one or more of its or their respective divisions or other business units, or the grantee, all as may be established by the Committee. The Committee may make such provision in the Plan agreement for full or partial credit, prior to completion of such performance cycle or achievement of the degree of attainment of the measures of performance specified in connection with such performance award, in the event of the participant's death, retirement or disability, or in such other circumstances, as the Committee in its sole discretion may determine to be fair and equitable to the participant or in the interest of the Company.

(c) In the event that the Committee grants a performance award that is intended to constitute qualified performance-based compensation within the meaning of Code section 162(m), the following rules shall apply: (i) payments under the performance award shall be made solely on account of the attainment of one or more objective performance goals established in writing by the Committee not later than 90 days after the commencement of the period of service to which the performance award relates (or if less, 25% of such period of service); (ii) the performance goal(s) to which the performance award relates shall be based on one or more of the following business criteria applied to the grantee, a business unit or the Company and/or an Affiliate: stock price, market share, sales, earnings per share, return on equity, net income, operating income or operating income before restructuring charges, plus depreciation and amortization other than relating to early extinguishment of debt and debt issuance costs; (iii) in any year, a grantee may not be granted performance awards covering a total of more than 100,000 shares of Common Stock; and (iv) once granted, the Committee may not have discretion to increase the amount payable under such performance Award, provided, however, that whether or not a performance award is intended to constitute qualified performance-based compensation within the meaning of Code section 162(m), the Committee shall make appropriate adjustments in performance goals under an Award to reflect the impact of extraordinary items not reflected in such goals, such as material acquisitions or dispositions of assets, incurrences of or discharges from material liabilities not in the ordinary course of business and changes in generally accepted accounting principles applied in preparing the financial statements upon which the goals are measured.

2.6 Agreements Evidencing Awards.

(a) Awards granted under the Plan shall be evidenced by written agreements ("Plan agreements") which shall contain such provisions not inconsistent with the terms and provisions of the Plan as the Committee may in its sole discretion deem necessary or desirable.

(b) Each Plan agreement with respect to the granting of an Award other than a related stock appreciation right shall set forth the number of shares of Common Stock subject to the Award granted thereby. Each Plan agreement with respect to the granting of a related stock appreciation right shall set forth the number of shares of Common Stock subject to the related option which shall also be subject to the related stock appreciation right granted thereby.

(c) Each Plan agreement with respect to the granting of an option shall set forth the amount (the "option exercise price") payable by the grantee to the Company in connection with the exercise of the option evidenced thereby. The option exercise price per share shall in no event be less than 100% of the fair market value of a share of Common Stock on the date the option is granted.

(d) Each Plan agreement with respect to a stock appreciation right shall set forth the amount (the "appreciation base") over which appreciation will be measured upon exercise of the stock appreciation right evidenced thereby. The appreciation base per share of Common Stock subject to an unrelated stock appreciation right shall in no event be less than 100% of the fair market value of a share of Common Stock on the date the stock appreciation right is granted. The appreciation base per share of Common Stock subject to a related stock appreciation right shall in all cases be the option exercise price per share of Common Stock subject to the related option.

2.7 Exercise of Related Stock Appreciation Right Reduces Shares Subject to Option. Upon any exercise of a related stock appreciation right or any portion thereof, the number of shares of Common Stock subject to the related option shall be reduced by the number of shares of Common Stock in respect of which such stock appreciation right shall have been exercised.

2.8 Exercisability of Options, Stock Appreciation Rights and Other Awards; Cancellation of Awards in Certain Cases. Subject to the other provisions of the Plan:

(a) Except as hereinafter provided, each Plan agreement with respect to an option or stock appreciation right shall set forth the period during which and the conditions subject to which the option or stock appreciation right evidenced thereby shall be exercisable, and each Plan agreement with respect to a restricted stock award or performance award shall set forth the period after which and the conditions subject to which the shares underlying such Award shall vest or be deliverable, all such periods and conditions to be determined by the Committee in its sole discretion. Unless the applicable Plan agreement otherwise specifies: no option or stock appreciation right shall be exercisable prior to the first anniversary of the date of grant, and each option or stock appreciation right granted under the Plan shall become cumulatively exercisable with respect to 25% of the shares of Common Stock subject thereto, rounded down to the next lower full share, on the first anniversary of the date of grant, and with respect to an additional 25% of the shares of Common Stock subject thereto, rounded down to the next lower full share, on each of the second and third anniversaries of the date of grant, and shall become 100% exercisable on the fourth anniversary of the date of grant, and shall remain 100% exercisable until the day prior to the tenth anniversary of the date of grant and shall terminate and cease to be exercisable on the tenth anniversary of the date of grant.

(b) Except as provided in Section 2.10(e), no option or stock appreciation right may be exercised and no shares of Common Stock underlying any other Award under the Plan may vest or become deliverable more than 10 years after the date of grant.

(c) Unless the applicable Plan agreement otherwise provides, a related stock appreciation right shall be exercisable at any time during the period that the related option may be exercised.

(d) Unless the applicable Plan agreement otherwise provides, an option or stock appreciation right granted under the Plan may be exercised from time to time as to all or part of the full number of shares as to which such option or stock appreciation right shall then be exercisable.

(e) An option or stock appreciation right shall be exercisable by the filing of a written notice of exercise with the Company, on such form and in such manner as the Committee shall in its sole discretion prescribe, and by payment in accordance with Section 2.9.

(f) Unless the applicable Plan agreement otherwise provides: in the case of an option or stock appreciation right, at any time after the Company's receipt of written notice of exercise of an option or stock appreciation right and prior to the option or stock appreciation right exercise date (as defined in subsection (g) of this Section 2.8), and in the

case of a stock award or performance award, at any time within the six business days immediately preceding the otherwise applicable date on which the previously restricted stock award or performance award would otherwise have become unconditionally vested or the shares subject thereto unconditionally deliverable, the Committee, in its sole discretion, shall have the right, by written notice to the grantee, to cancel such Award or any part thereof if the Committee, in its sole judgment, determines that legal or contractual restrictions and/or blockage and/or other market considerations would make the Company's acquisition of Common Stock from, and/or the grantee's sale of Common Stock to, the public markets illegal, impracticable or inadvisable. If the Committee determines to cancel all or any part of an Award, the Company shall pay to the grantee an amount equal to the excess of (i) the aggregate fair market value of the shares of Common Stock subject to the Award or part thereof canceled (determined as of the option or stock appreciation right exercise date, or the date that shares would have been unconditionally vested or delivered in the case of a stock award or performance award), over (ii) the aggregate option exercise price or appreciation base of the option or stock appreciation right or part thereof canceled (in the case of an option or stock appreciation right) or any amount payable as a condition of delivery of shares (in the case of a stock award or performance award). Such amount shall be delivered to the grantee as soon as practicable after such Award or part thereof is canceled.

(g) Unless the applicable Plan agreement otherwise provides, the "option exercise date" and the "stock appreciation right exercise date" shall be the date that written notice of exercise, together with payment, are received by the Company; provided that if subsection (f) of this Section 2.8 is applicable, the option exercise date or stock appreciation right exercise date shall be the later of: (i) the sixth business day following the date written notice of exercise is received by the Company; and (ii) the date when payment is received by the Company.

2.9 Payment of Award Price.

(a) Unless the applicable Plan agreement otherwise provides or the Committee in its sole discretion otherwise determines, any written notice of exercise of an option or stock appreciation right must be accompanied by payment of the full option or stock appreciation exercise price. If Section 2.8(g) applies, and the six business day delay for the option exercise date or stock appreciation right exercise date is applied, the grantee shall have no right to pay the option or stock appreciation right exercise price or to receive Common Stock with respect to the option or stock appreciation right exercise prior to the lapse of such six business days.

(b) Payment of the option exercise price and of any other payment required by the Plan agreement to be made pursuant to any other Award shall be made in any combination of the following: (i) by certified or official bank check payable to the Company (or the equivalent thereof acceptable to the Committee); (ii) with the consent of the Committee in its sole discretion, by personal check (subject to collection) which may in the Committee's discretion be deemed conditional; and/or (iii) unless otherwise provided in the applicable Plan agreement, by delivery of previously-acquired shares of Common Stock owned by the grantee for at least six months (or such longer or shorter period as the Committee may in its discretion determine that will not result in variable accounting treatment) having a fair market value (determined as of the option exercise date, in the case of options, or other relevant payment date as determined by the Committee, in the case of other Awards) equal to the portion of the exercise price being paid thereby, provided that the Committee may require, as a condition of accepting any such delivery of shares of Common Stock, that the grantee furnish an opinion of counsel acceptable to the Company to the effect that such delivery would not result in the grantee incurring any liability under Section 16(b) of the Act and does not require any Consent (as defined in Section 3.2) (a "Compliance Opinion"). Payment in accordance with clause (i) of this Section 2.9(b) may be deemed to be satisfied, if and to the extent that the applicable Plan

agreement so provides or the Committee permits, by delivery to the Company of an assignment of a sufficient amount of the proceeds from the sale of Common Stock to be acquired pursuant to the Award to pay for all of the Common Stock to be acquired pursuant to the Award and an authorization to the broker or selling agent to pay that amount to the Company and to effect such sale at the time of exercise or other delivery of shares of Common Stock, provided that the Committee may require, as a condition of accepting any such payment, that the grantee furnish a Compliance Opinion. In the case of payment made in accordance with clause (iii) of this Section 2.9(b) or clause (ii) of Section 3.4(b), if (A) the person paying the option exercise price or other payment required by a Plan agreement is the grantee of the Award and is actively employed on the exercise date and (B) all or any portion of the previously-acquired shares of Common Stock so delivered in payment were acquired by the grantee upon exercise of an option or stock appreciation right, then, if and to the extent that the applicable Plan agreement so provides or the Committee in its sole discretion so determines, the grantee shall be granted a replacement option on the option exercise date or other payment date to purchase a number of shares of Common Stock equal to the number of shares so delivered in payment, at an exercise price equal to the fair market value of the Common Stock on the exercise date and upon such other terms, conditions and restrictions (which may be the same as or different than the terms, conditions and

restrictions of the Award so exercised) as the Committee may determine and set forth in the Plan agreement evidencing such replacement option. As soon as practicable after receipt of full payment, the Company shall, subject to the provisions of Sections 2.8(f) and 3.2, deliver to the grantee a certificate or certificates for the shares of Common Stock deliverable pursuant to such Award, which certificate or certificates may bear such legends as the Company may deem appropriate concerning restrictions on their disposition in accordance with applicable federal and state securities laws, rules and regulations or otherwise.

(c) Notwithstanding any other provision of this Plan or the applicable Plan agreement, no grantee shall, directly or indirectly, sell any shares of Common Stock unless (i) such grantee owns the shares to be sold or has exercised an Award with respect thereto and the shares to be sold are immediately issuable to the grantee pursuant to such exercise (subject to Section 2.8(g) if applicable) and (ii) such grantee delivers such shares in settlement in accordance with all settlement rules applicable to such transaction.

2.10 Termination of Employment.

(a) The following "default rules" set forth in this Section 2.10 shall govern the exercisability of options and the continuation of other Awards following termination of employment of a grantee with the Company and its Affiliates except where: (i) other provisions of the Plan specify a different rule (e.g., Section 3.11 dealing with early termination of an option following certain corporate events); or (ii) the Plan agreement provides for a different rule (as specified by the Committee pursuant to its authority under the Plan).

(b) Upon termination of a grantee's employment with the Company and its Affiliates (i) by the Company or its Affiliate either for (A) "good reason" as defined in the Revlon Executive Severance Policy as in effect on the date of adoption of this Plan or (B) "good reason", "cause" or any like term as defined under any employment agreement to which a grantee may be a party or (ii) by a grantee otherwise than either for (A) "good reason", "cause" or any like term as defined under any employment agreement to which a grantee may be a party or (B) the reasons described in subsection (d) or (e) hereof, all outstanding options and stock appreciation rights granted to such grantee shall cease to be exercisable, and such grantee may not satisfy any condition or limitation which is unsatisfied (and no additional portion shall otherwise become vested) under any other outstanding Award, following the date

of such termination of employment, and all outstanding Awards held by such grantee shall in all respects automatically be canceled on the date of such termination of employment.

(c) Upon termination of a grantee's employment with the Company and its Affiliates for any reason other than as described in subsection (b), (d) or (e) hereof, the portions of outstanding options and stock appreciation rights granted to such grantee that are exercisable as of the date of termination of employment of such grantee may continue to be exercised, and any payment or notice provided for under the terms of any other outstanding Award as respects the portion thereof vested as of the date of termination of employment may

be given, for a period of one year from and including the date of termination of employment, but no additional portions of outstanding options or stock appreciation rights granted to such grantee shall become exercisable, and such grantee may not satisfy any condition or limitation which is unsatisfied (and no additional portion shall otherwise become vested) under any other outstanding Award, following the date of such termination of employment, and such unexercisable Awards or parts thereof shall in all respects automatically be canceled on the date of such termination of employment.

(d) If the grantee voluntarily retires with the consent of the grantee's employer or the grantee's employment terminates due to permanent disability, all outstanding options and stock appreciation rights granted to such grantee shall continue to become exercisable, all other outstanding Awards granted to such grantee shall continue to vest, and the grantee shall be entitled to continue satisfying any performance or other condition under all other Awards, in each case in accordance with the terms of the applicable Plan agreements, and the grantee shall be entitled to exercise each such option or stock appreciation right and to make any payment, give any notice and satisfy any performance or other condition under each such other Award, in each case, for a period of one year from and including the date on which all portions of the Award first become fully exercisable or vested or capable of being satisfied, as the case may be, and thereafter such Awards or parts thereof shall be canceled. Notwithstanding the foregoing, the Committee may in its sole discretion provide for a longer or shorter period for exercise of an option or stock appreciation right or may permit a grantee to continue vesting under an option, stock appreciation right or restricted stock award or to make any payment, give any notice and continue satisfying any performance or other condition under any other Award in the case of a grantee whose employment terminates solely because such grantee's employer ceases to be an Affiliate of the Company or a grantee who transfers employment with the Company's consent to a purchaser of a business disposed of by the Company. The Committee may in its sole discretion determine (i) whether any termination of employment is a voluntary retirement with employer consent or is due to permanent disability for purposes of the Plan, (ii) whether any leave of absence (including any short-term or long-term disability or medical leave) constitutes a termination of employment within the meaning of the Plan, (iii) the applicable date of any such termination of employment, and (iv) the impact, if any, of any of the foregoing on Awards under the Plan.

(e) If the grantee's employment terminates by reason of death, or if the grantee's employment terminates under circumstances providing for continued rights under subsection (c) or (d) of this Section 2.10 and during the period of continued rights described in subsection (c) or (d) the grantee dies, all outstanding options and stock appreciation rights granted to such grantee shall become fully exercisable, and any payment or notice provided for under the terms of any other outstanding Award may be immediately paid or given and any condition may be satisfied, by the person to whom such rights have passed under the grantee's will (or if applicable, pursuant to the laws of descent and distribution) for a period of one year from and including the date of the grantee's death (notwithstanding that such period may extend

more than 10 years after the grant of the Award) and thereafter all such Awards or parts thereof shall be canceled.

MISCELLANEOUS

3.1 Amendment of the Plan; Modification of Awards

(a) The Board may, without shareholder approval, at any time and from time to time suspend or discontinue the Plan or revise or amend it in any respect whatsoever, except that no such amendment shall impair any rights under any Award theretofore made under the Plan without the consent of the person to whom such Award was made. Furthermore, except as and to the extent otherwise permitted by Section 3.5 or 3.11, no such amendment shall, without shareholder approval:

(i) materially increase the benefits accruing to grantees under the Plan;

(ii) materially increase the number of shares of Common Stock in respect of which Awards may be issued under the Plan pursuant to Section 1.5 or pursuant to grants of restricted or unrestricted stock awards pursuant to Section 2.4, or increase the number of shares of Common Stock in respect of which Awards may be granted in any year under Section 1.5 or 2.5;

(iii) materially modify the designation in Section 1.3 of the class of persons eligible to receive Awards under the Plan;

(iv) except as provided in Section 2.10(e), permit a stock option or unrelated stock appreciation right to be exercisable, or shares of Common Stock underlying any other Award to vest or become deliverable, more than 10 years after the date of grant;

(v) permit a stock option to have an option exercise price, or a stock appreciation right to have an appreciation base, of less than 100% of the fair market value of a share of Common Stock on the date the stock option or stock appreciation right is granted; or

(vi) extend the term of the Plan beyond the period set forth in Section 3.14.

(b) With the consent of the grantee (unless otherwise provided in the Plan or the applicable Plan agreement) and subject to the terms and conditions of the Plan (including Section 3.1(a)), the Committee may amend outstanding Plan agreements with such grantee, including, without limitation, any amendment which would (i) accelerate the time or times at which an Award may vest or be exercised and/or (ii) extend the scheduled expiration date of the Award.

3.2 Restrictions.

(a) If the Committee shall at any time determine that any Consent (as hereinafter defined) is necessary or desirable as a condition of, or in connection with, the granting of any Award under the Plan, the acquisition, issuance or purchase of shares or other rights thereunder, any determination regarding vesting or termination of any Award or satisfaction of any performance or other condition thereunder or the taking of any other action thereunder (each such action being hereinafter referred to as a "Plan Action"), then such Plan Action shall not be required to be taken, in whole or in part, unless and until such Consent shall have been effected or obtained to the full satisfaction of the Committee. Without limiting the generality of the foregoing, in the event that (i) the Committee shall be entitled under the Plan to make any payment in cash, Common Stock or both, and (ii) the Committee shall determine that Consent is necessary or desirable as a condition of, or in connection with, payment in any one or more of such forms, then the Committee shall be entitled to determine not to make any payment whatsoever until such Consent shall have been obtained in the manner aforesaid.

(b) The term "Consent" as used herein with respect to any Plan Action means (i) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or other self-regulatory organization or under any federal, state, local or foreign law, rule or regulation, (ii) the expiration, elimination or satisfaction of any prohibitions, restrictions or limitations under any federal, state, local or foreign law, rule or regulation or the rules of any securities exchange or other self-regulatory organization, (iii) any and all written agreements and representations by the grantee with respect to the disposition of shares, or with respect to any other matter, which the Committee shall deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made, and (iv) any and all consents, clearances and approvals in respect of a Plan Action by any governmental or other regulatory bodies or any parties to any loan agreements or other contractual obligations of the Company or any of its Affiliates.

3.3 Nontransferability.

(a) No Award granted to any grantee under the Plan and no rights under any Plan agreement shall be assignable or transferable by the grantee (voluntarily or by operation of law) other than by will or by the laws of descent and distribution to the extent provided by the Plan and any applicable Plan agreement. During the lifetime of the grantee, all rights with respect to any Award granted to the grantee under the Plan or under any Plan agreement shall be exercisable only by such grantee.

(b) Notwithstanding Section 3.3(a), the Committee may in the applicable Plan Agreement or at any time thereafter provide that options granted hereunder which are not intended to qualify as incentive stock options under Code section 422 may be transferred without consideration by the grantee, subject to such rules as the Committee may adopt to preserve the purposes of the Plan, to:

(i) the grantee's spouse, children or grandchildren (including adopted and stepchildren and grandchildren) (collectively, the "Immediate Family");

(ii) a trust solely for the benefit of the grantee and or members of his or her Immediate Family; or

(iii) a partnership or limited liability company whose only partners or shareholders are the grantee and/or members of his or her Immediate Family members.

(each transferee described in clauses (i), (ii) and (iii) above is hereinafter referred to as a "Permitted Transferee"); provided that the grantee provides the Committee with advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the grantee in writing that such a transfer would comply with the requirements of the Plan and any applicable Plan Agreement; and provided further that with respect to options granted to officers and directors subject to the reporting requirements of Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") no such options may be transferred within six months of the grant date to the extent such transfer would result in the grant of the option being deemed to constitute a non-exempt purchase under Section 16 of the Exchange Act. The terms of any such transferred option shall apply to the Permitted Transferee, except that (a) Permitted Transferees shall not be entitled to transfer any options, other than by will or the laws of descent and distribution; and (b) Permitted Transferees shall not be entitled to exercise any transferred options unless there shall be in effect a registration statement on an appropriate form under the Securities Act of 1993, as amended, covering the shares to be acquired pursuant to the exercise of such option if the Committee determines that such a registration statement is necessary or appropriate. Upon notice from a Permitted Transferee of its intent to exercise an option, the Committee shall advise such Permitted Transferee if a registration statement is necessary and if so whether such registration statement is in effect.

3.4 Withholding Taxes.

(a) Whenever under the Plan shares of Common Stock are to be delivered upon exercise of an option or stock appreciation right, upon the lapse of restrictions on restricted stock awards, pursuant to performance awards or otherwise, the Committee shall be entitled to require as a condition of delivery that the grantee remit an amount sufficient to satisfy all federal, state and other governmental withholding tax requirements related thereto. Whenever cash is to be paid to a grantee under the Plan (whether upon the exercise or cancellation of an Award or otherwise), the Company shall be entitled as a condition of its payment to deduct therefrom, or from any compensation, expense reimbursement or other payments due to the grantee, an amount

sufficient to satisfy all federal, state and other governmental withholding tax and like requirements related thereto or to the delivery of any shares of Common Stock under the Plan.

(b) A grantee may satisfy, in whole or in part, the foregoing withholding requirements by delivery of unrestricted shares of Common Stock owned by the grantee for at least six months (or such shorter or longer period as the Committee may approve or require that will not result in variable accounting treatment) having a fair market value (determined as of the date of such delivery by the grantee) equal to the amount otherwise payable. Without limiting the generality of the foregoing: (i) the Committee may require, as a condition of accepting any such delivery of shares of Common Stock, that the grantee furnish a Compliance Opinion and (ii) such delivery may be made by withholding shares of Common Stock from the shares otherwise

issuable pursuant to the exercise of the Award giving rise to the tax withholding obligation (in which event the date of delivery shall be deemed the date the Award was exercised).

3.5 Adjustments Upon Changes in Capitalization If and to the extent specified by the Committee, the number of shares of Common Stock which may be issued under the Plan, the number of shares of Common Stock subject to or underlying options, unrelated stock appreciation rights, and restricted stock awards and performance awards theretofore granted under the Plan, and the option exercise price of options, the appreciation base of stock appreciation rights and any payments due with respect to other Awards theretofore granted under the Plan, may be appropriately adjusted (as the Committee may determine) for any increase or decrease in the number of issued shares of Common Stock resulting from the subdivision or combination of shares of Common Stock or other capital adjustments, or the payment of a stock dividend after the effective date of the Plan, or other increase or decrease in such shares of Common Stock effected without receipt of consideration by the Company; provided, however, that any options, unrelated stock appreciation rights, restricted stock awards or performance awards, to the extent covering fractional shares of Common Stock resulting from any such adjustment, shall be eliminated and terminated, and provided further, that each incentive stock option granted under the Plan shall not be adjusted in a manner that causes such option to fail to continue to qualify as an "incentive stock option" within the meaning of Code section 422. Adjustments under this Section shall be made by the Committee, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive.

3.6 Right of Discharge Reserved. Nothing in the Plan or in any Plan agreement shall confer upon any officer, director, employee or other person the right to continue in the employment of the Company or any of its Affiliates or affect any right which the Company or any of its Affiliates may have to terminate the employment of such officer, director, employee or other person.

3.7 No Rights as a Stockholder. No grantee or other person exercising an option or stock appreciation right or entitled to delivery of shares of Common Stock pursuant to any other Award shall have any of the rights of a stockholder of the Company with respect to shares subject to an option or stock appreciation right or shares deliverable upon exercise of any other Award until the issuance of a stock certificate to such person for such shares. Except as otherwise provided in Section 3.5, no adjustment shall be made for dividends, distributions or

other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate is registered in the name of the grantee. In the case of a grantee of a restricted stock award, the grantee shall have the rights of a stockholder of the Company if and only to the extent provided in the applicable Plan agreement.

3.8 Nature of Payments.

(a) Any and all grants of options, stock appreciation rights, stock awards and performance awards and payments of cash or issuances of shares of Common Stock hereunder shall be granted, issued, delivered or paid, as the case may be, in consideration of services performed for the Company or for its Affiliates by the grantee.

(b) All such grants, issuances and payments shall constitute a special incentive payment to the grantee and shall not, unless otherwise determined by the Committee, be taken into account in calculating the amount of compensation of the grantee for the purposes of determining any pension,

retirement, death or other benefits under (i) any pension, retirement, life insurance or other benefit plan of the Company or any Affiliate or (ii) any agreement between the Company or any Affiliate, on the one hand, and the grantee on the other hand.

(c) By accepting an Award under the Plan, the grantee shall thereby be understood to have waived any claim to continued exercise or vesting of an Award or to damages or severance entitlement related to non-continuation of the Award beyond the period provided herein or in the applicable Plan agreement, notwithstanding any contrary provision in any written employment contract or other agreement with the grantee, whether any such agreement is executed before or after the grant date of the Award.

3.9 Non-Uniform Determinations. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, Awards under the Plan (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations, and to enter into non-uniform and selective Plan agreements, as to (a) the persons to receive Awards under the Plan, (b) the terms and provisions of Awards under the Plan, (c) the exercise by the Committee of its discretion in respect of the exercise of rights pursuant to the terms of the Plan or any Plan agreement, and (d) the treatment of leaves of absences, disability leaves, terminations for good reason and other determinations under the Plan or any Plan agreement.

3.10 Other Payments or Awards. Nothing contained in the Plan shall be deemed in any way to limit or restrict the Company, any Affiliate or the Committee from making any award or payment or granting any right to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

3.11 Reorganization.

(a) In the event that Revlon or any successor is merged or consolidated with another corporation and, whether or not Revlon or such successor shall be the surviving corporation, there shall be any change in the shares of Common Stock as then constituted by reason of such merger or consolidation, or in the event that all or substantially all of the assets of the Company are acquired by another person, or in the event of a reorganization or liquidation of Revlon or any successor (each such event being herein after referred to as a "Reorganization Event") or in the event that the Board shall propose that Revlon or any successor enter into a Reorganization Event, then the Committee may in its discretion, by written notice to a grantee, provide that such grantee's options and stock appreciation rights and all other Awards requiring action on the part of such grantee will be terminated unless such grantee exercises or takes such action within 30 days (or such longer period as the Committee shall determine in its sole discretion) after the date of such notice; provided however that if the Committee takes such action the Committee also shall accelerate to an appropriate earlier date the dates upon which all outstanding options and stock appreciation rights of such grantee shall be exercisable and such action under such other Awards may be taken. The Committee also may in its discretion, by written notice to a grantee, provide that the restrictions on restricted stock awards lapse and the performance and other conditions of other Awards shall be adjusted in the event of a Reorganization Event upon such terms and conditions as the Committee may determine.

(b) Whenever deemed appropriate by the Committee, the actions referred to in Section 3.11(a) may be made conditional upon the consummation of the applicable Reorganization Event.

3.12 Legend on Certificates. All certificates for shares of Common Stock issued pursuant to Awards hereunder may be stamped or otherwise imprinted with a legend in such form as the Company may require with respect to any applicable restrictions on the sale or transfer of shares.

3.13 Section Headings. The section headings contained herein are for the purposes of convenience only and are not intended to define or limit the contents of said sections.

3.14 Effective Date and Term of Plan.

(a) This Plan shall be deemed adopted and become effective upon the approval thereof by the Board; provided that, notwithstanding any other provision of the Plan, no Award made under the Plan shall be exercisable unless the Plan is approved, directly or indirectly, by (i) the express consent of shareholders holding at least a majority in voting power of the Company's voting stock voting in person or by proxy at a duly held stockholders' meeting, or (ii) the unanimous written consent of the shareholders of the Company, within 12 months before or after the date the Plan is adopted.

(b) The Plan shall terminate 10 years after the earlier of the date on which it becomes effective or the date on which it is approved by shareholders, and no Awards shall thereafter be made under the Plan. Notwithstanding the foregoing, all Awards made under the Plan prior to such termination date shall remain in effect until such Awards have been satisfied or terminated in accordance with the terms and provisions of the Plan and the applicable Plan agreement.

3.15 Governing Law. This Plan shall be governed by the laws of the State of New York applicable to agreements made and to be performed entirely within such state.

3.16 Conditions. If pursuant to Section 2.10(e) or Section 3.11(a) the dates upon which options shall be exercisable are accelerated, it shall be on the condition that with respect to options granted to officers and directors subject to the reporting requirements of Section 16 of the Exchange Act the shares underlying such options may not be sold by any such individual (or their estate or Permitted Transferee) within 6 months after the grant of the option to the extent such sale would result in the grant of the option being deemed to constitute a non-exempt purchase under Section 16 of the Exchange Act.

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

AMERICAN CREW, INC., an Illinois corporation
ALMAY, 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)
DOLLY PARTON INC., a Delaware corporation
FASHION & DESIGNER FRAGRANCE GROUP, INC., a Delaware corporation
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 FRAGRANCE & COSMETICS, INC., a Delaware corporation
(d/b/a COLOURS & SCENTS in Arizona, California, Colorado, Florida, Georgia, Hawaii, Massachusetts, Missouri, Nevada, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, Virginia and Washington) (d/b/a THE COSMETIC WAREHOUSE in Florida) (d/b/a PFC FRAGRANCE & COSMETICS, INC. in California) (d/b/a VISAGE in Florida)
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 (4)
ROUX LABORATORIES, INC., a New York corporation
(d/b/a REVLON PROFESSIONAL in Florida and New York)

FOREIGN SUBSIDIARIES

CEIL - COMERCIAL, EXPORTADORA, INDUSTRIAL LTDA. (Brazil) (4)
CENDICO B.V. (Netherlands) (5)
COLEMAN DO BRASIL INDUSTRIA E COMERCIO LIMITADA (Brazil) (32)
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)
REVLON A.B. (Sweden) (11)
REVLON (AUST.) PTY. LIMITED (Australia) (12)
REVLON BELGIUM S.A. (Belgium) (29)
REVLON B.V. (Netherlands) (3)
REVLON CANADA INC. (Canada) (3)
REVLON (CAYMAN) LIMITED (Cayman Islands) (22)
REVLON CHINA HOLDINGS LIMITED (33)
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 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 (34)
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 (34)
TINDAFIL, S.A. (Uruguay) (25)
ULTIMA II COSMETICS GMBH (Germany) (26)

YAE ARTISTIC PACKINGS INDUSTRY LTD. (Israel) (17)

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 94% by REVLON INTERNATIONAL CORPORATION (Delaware)
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 83% by CEIL - COMERCIAL EXPORTADORA INDUSTRIAL LTDA. (Brazil),
15% by RGI LIMITED (Cayman Islands)
and 2% by REVLON INTERNATIONAL CORPORATION (Delaware)
(33) Owned 94.737% by REVLON INTERNATIONAL CORPORATION (Delaware)
and 5.263% by SUMSTAR DEVELOPMENT LIMITED (Cayman Islands), an unrelated
third party
(34) Owned 95% by REVLON CHINA HOLDINGS LIMITED
and 5% by BEIJING SUMSTAR INDUSTRIAL COMPANY LIMITED, an unrelated
third party

The Board of Directors
Revlon, Inc.:

We consent to incorporation by reference in the registration statement (No. 333-03-421) on Form S-8 of Revlon, Inc. of our report dated January 28, 1997, relating to the consolidated balance sheets of Revlon Inc. and subsidiaries as of December 31, 1996 and 1995, 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, 1996, and the related schedule, which report appears in the December 31, 1996 annual report on Form 10-K of Revlon, Inc.

KPMG Peat Marwick LLP

New York, New York
February 13, 1997

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, 1996 (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 12th day of February, 1997.

/s/ Ronald O. Perelman

RONALD O. PERELMAN

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, 1996 (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 12th day of February, 1997.

/s/ Donald G. Drapkin

DONALD G. DRAPKIN

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has signed these presents this 12th day of February, 1997.

/s/ Jerry W. Levin

JERRY W. LEVIN

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, 1996 (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 12th day of February, 1997.

/s/ Howard Gittis

HOWARD GITTIS

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, 1996 (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 22nd day of January, 1997.

/s/ Vernon E. Jordan, Jr., Esq.

VERNON E. JORDAN, JR., ESQ.

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, 1996 (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 27th day of Janaury, 1997.

/s/ Henry Kissinger

HENRY KISSINGER

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, 1996 (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 14th day of January, 1997.

/s/ Edward J. Landau, Esq.

EDWARD J. LANDAU, ESQ.

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, her true and lawful attorney-in-fact and agent, with full power of substitution, for her and her name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1996 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 22nd day of January, 1997.

/s/ Linda Gosden Robinson

LINDA GOSDEN ROBINSON

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, 1996 (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 14th day of January, 1997.

/s/ Terry Semel

TERRY SEMEL

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, her true and lawful attorney-in-fact and agent, with full power of substitution, for her and her name, place and stead, in any and all capacities, in connection with the REVLON, INC. (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 1996 (the "Form 10-K") under the Securities Exchange Act of 1934, as amended, including, without limiting the generality of the foregoing, to sign the Form 10-K in the name and on behalf of the Corporation or on behalf of the undersigned as a director or officer of the Corporation, and any amendments to the Form 10-K and any instrument, contract, document or other writing, of or in connection with the Form 10-K or amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, including this power of attorney, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has signed these presents this 28th day of January, 1997.

/s/ Martha Stewart

MARTHA STEWART

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, 1996 (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 11th day of February, 1997.

/s/ Meyer Feldberg

MEYER FELDBERG

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