SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended: June 30, 2003

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ____________ to ____________

Commission file number 1-11178

REVLON, INC.

(Exact name of registrant as specified in its charter)

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

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

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 whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes____ No _X_

As of June 30, 2003, 38,121,785 shares of Class A Common Stock and 31,250,000 shares of Class B Common Stock were outstanding. 11,650,000 shares of Class A Common Stock and all of the shares of Class B Common Stock were held by REV Holdings LLC, an indirect wholly-owned subsidiary of Mafco Holdings Inc., and 14,590,347 shares of Class A Common Stock were held by MacAndrews & Forbes Holdings Inc., which is a direct wholly-owned subsidiary of Mafco Holdings Inc.

Total Pages – 34

REVLON, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS

(dollars in millions, except per share data)

	June 30, 2003	December 31, 2002
ASSETS		
Current assets:	(Unaudited)	
Cash and cash equivalents	$ 34.4	$ 85.8
Trade receivables, less allowances of $16.6 and $24.0, respectively	206.7	212.3
Inventories	161.6	128.1
Prepaid expenses and other	43.6	39.6

Total current assets	446.3	465.8
Property, plant and equipment, net	132.5	133.4
Other assets	164.6	154.4
Goodwill, net	186.1	185.9
Total assets	$ 929.5	$ 939.5

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

Current liabilities:		
Short-term borrowings – third parties	$ 27.8	$ 25.0
Accounts payable	100.0	92.9
Accrued expenses and other	358.5	392.3
Total current liabilities	486.3	510.2
Long-term debt – third parties	1,729.8	1,726.0
Long-term debt – affiliates	68.7	24.1
Other long-term liabilities	314.7	320.0
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
Preferred stock, par value $.01 per share; 20,000,000 shares authorized, 4,333 shares of Series B Preferred Stock issued and outstanding	—	—
Class B Common Stock, par value $.01 per share; 200,000,000 shares authorized, 31,250,000 issued and outstanding	0.3	0.3
Class A Common Stock, par value $.01 per share; 350,000,000 shares authorized, 38,121,785 and 20,516,135 issued and outstanding, respectively	0.4	0.2
Capital deficiency	(147.6)	(201.3)
Accumulated deficit since June 24, 1992	(1,448.4)	(1,361.9)
Accumulated other comprehensive loss	(129.3)	(132.7)
Total stockholders' deficiency	(1,670.0)	(1,640.8)
Total liabilities and stockholders' deficiency	$ 929.5	$ 939.5

See Accompanying Notes to Unaudited Consolidated Condensed Financial Statements.

REVLON, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

(dollars in millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Net sales	$ 322.3	$ 308.2	$ 614.3	$ 583.6
Cost of sales	125.2	119.8	236.7	228.8
Gross profit	197.1	188.4	377.6	354.8
Selling, general and administrative expenses	200.2	180.8	384.4	347.5
Restructuring costs	—	3.2	0.5	7.2
Operating (loss) income	(3.1)	4.4	(7.3)	0.1
Other expenses (income):				
Interest expense	42.8	39.1	84.2	78.3
Interest income	(1.7)	(1.3)	(2.2)	(1.8)
Amortization of debt issuance costs	2.4	1.9	4.4	3.8
Foreign currency (gains) losses, net	(2.7)	2.4	(2.4)	1.8
Miscellaneous, net	—	0.2	0.4	1.9
Other expenses, net	40.8	42.3	84.4	84.0
Loss before income taxes	(43.9)	(37.9)	(91.7)	(83.9)
(Benefit) provision for income taxes	(6.1)	1.0	(5.2)	1.1
Net loss	$ (37.8)	$ (38.9)	$ (86.5)	$ (85.0)
Basic and diluted loss per common share	$ (0.68)	$ (0.74)	$ (1.60)	$ (1.61)
Weighted average number of common shares outstanding:				
Basic and diluted	55,225,957	52,653,988	53,947,077	52,653,988

See Accompanying Notes to Unaudited Consolidated Condensed Financial Statements.

REVLON, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' DEFICIENCY AND COMPREHENSIVE LOSS

(dollars in millions)

	Series A Preferred Stock	Common Stock	Capital Deficiency	Accumulated Deficit	Accumulated Other Comprehensive Loss (a)	Total Stockholders' Deficiency
Balance, January 1, 2002	$54.6	$0.5	$(201.3)	$(1,075.4)	$ (61.1)	$(1,282.7)
Comprehensive loss:						
Net loss				(85.0)		(85.0)

Currency translation adjustment					(8.4)	(8.4)
Net loss on foreign currency forward exchange contracts					(0.5)	(0.5)
Total comprehensive loss						(93.9)
Balance, June 30, 2002	$54.6	$0.5	$(201.3)	$(1,160.4)	$ (70.0)	$(1,376.6)
Balance, January 1, 2003	$54.6	$0.5	$(201.3)	$(1,361.9)	$(132.7)	$(1,640.8)
Net proceeds from Rights Offering (See Note 9)		0.2	46.8			47.0
Reduction of liabilities assumed from indirect parent			6.9(b)			6.9
Comprehensive loss:						
Net loss				(86.5)		(86.5)
Currency translation adjustment					5.5	5.5
Net loss on foreign currency forward exchange contracts					(2.1)	(2.1)
Total comprehensive loss						(83.1)
Balance, June 30, 2003	$54.6	$0.7	$(147.6)	$(1,448.4)	$(129.3)	$(1,670.0)

(a) Accumulated other comprehensive loss includes net unrealized losses on revaluations of foreign currency forward exchange contracts of $1.8 and $0.5 as of June 30, 2003 and 2002, respectively, net realized losses of $0.3 on foreign currency forward exchange contracts as of June 30, 2003, cumulative net translation losses of $13.6 and $23.4 as of June 30, 2003 and 2002, respectively, and adjustments for the minimum pension liability of $113.6 and $46.1 as of June 30, 2003 and 2002, respectively.

(b) During the second quarter of 2003, the Company resolved various tax audits, which resulted in a tax benefit of $13.9, of which $6.9 was recorded directly to capital deficiency since it relates to liabilities assumed by Products Corporation in connection with the transfer agreements related to Products Corporation's formation in 1992.

See Accompanying Notes to Unaudited Consolidated Condensed Financial Statements.

REVLON, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

(dollars in millions)

	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (86.5)	$ (85.0)
Adjustments to reconcile net loss to net cash (used for) provided by operating activities:		
Depreciation and amortization	58.3	60.1
Loss on sale of assets, net	—	1.0
Change in assets and liabilities, net of acquisitions and dispositions:		
Decrease (increase) in trade receivables	11.0	(8.2)
Increase in inventories	(28.2)	(4.8)
Increase in prepaid expenses and other current assets	(0.2)	(0.6)
Increase in accounts payable	4.9	1.3
Decrease in accrued expenses and other current liabilities	(52.9)	(23.0)
Purchase of permanent displays	(40.9)	(34.6)
Other, net	(0.3)	(8.6)
Net cash used for operating activities	(134.8)	(102.4)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(13.2)	(4.8)

(dollars in millions, except per share data)

Sale of marketable securities	—	1.8
Net cash used for investing activities	(13.2)	(3.0)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (decrease) increase in short-term borrowings – third parties	(0.4)	4.8
Proceeds from the issuance of long-term debt – third parties	102.8	47.1
Repayment of long-term debt – third parties	(100.5)	(14.0)
Proceeds from the issuance of long-term debt – third parties	43.5	—
Net proceeds from the Rights Offering	47.0	—
Issuance of Series C preferred stock	50.0	—
Redemption of Series C preferred stock	(50.0)	—
Payment of financing costs	(3.4)	—
Net cash provided by financing activities	89.0	37.9
Effect of exchange rate changes on cash and cash equivalents	7.6	(3.8)
Net decrease in cash and cash equivalents	(51.4)	(71.3)
Cash and cash equivalents at beginning of period	85.8	103.3
Cash and cash equivalents at end of period	$ 34.4	$ 32.0
Supplemental schedule of cash flow information:		
Cash paid during the period for:		
Interest	$ 81.4	$ 76.2
Income taxes, net of refunds	4.0	2.0

See Accompanying Notes to Unaudited Consolidated Condensed Financial Statements.

(1) Basis of Presentation

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

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

The Unaudited Consolidated Condensed Financial Statements include the accounts of the Company after elimination of all material intercompany balances and transactions. The Company has made a number of estimates and assumptions relating to the assets and liabilities, the disclosure of contingent assets and liabilities and the reporting of revenues and expenses to prepare these financial statements in conformity with accounting principles generally accepted in the United States. Actual results could differ from those estimates. The Unaudited Consolidated Condensed Financial Statements should be read in conjunction with the consolidated financial statements and related notes contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2002.

The results of operations and financial position, including working capital, for interim periods are not necessarily indicative of those to be expected for a full year.

In August 2001, the Financial Accounting Standards Board ("FASB") issued Statement No. 143, "Accounting for Asset Retirement Obligations". Statement No. 143 requires recording the fair market value of an asset retirement obligation as a liability in the period in which a legal obligation associated with the retirement of tangible long-lived assets is incurred. This statement also requires recording the contra asset to the initial obligation as an increase to the carrying amount of the related long-lived asset and depreciation of that cost over the life of the asset. The liability is then increased at the end of each period to reflect the passage of time and changes in the initial fair value measurement. The Company adopted the provisions of Statement No. 143 effective January 1, 2003 and such adoption had no effect on its consolidated financial statements.

In July 2002, the FASB issued Statement No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". This statement nullifies EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." Statement No. 146 requires that a liability for the fair value of costs associated with an exit or disposal activity be recognized when the liability is incurred. The provisions of Statement No. 146 are effective for exit or disposal activities initiated after December 31, 2002 and thus became effective for the Company on January 1, 2003. The Company adopted the provisions of Statement No. 146 effective January 1, 2003 and such adoption had no effect on its consolidated financial statements.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." Interpretation No. 45 requires the guarantor to recognize a liability for the contingent and non-contingent component of a guarantee; which means (a) the guarantor has undertaken an obligation to stand ready to perform in the event that specified triggering events or conditions occur and (b) the guarantor has undertaken a contingent obligation to make future payments if such triggering events or conditions occur. The initial measurement of this liability is the fair value of the guarantee at inception. The Company is required to recognize the liability even if it is not probable that payments will be required under the guarantee or if the guarantee was issued with a premium payment or as part of a transaction with multiple elements.

Interpretation No. 45 also requires additional disclosures related to guarantees that have certain specified characteristics. The Company adopted the disclosure provisions of Interpretation No. 45 in its financial statements as of and for the year ended December 31, 2002. Additionally, the recognition and measurement provisions of Interpretation No. 45 are effective for all guarantees entered into or modified after December 31,

(dollars in millions, except per share data)

2002. The Company adopted the recognition and measurement provisions of Interpretation No. 45 effective January 1, 2003 and such adoption had no effect on its consolidated financial statements.

Statement of Financial Accounting Standards ("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 issued to employees is measured as the excess, if any, of the quoted market price of the Company's Class A common stock at the date of the grant over the amount an employee must pay to acquire the stock. The following table illustrates the effect on net loss and net loss per basic and diluted common share as if the Company had applied the fair value method to its stock-based compensation under the disclosure provisions of Statement No. 123:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Net loss as reported	$(37.8)	$(38.9)	$(86.5)	$(85.0)
Add: Stock-based employee compensation included in reported net loss	0.4	0.5	1.1	0.7
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards	(2.0)	(2.0)	(4.7)	(2.3)
Pro forma net loss	$(39.4)	$(40.4)	$(90.1)	$(86.6)
Basic and diluted loss per common share:				
As reported	$(0.68)	$(0.74)	$(1.60)	$(1.61)
Pro forma	$(0.71)	$(0.77)	$(1.67)	$(1.64)

The effects of applying SFAS No. 123 in this pro forma disclosure are not necessarily indicative of future amounts.

(2) Inventories

	June 30, 2003	December 31, 2002
Raw materials and supplies	$ 54.6	$ 36.7
Work-in-process	12.4	11.1
Finished goods	94.6	80.3
	$161.6	$128.1

(3) Other Assets

Included in other assets are trademarks, net, and patents, net. The amounts outstanding for these intangible assets at June 30, 2003 and December 31, 2002 were as follows: for trademarks, net, $7.4 and

$7.4, respectively, and for patents, net, $4.3 and $4.7, respectively. Amortization expense for the second quarter and six months ended June 30, 2003 and 2002 was $0.4 and $0.8, respectively, and $0.4 and $0.8, respectively. The Company's intangible assets other than goodwill continue to be subject to amortization, which is anticipated to be approximately $1.6 annually through December 31, 2007.

(4) Basic and Diluted Loss Per Common Share

The basic loss per common share has been computed based upon the weighted average number of shares of common stock outstanding during each of the periods presented. Diluted loss per common share has been computed based upon the weighted average number of shares of common stock outstanding. The Company's outstanding stock options and restricted shares represent the only potential dilutive common stock outstanding. The number of shares used in the calculation of basic and diluted loss per common share was the same in each period presented, as it does not include any incremental shares that would have been outstanding assuming the exercise of stock options and the vesting of the restricted shares because the effect of those incremental shares would have been antidilutive. As a result of the consummation of the Rights Offering (as hereinafter defined) (See Note 9), the Company issued a total of 17,605,650 shares of its Class A common stock, with a par value of $0.01 per share ("Class A Common Stock"), increasing the number of outstanding shares of the Company's Class A Common Stock to 38,121,785 and the total number of shares of common stock outstanding, including the Company's existing 31,250,000 shares of Class B common stock, with a par value of $0.01 per share ("Class B Common Stock," together with the Class A Common Stock, the "Common Stock"), to 69,371,785, with MacAndrews & Forbes continuing to own 83% of the Company's total Common Stock outstanding. Upon consummation of the Rights Offering, the fair value of the Company's Class A Common Stock was more than the subscription price. Accordingly, basic and diluted loss per common share has been restated for all prior periods presented to reflect the stock dividend of 454,520 shares of the Company's Class A Common Stock.

(5) Restructuring and Other Costs, Net

During the third quarter of 2000, the Company initiated a new restructuring program in line with the original restructuring plan developed in late 1998, designed to improve profitability by reducing personnel and consolidating manufacturing facilities. The 2000 restructuring program focused on the Company's plans to close its manufacturing operations in Phoenix, Arizona and Mississauga, Canada and to consolidate its cosmetics production into its plant in Oxford, North Carolina. The 2000 restructuring program also includes the remaining obligation for excess leased real estate in the Company's headquarters, consolidation costs associated with the Company closing its facility in New Zealand, and the elimination of several domestic and international executive and operational positions, each of which were effected to reduce and streamline corporate overhead costs. During the second quarter and first half of 2002, the Company continued to implement the 2000 restructuring program, as well as other restructuring actions, and recorded charges of $3.2 and $7.2, respectively, principally for additional employee severance and other personnel benefits, primarily resulting from reductions in the Company's worldwide sales force, relocation and other costs related to the consolidation of the Company's worldwide operations.

In connection with the 2000 restructuring program, termination benefits for 2,457 employees were included in the Company's restructuring charges, and all such employees that were to be terminated had been terminated as of June 30, 2003. In connection with the Company's restructuring actions, employees are expected to be terminated within one year from the date of their notification.

Details of the activity associated with the 2000 restructuring program during the six-month period ended June 30, 2003 are as follows:

REVLON, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED CONDENSED
FINANCIAL STATEMENTS—Continued
(dollars in millions, except per share data)

	Balance As of 1/1/03	Expenses, Net	Utilized, Net Cash	Utilized, Net Noncash	Balance As of 6/30/03
Employee severance and other personnel benefits	$ 7.0	$—	$(3.3)	$—	$3.7
Leases and equipment write-offs	3.9	—	(1.1)	—	2.8
Other obligations	0.9	—	—	—	0.9
	$11.8	$—	$(4.4)	$—	$7.4

During the first half of 2003, the Company recorded a separate charge of $0.5, principally for employee severance and other personnel benefits for 104 employees, of which 93 employees have been terminated as of June 30, 2003, in certain Latin American operations.

(6) Geographic Information

The Company manages its business on the basis of one reportable operating segment. The Company's results of operations and the value of its foreign assets and liabilities may be adversely affected by weak economic conditions, political uncertainties, military actions, adverse currency fluctuations, and competitive activities.

Geographic areas:	Three Months Ended June 30,		Six Months Ended June 30,	
Net sales:	2003	2002	2003	2002
United States	$210.9	$206.1	$405.7	$393.1
Canada	13.9	10.9	24.0	20.3
United States and Canada	224.8	217.0	429.7	413.4
International	97.5	91.2	184.6	170.2
	$322.3	$308.2	$614.3	$583.6

Long-lived assets:	June 30, 2003	December 31, 2002
United States	$400.0	$395.6
Canada	4.5	3.5
United States and Canada	404.5	399.1
International	78.7	74.6
	$483.2	$473.7

Classes of similar products:	Three Months Ended June 30,		Six Months Ended June 30,	
Net sales:	2003	2002	2003	2002
Cosmetics, skin care and fragrances	$208.4	$193.7	$406.2	$368.9
Personal care	113.9	114.5	208.1	214.7
	$322.3	$308.2	$614.3	$583.6

(7) Derivative Financial Instruments

The Company uses derivative financial instruments, primarily foreign currency forward exchange contracts, to reduce the effects of fluctuations in foreign currency exchange rates. These contracts, which have been designated as cash flow hedges, were entered into primarily to hedge anticipated inventory purchases and certain intercompany payments denominated in foreign currencies, which have maturities of less than one year. Any unrecognized income (loss) related to these contracts are recorded in the Statement of Operations when the underlying transactions hedged are realized (e.g., when inventory is sold or intercompany transactions are settled). The Company enters into these contracts with a counterparty that is a major financial institution, and accordingly the Company believes that the risk of counterparty nonperformance is remote. The notional amount of the foreign currency forward exchange contracts outstanding at June 30, 2003 was $31.9. The fair value of the foreign currency forward exchange contracts outstanding at June 30, 2003 was $(1.8).

(8) Guarantor Financial Information

Products Corporation's 12% Senior Secured Notes due 2005 (the "12% Notes") are jointly and severally, fully and unconditionally guaranteed by the domestic subsidiaries of Products Corporation that guarantee Products Corporation's 2001 Credit Agreement (as hereinafter defined) (the "Guarantor Subsidiaries") (subsidiaries of Products Corporation that do not guarantee the 12% Notes are referred to as the "Non-Guarantor Subsidiaries"). The Supplemental Guarantor Condensed Consolidating Financial Data presented below presents the balance sheets, statements of operations and statements of cash flow data (i) for Products Corporation and the Guarantor Subsidiaries and the Non-Guarantor Subsidiaries on a consolidated basis (which is derived from Products Corporation's historical reported financial information); (ii) for Products Corporation as the "Parent Company," alone (accounting for its Guarantor Subsidiaries and the Non-Guarantor Subsidiaries on an equity basis under which the investments are recorded by each entity owning a portion of another entity at cost, adjusted for the applicable share of the subsidiary's cumulative results of operations, capital contributions and distributions, and other equity changes); (iii) for the Guarantor Subsidiaries alone; and (iv) for the Non-Guarantor Subsidiaries alone. Additionally, Products Corporation's 12% Notes are fully and unconditionally guaranteed by Revlon, Inc. The unaudited and audited consolidating condensed balance sheets, unaudited consolidating condensed statements of operations and unaudited consolidating condensed statements of cash flow for Revlon, Inc. have not been included in the accompanying Supplemental Guarantor Condensed Consolidating Financial Data as such information is not materially different from those of Products Corporation.

FINANCIAL STATEMENTS—Continued
(dollars in millions, except per share data)

Unaudited Consolidating Condensed Balance Sheets
As of June 30, 2003

ASSETS	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Current assets	$ 458.4	$ —	$ 240.0	$ 26.7	$191.7
Intercompany receivables	—	(1,797.4)	1,095.9	513.6	187.9
Investment in subsidiaries	—	291.1	(257.2)	(92.4)	58.5
Property, plant and equipment, net	132.5	—	114.9	2.8	14.8
Other assets	139.5	—	117.1	4.7	17.7
Intangible assets, net	197.8	—	160.4	3.3	34.1
Total assets	$ 928.2	$(1,506.3)	$ 1,471.1	$ 458.7	$504.7
LIABILITIES AND STOCKHOLDER'S DEFICIENCY					
Current liabilities	$ 486.5	$ —	$ 333.3	$ 28.9	$124.3
Intercompany payables	—	(1,797.4)	715.8	698.6	383.0
Long-term debt	1,798.5	—	1,794.3	3.1	1.1
Other long-term liabilities	314.7	—	299.2	15.5	—
Total liabilities	2,599.7	(1,797.4)	3,142.6	746.1	508.4
Stockholder's deficiency	(1,671.5)	291.1	(1,671.5)	(287.4)	(3.7)
Total liabilities and stockholder's deficiency	$ 928.2	$(1,506.3)	$ 1,471.1	$ 458.7	$504.7

Consolidating Condensed Balance Sheets
As of December 31, 2002

ASSETS	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Current assets	$ 476.7	$ —	$ 256.5	$ 35.8	$184.4
Intercompany receivables	—	(1,526.4)	850.7	471.5	204.2
Investment in subsidiaries	—	277.6	(228.1)	(107.8)	58.3
Property, plant and equipment, net	133.4	—	118.1	2.9	12.4
Other assets	129.7	—	110.0	3.3	16.4
Intangible assets, net	198.0	—	160.8	3.3	33.9
Total assets	$ 937.8	$(1,248.8)	$ 1,268.0	$ 409.0	$509.6
LIABILITIES AND STOCKHOLDER'S DEFICIENCY					
Current liabilities	$ 509.9	$ —	$ 361.8	$ 30.9	$117.2
Intercompany payables	—	(1,526.4)	501.0	645.9	379.5
Long-term debt	1,750.1	—	1,742.9	6.5	0.7
Other long-term liabilities	320.0	—	304.5	15.5	—
Total liabilities	2,580.0	(1,526.4)	2,910.2	698.8	497.4
Stockholder's (deficiency) equity	(1,642.2)	277.6	(1,642.2)	(289.8)	12.2
Total liabilities and stockholder's deficiency	$ 937.8	$(1,248.8)	$ 1,268.0	$ 409.0	$509.6

Unaudited Consolidating Condensed Statement of Operations
For the Quarter Ended June 30, 2003

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Net sales	$322.3	$(33.5)	$207.0	$45.8	$103.0
Cost of sales	125.2	(33.5)	71.9	38.0	48.8
Gross profit	197.1	—	135.1	7.8	54.2
Selling, general and administrative expenses	199.9	—	140.2	10.1	49.6
Restructuring costs	—	—	(0.3)	—	0.3
Operating (loss) income	(2.8)	—	(4.8)	(2.3)	4.3
Other expenses (income):					
Interest expense, net	41.9	—	41.8	—	0.1
Miscellaneous, net	(0.3)	—	(2.4)	(7.3)	9.4
Equity in earnings of subsidiaries	—	5.4	(1.3)	3.5	(7.6)
Other expenses (income), net	41.6	5.4	38.1	(3.8)	1.9
(Loss) income before income taxes	(44.4)	(5.4)	(42.9)	1.5	2.4
(Benefit) provision for income taxes	(6.2)	—	(4.7)	0.2	(1.7)
Net (loss) income	$(38.2)	$ (5.4)	$(38.2)	$ 1.3	$ 4.1

Unaudited Consolidating Condensed Statement of Operations
For the Quarter Ended June 30, 2002

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Net sales	$308.2	$(30.4)	$201.8	$ 42.5	$94.3
Cost of sales	119.8	(30.4)	72.6	33.3	44.3
Gross profit	188.4	—	129.2	9.2	50.0
Selling, general and administrative expenses	179.0	—	135.4	9.1	34.5
Restructuring costs	3.2	—	1.5	0.1	1.6
Operating income (loss)	6.2	—	(7.7)	—	13.9
Other expenses (income):					
Interest expense, net	38.4	—	38.6	(0.3)	0.1
Miscellaneous, net	4.5	—	2.6	1.3	0.6
Equity in earnings of subsidiaries	—	(10.0)	(10.1)	20.4	(0.3)
Other expenses, net	42.9	(10.0)	31.1	21.4	0.4

(dollars in millions, except per share data)

(Loss) income before income taxes	(36.7)	10.0	(38.8)	(21.4)	13.5
Provision (benefit) for income taxes	1.0	—	(1.1)	0.7	1.4
Net (loss) income	$(37.7)	$ 10.0	$(37.7)	$(22.1)	$12.1

Unaudited Consolidating Condensed Statement of Operations
For the Six Months Ended June 30, 2003

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Net sales	$614.3	$(62.6)	$398.4	$ 88.3	$190.2
Cost of sales	236.7	(62.6)	138.9	72.9	87.5
Gross profit	377.6	—	259.5	15.4	102.7
Selling, general and administrative expenses	383.8	—	266.7	19.5	97.6
Restructuring costs	0.5	—	(0.2)	0.1	0.6
Operating (loss) income	(6.7)	—	(7.0)	(4.2)	4.5
Other expenses (income):					
Interest expense, net	82.8	—	82.6	0.1	0.1
Miscellaneous, net	2.4	—	0.2	(20.5)	22.7
Equity in earnings of subsidiaries	—	(18.8)	1.1	18.0	(0.3)
Other expenses (income), net	85.2	(18.8)	83.9	(2.4)	22.5
Loss before income taxes	(91.9)	18.8	(90.9)	(1.8)	(18.0)
(Benefit) provision for income taxes	(5.3)	—	(4.3)	0.3	(1.3)
Net loss	$(86.6)	$ 18.8	$(86.6)	$ (2.1)	$(16.7)

Unaudited Consolidating Condensed Statement of Operations
For the Six Months Ended June 30, 2002

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
Net sales	$583.6	$(60.5)	$384.7	$ 83.3	$176.1
Cost of sales	228.8	(60.5)	139.4	66.4	83.5
Gross profit	354.8	—	245.3	16.9	92.6
Selling, general and administrative expenses	345.4	—	250.1	17.8	77.5
Restructuring costs	7.2	—	4.2	0.2	2.8
Operating income (loss)	2.2	—	(9.0)	(1.1)	12.3
Other expenses (income):					
Interest expense, net	77.1	—	76.8	0.1	0.2
Miscellaneous, net	7.5	—	4.0	(6.4)	9.9
Equity in earnings of subsidiaries	—	(41.9)	(2.8)	44.5	0.2
Other expenses, net	84.6	(41.9)	78.0	38.2	10.3
(Loss) income before income taxes	(82.4)	41.9	(87.0)	(39.3)	2.0
Provision (benefit) for income taxes	1.1	—	(3.5)	2.9	1.7
Net (loss) income	$(83.5)	$ 41.9	$(83.5)	$(42.2)	$ 0.3

Unaudited Consolidating Condensed Statement of Cash Flow
For the Six Months Ended June 30, 2003

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash used for operating activities	$(134.8)	$ —	$(125.0)	$(2.7)	$(7.1)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	(13.2)	—	(10.3)	(0.3)	(2.6)
Net cash used for investing activities	(13.2)	—	(10.3)	(0.3)	(2.6)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net (decrease) increase in short-term borrowings— third parties	(0.4)	—	—	0.1	(0.5)
Proceeds from the issuance of long-term debt—third parties	102.8	—	97.1	4.1	1.6
Repayment of long-term debt—third parties	(100.5)	—	(91.8)	(7.5)	(1.2)
Proceeds from the issuance of long-term debt— affiliates	43.5	—	43.5	—	—
Capital contribution from direct parent	47.0	—	47.0	—	—
Payment of financing costs	(3.4)	—	(3.4)	—	—
Net cash provided by (used for) financing activities	89.0	—	92.4	(3.3)	(0.1)
Effect of exchange rate changes on cash and cash equivalents	7.6	—	(0.1)	0.1	7.6
Net decrease in cash and cash equivalents	(51.4)	—	(43.0)	(6.2)	(2.2)
Cash and cash equivalents at beginning of period	85.8	—	28.0	7.8	50.0
Cash and cash equivalents at end of period	$ 34.4	$ —	$ (15.0)	$ 1.6	$47.8

(dollars in millions, except per share data)

Unaudited Consolidating Condensed Statement of Cash Flow
For the Six Months Ended June 30, 2002

	Consolidated	Eliminations	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash (used for) provided by operating activities	$(102.4)	$ —	$(90.9)	$(12.7)	$ 1.2
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	(4.8)	—	(3.9)	—	(0.9)
Net proceeds from the sale of brand and certain assets	1.8	—	1.8	—	—
Net cash used for investing activities	(3.0)	—	(2.1)	—	(0.9)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net increase in short-term borrowings—third parties	4.8	—	—	3.2	1.6
Proceeds from the issuance of long-term debt—third parties	47.1	—	39.5	4.1	3.5
Repayment of long-term debt—third parties	(14.0)	—	(11.7)	(1.2)	(1.1)
Net cash provided by financing activities	37.9	—	27.8	6.1	4.0
Effect of exchange rate changes on cash and cash equivalents	(3.8)	—	(0.1)	0.2	(3.9)
Net (decrease) increase in cash and cash equivalents	(71.3)	—	(65.3)	(6.4)	0.4
Cash and cash equivalents at beginning of period	103.3	—	55.0	10.1	38.2
Cash and cash equivalents at end of period	$ 32.0	$ —	$(10.3)	$ 3.7	$38.6

(9) Rights Offering and Long-term Debt

In December 2002, the Company's principal stockholder, MacAndrews & Forbes proposed providing the Company with up to $150 in cash in order to help fund a portion of the costs and expenses associated with implementing the stabilization and growth phase of the Company's plan and for general corporate purposes. The Company's Board of Directors appointed a special committee of independent directors to evaluate the proposal made by MacAndrews & Forbes. The special committee reviewed and considered the proposal and negotiated enhancements to the terms of the proposal. In February 2003, the enhanced proposal was recommended to the Company's Board of Directors by the special committee of the Company's Board of Directors and approved by the Company's full board.

In connection with MacAndrews & Forbes' enhanced proposal, in February 2003 the Company entered into an investment agreement with MacAndrews & Forbes (the "Investment Agreement") pursuant to which the Company undertook and, on June 20, 2003, completed, a $50 equity rights offering (the "Rights Offering") in which its stockholders purchased additional shares of the Company's Class A Common Stock. Pursuant to the Rights Offering, the Company distributed to each stockholder of record of its Class A Common Stock and its Class B Common Stock, as of the close of business on May 12, 2003, the record date set by the Board of Directors, at no charge, one transferable subscription right for each 2.9403 shares of Common Stock owned. Each subscription right enabled the holder to purchase one share of Class A Common Stock at a subscription price equal to $2.84, representing 80% of the $3.55 closing price per share of the Company's Class A Common Stock on the New York Stock Exchange ("NYSE") on May 12, 2003, the record date of the Rights Offering.

Pursuant to the over-subscription privilege in the Rights Offering, each rights holder that exercised its basic subscription privilege in full could also subscribe for additional shares of Class A Common Stock at the same subscription price per share, to the extent that other stockholders did not exercise their subscription rights in full. As a result of there being an insufficient number of shares available to fully

satisfy the over-subscription privilege requests, the available shares were sold pro rata among subscription rights holders who exercised their over-subscription privilege, based on the number of shares each subscription rights holder subscribed for under the basic subscription privilege.

As a Revlon, Inc. stockholder, MacAndrews & Forbes would have received its pro rata subscription rights in the Rights Offering and would also have been entitled to exercise an over-subscription privilege. However, MacAndrews & Forbes agreed not to exercise either its basic or over-subscription privileges. Instead, MacAndrews & Forbes agreed to purchase the shares of the Company's Class A Common Stock that it would otherwise have been entitled to acquire pursuant to its basic subscription privilege (equal to approximately 83% of the shares available for purchase under the Rights Offering, or approximately $41.5) in a private placement direct from the Company. In addition, if any shares remained following the exercise of the basic subscription privileges and the over-subscription privileges by other right holders, MacAndrews & Forbes agreed to back-stop the Rights Offering by purchasing the remaining shares of Class A Common Stock offered but not purchased by other stockholders (approximately 17% of the shares offered in the Rights Offering, or an additional approximate $8.5), also in a private placement.

On June 20, 2003, the Company completed the Rights Offering and issued an additional 17,605,650 shares of its Class A Common Stock, including 3,015,303 shares subscribed for by the public and 14,590,347 shares issued to MacAndrews & Forbes in a private placement (representing the number of shares of the Company's Class A Common Stock that MacAndrews & Forbes would otherwise have been entitled to purchase pursuant to its basic subscription privilege, which was approximately 83% of the shares of the Company's Class A Common Stock offered in the Rights Offering). Because the Rights Offering was fully subscribed by the public as to its pro rata share of the offering, MacAndrews & Forbes was not required to purchase any shares of the Company's Class A Common Stock in excess of its pro rata portion pursuant to its agreement to back-stop the Rights Offering.

In addition, in accordance with the enhanced proposal, MacAndrews & Forbes has also made available a $100 million term loan to Products Corporation (the "MacAndrews & Forbes $100 million term loan"). The Investment Agreement provided that if, prior to the consummation of the Rights Offering, Products Corporation had fully drawn the MacAndrews & Forbes $100 million term loan and the implementation of the stabilization and growth phase of the Company's plan caused it to require some or all of the $50 of funds that the Company would raise from the Rights Offering, MacAndrews & Forbes would advance the Company these funds prior to closing the Rights Offering by purchasing up to $50 of newly-issued shares of the Company's Series C preferred stock, which would be redeemed with the proceeds the Company received from the Rights Offering (this investment in the Company's Series C preferred stock (which was non-voting, non-dividend paying and non-convertible) is referred to as the "$50 million Series C preferred stock investment"). During the second quarter of 2003, prior to the consummation of the Rights Offering, MacAndrews & Forbes agreed to waive the condition that the MacAndrews & Forbes $100 million term loan be fully drawn before it would be required to purchase up to $50 of the Company's Series C preferred stock. During the second quarter of 2003, prior to the consummation of the Rights Offering, MacAndrews & Forbes purchased $50 of the Company's Series C preferred stock, which was redeemed with the gross proceeds the Company received from the Rights Offering. The Company made a series of capital contributions of the proceeds from such issuances of Series C preferred stock to Products Corporation, which proceeds Products Corporation used to help fund a portion of the costs and expenses associated with implementing the stabilization and growth phase of its plan and for general corporate purposes. The MacAndrews & Forbes $100 million term loan has a final maturity date of December 1, 2005 and interest on such loan of 12.0% is not payable in cash, but will accrue and be added to the principal amount each quarter and be paid in full at final maturity. At June 30, 2003, Products Corporation had borrowings of $43.5 (which excludes accrued interest of $1.1), under the MacAndrews & Forbes $100 million term loan, which it used to help fund the stabilization and growth phase of the Company's plan and for general corporate purposes.

Additionally, MacAndrews & Forbes has also agreed to provide Products Corporation with an additional $40 line of credit during 2003, which amount was originally to increase to $65 on January 1, 2004 (the "MacAndrews & Forbes $40-65 million line of credit") (the MacAndrews & Forbes $100 million term loan and the MacAndrews & Forbes $40-65 million line of credit, each as amended, are referred to as the "Mafco Loans" and the Rights Offering and the Mafco Loans are referred to as the "M&F Investments") and which will be available to Products Corporation through December 31, 2004, provided that the MacAndrews & Forbes $100 million term loan is fully drawn and MacAndrews & Forbes has purchased an aggregate of $50 of the Company's Series C preferred stock (or if the Company had consummated the Rights Offering and redeemed any outstanding shares of Series C preferred stock). The MacAndrews & Forbes $40-65 million line of credit bears interest payable in cash at a rate of the lesser of (i) 12.0% and (ii) 0.25% less than the rate payable from time to time on Eurodollar loans under Products Corporation's Credit Agreement (which rate was 8.25% as of June 30, 2003).

In connection with the transactions with MacAndrews & Forbes described above, and as a result of the Company's operating results for the fourth quarter of 2002 and the effect of the acceleration of the Company's implementation of the stabilization and growth phase of its plan, Products Corporation entered into an amendment in February 2003 of its Credit Agreement with its bank lenders and secured waivers of compliance with certain covenants under the Credit Agreement. In particular, EBITDA (as defined in the Credit Agreement) was $35.2 for the four consecutive fiscal quarters ended December 31, 2002, which was less than the minimum of $210 required under the EBITDA covenant of the Credit Agreement for that period and the Company's leverage ratio was 5.09:1.00, which was in excess of the maximum ratio of 1.4:1.00 permitted under the leverage ratio covenant of the Credit Agreement for that period. Accordingly, the Company sought and secured waivers of compliance with these covenants for the fourth quarter of 2002 and, in light of the Company's expectation that the continued implementation of the stabilization and growth phase of the Company's plan would affect the ability of Products Corporation to comply with these covenants during 2003, the Company also secured an amendment to eliminate the EBITDA and leverage ratio covenants for the first three quarters of 2003 and a waiver of compliance with such covenants for the fourth quarter of 2003 expiring on January 31, 2004.

The amendment to the Credit Agreement also included the substitution of a covenant requiring the Company to maintain a minimum of $20 of liquidity from all available sources at all times through January 31, 2004 and certain other amendments to allow for the M&F Investments and the implementation of the stabilization and growth phase of the Company's plan, including specific exceptions from the limitations under the indebtedness covenant to permit the MacAndrews & Forbes $100 million term loan and the MacAndrews & Forbes $40-65 million line of credit and to exclude the proceeds from the M&F Investments from the mandatory prepayment provisions of the Credit Agreement, and to increase the maximum limit on capital expenditures (as defined in the Credit Agreement) from $100 to $115 for 2003. The amendment also increased the applicable margin on loans under the Credit Agreement by 0.5%, the incremental cost of which to the Company, assuming the Credit Agreement is fully drawn, would be $1.1 from February 5, 2003 through the end of 2003.

The Company expects that operating revenues, cash on hand, net proceeds from the Rights Offering (which the Company received in June 2003) and funds available for borrowing under the Credit Agreement and the Mafco Loans will be sufficient to enable the Company to cover its operating expenses, including cash requirements in connection with the Company's operations, the stabilization and growth phase of the Company's plan, cash requirements in connection with the Company's restructuring programs referred to above and the Company's debt service requirements for 2003. The U.S. color cosmetics category during the first half of 2003 has been softer than expected. Based upon the Company's belief that its stabilization and growth plan is proving effective (including increases through the first six months of 2003 in its U.S. color cosmetics market share for the Revlon and Almay brands from the comparable periods in 2002), the Company intends to continue to support its stabilization and growth plan, including for brand support. To help fund the costs and expenses of the stabilization and growth

plan, in July 2003, MacAndrews & Forbes agreed to make available to Products Corporation in 2003 the full $65 under the MacAndrews & Forbes $40-65 million line of credit, $25 of which was scheduled to become available on January 1, 2004. The Company currently expects that it may draw on a portion of the MacAndrews & Forbes $40-65 million line of credit during the balance of 2003. The Mafco Loans and the net proceeds from the Rights Offering are intended to help fund the stabilization and growth phase of the Company's plan and to decrease the risk that would otherwise exist if the Company were to fail to meet its debt and ongoing obligations as they became due in 2003. However, there can be no assurance that such funds will be sufficient to meet the Company's cash requirements on a consolidated basis. If the Company's anticipated level of revenue growth is not achieved because, for example, of decreased consumer spending in response to weak economic conditions or weakness in the cosmetics category, increased competition from the Company's competitors or the Company's marketing plans are not as successful as anticipated, or if the Company's expenses associated with implementation of the stabilization and growth phase of the Company's plan exceed the anticipated level of expenses, the Company's current sources of funds may be insufficient to meet the Company's cash requirements. Additionally, in the event of a decrease in demand for Products Corporation's products or reduced sales or lack of increases in demand and sales as a result of the stabilization and growth phase of the Company's plan, such development, if significant, could reduce Products Corporation's operating revenues and could adversely affect Products Corporation's ability to achieve certain financial covenants under the Credit Agreement and in such event the Company could be required to take measures, including reducing discretionary spending. If the Company is unable to satisfy such cash requirements from these sources, the Company could be required to adopt one or more alternatives, such as delaying the implementation of or revising aspects of the stabilization and growth phase of its plan, reducing or delaying purchases of wall displays or advertising or promotional expenses, reducing or delaying capital spending, delaying, reducing or revising restructuring programs, restructuring indebtedness, selling assets or operations, seeking additional capital contributions or loans from MacAndrews & Forbes, the Company's other affiliates and/or third parties, selling additional equity securities of Revlon, Inc. or reducing other discretionary spending. The Company has substantial debt maturing in 2005, which will require refinancing, consisting of $246.3 (assuming the maximum amount is borrowed) under the Credit Agreement and $363.0 of 12% Notes, as well as any amounts borrowed under the Mafco Loans.

The Company expects that Products Corporation will need to seek a further amendment to the Credit Agreement or a waiver of the EBITDA and leverage ratio covenants under the Credit Agreement prior to the expiration of the existing waiver on January 31, 2004 because the Company does not expect that its operating results, including after giving effect to various actions under the stabilization and growth phase of the Company's plan, will allow Products Corporation to satisfy those covenants for the four consecutive fiscal quarters ending December 31, 2003. The minimum EBITDA required to be maintained by Products Corporation under the Credit Agreement is $230 for each of the four consecutive fiscal quarters ending on December 31, 2003 (which covenant was waived through January 31, 2004), March 31, 2004, June 30, 2004 and September 30, 2004 and $250 for any four consecutive fiscal quarters ending December 31, 2004 and thereafter and the leverage ratio covenant under the Credit Agreement will permit a maximum ratio of 1.10:1.00 for any four consecutive fiscal quarters ending on or after December 31, 2003 (which limit was waived through January 31, 2004 for the four fiscal quarters ending December 31, 2003). In addition, after giving effect to the amendment, the Credit Agreement also contains a $20 minimum liquidity covenant. While the Company expects that Products Corporation's bank lenders will consent to such amendment or waiver request, there can be no assurance that they will or that they will do so on terms that are favorable to the Company. If the Company is unable to secure such amendment or waiver, it could be required to refinance the Credit Agreement or repay it with proceeds from the sale of assets or operations, or additional capital contributions or loans from MacAndrews & Forbes, the Company's other affiliates and/or third parties or the sale of additional equity securities of Revlon, Inc. In the event that Products Corporation were unable to secure such a waiver or amendment and Products

Corporation were not able to refinance or repay the Credit Agreement, Products Corporation's inability to meet the financial covenants for the four consecutive fiscal quarters ending December 31, 2003 would constitute an event of default under Products Corporation's Credit Agreement, which would permit the bank lenders to accelerate the Credit Agreement, which in turn would constitute an event of default under the indentures governing Products Corporation's debt if the amount accelerated exceeds $25.0 and such default remains uncured within 10 days of notice from the trustee under the applicable indenture.

There can be no assurance that the Company would be able to take any of the actions referred to in the preceding two paragraphs because of a variety of commercial or market factors or constraints in the Company's debt instruments, including, for example, Products Corporation's inability to reach agreement with its bank lenders on refinancing terms that are acceptable to the Company before the waiver of its financial covenants expires on January 31, 2004, market conditions being unfavorable for an equity or debt offering, or that the transactions may not be permitted under the terms of the Company's various debt instruments then in effect, because of restrictions on the incurrence of debt, incurrence of liens, asset dispositions and related party transactions. In addition, such actions, if taken, may not enable the Company to satisfy its cash requirements if the actions do not generate a sufficient amount of additional capital.

Revlon, Inc., as a holding company, will be dependent on the earnings and cash flow of, and dividends and distributions from, Products Corporation to pay its expenses and to pay any cash dividend or distribution on Revlon, Inc.'s Class A Common Stock that may be authorized by the Board of Directors of Revlon, Inc. The terms of the Credit Agreement, the Mafco Loans, the 12% Notes, the 8 5/8% Notes, the 8 1/8% Notes and the 9% Notes (each of which is hereinafter defined) generally restrict Products Corporation from paying dividends or making distributions, except that Products Corporation is permitted to pay dividends and make distributions to Revlon, Inc., among other things, to enable Revlon, Inc. to pay expenses incidental to being a public holding company, including, among other things, professional fees such as legal and accounting fees, regulatory fees such as Securities and Exchange Commission (the "Commission") filing fees and other miscellaneous expenses related to being a public holding company and, subject to certain limitations, to pay dividends or make distributions in certain circumstances to finance the purchase by Revlon, Inc. of its Class A Common Stock in connection with the delivery of such Class A Common Stock to grantees under the Revlon, Inc. Amended and Restated 1996 Stock Plan (as may be amended and restated from time to time, the "Amended Stock Plan").

Overview

The Company operates in a single segment and manufactures, markets and sells an extensive array of cosmetics and skin care, fragrances and personal care products. In addition, the Company has a licensing group.

The Company has accelerated the implementation of the stabilization and growth phase of its three-part plan, which, following detailed evaluations and research, is based on the following key actions and investments: (i) increasing advertising and media spending and effectiveness; (ii) increasing the marketing effectiveness of the Company's wall displays, by among other things, reconfiguring wall displays at its existing retail customers, streamlining its product assortment and reconfiguring product placement on its wall displays and rolling out the new wall displays, which it began in 2002; (iii) selectively adjusting prices on certain SKUs; (iv) further strengthening the Company's new product development process; and (v) implementing a comprehensive program to develop and train the Company's employees.

Discussion of Critical Accounting Policies

For a discussion of the Company's critical accounting policies, see the Company's Annual Report on Form 10-K for the year ended December 31, 2002.

Results of Operations

Net sales

Net sales were $322.3 and $308.2 for the second quarters of 2003 and 2002, respectively, an increase of $14.1, or 4.6%, and an increase of 2.1% after excluding the impact of currency fluctuations, and were $614.3 and $583.6 for the first half of 2003 and 2002, respectively, an increase of $30.7, or 5.3%, and an increase of 3.2% after excluding the impact of currency fluctuations.

United States and Canada. Net sales in the U.S. and Canada were $224.8 for the second quarter of 2003, compared with $217.0 for the second quarter of 2002, an increase of $7.8, or 3.6%, and were $429.7 for the first half of 2003, compared with $413.4 for the first half of 2002, an increase of $16.3, or 3.9%. The increase in the second quarter and first half of 2003 was due to higher sales volume of $1.8 and $18.5, respectively, primarily as a result of growth in the Company's color cosmetics, despite a decline in the overall U.S. mass-market color cosmetics category, and lower sales returns, allowances and discounts of $8.8 and $6.2, respectively (which includes the impact of the stabilization and growth phase of the Company's plan), partially offset by higher brand support of $1.3 and $6.0, respectively, and a decrease in licensing revenues of $1.5 and $2.4, respectively.

International. Net sales in the Company's international operations were $97.5 for the second quarter of 2003, compared with $91.2 for the second quarter of 2002, an increase of $6.3, or 6.9%, and an increase of 0.1% excluding the impact of currency fluctuations, and were $184.6 for the first half of 2003, compared with $170.2

for the first half of 2002, an increase of $14.4, or 8.5%, and an increase of 2.5% excluding the impact of currency fluctuations.

Sales in the Company's international operations are divided by the Company into three geographic regions. In Europe, which is comprised of Europe and the Middle East, net sales increased by $1.4, or 5.1%, to $28.8 for the second quarter of 2003, as compared with the second quarter of 2002. The increase in the European region is primarily due to the impact of favorable currency fluctuations (which factor the Company estimates contributed to an approximate 13.7% increase in net sales for the region), which was partially offset by lower sales volume in certain distributor markets in the European and Middle East region (which factor the Company estimates contributed to an approximate 6.9% reduction in net sales for the region).

In Latin America, which is comprised of Mexico, Central America and South America, net sales decreased by $0.2, or 0.8%, to $25.6 for the second quarter of 2003, as compared with the second quarter of 2002. The decrease in the Latin American region is primarily due to the impact of adverse currency fluctuations (which factor the Company estimates contributed to an approximate 14.5% reduction in net sales for the region), decreased sales volume in Brazil and Mexico (which factor the Company estimates contributed to an approximate 6.7% reduction in net sales for the region), which was partially offset by increased sales volume in Venezuela, Argentina and certain distributor markets in Latin America (which factor the Company estimates contributed to an approximate 18.1% increase in net sales for the region).

In the Far East and Africa, net sales increased by $5.1, or 13.4%, to $43.1 for the second quarter of 2003, as compared with the second quarter of 2002. The increase in the Far East region is due to the impact of favorable currency fluctuations (which factor the Company estimates contributed to an approximate 14.2% increase in net sales for the region) and increased sales volume in South Africa and Japan (which factor the Company estimates contributed to an approximate 3.6% increase in net sales for the region), which was partially offset by lower sales volume in Australia and China, the latter of which was due in part to Severe Acute Respiratory Syndrome, or SARS (which factor the Company estimates contributed to an approximate 4.2% reduction in net sales for the region).

In Europe, net sales increased by $6.0, or 11.5%, to $58.4 for the first half of 2003, as compared with the first half of 2002. The increase in the European region is primarily due to the impact of favorable currency fluctuations (which factor the Company estimates contributed to an approximate 14.3% increase in net sales for the region) and increased sales volume in the U.K. (which factor the Company estimates contributed to an approximate 4.3% increase in net sales for the region). Such factors were partially offset by lower sales volume in certain distributor markets in the European and Middle East region (which factor the Company estimates contributed to an approximate 6.0% reduction in net sales for the region).

In Latin America, net sales decreased by $6.8, or 14.0%, to $41.8 for the first half of 2003, as compared with the first half of 2002. The decrease in the Latin American region is primarily due to the impact of adverse currency fluctuations (which factor the Company estimates contributed to an approximate 17.1% reduction in net sales for the region), decreased sales volume in Brazil and Mexico (which factor the Company estimates contributed to an approximate 12.1% reduction in net sales for the region), which was partially offset by increased sales volume in Venezuela, Argentina and certain distributor markets in Latin America (which factor the Company estimates contributed to an approximate 13.7% increase in net sales for the region).

In the Far East and Africa, net sales increased by $15.2, or 22.0%, to $84.4 for the first half of 2003, as compared with the first half of 2002. The increase in the Far East region is due to the impact of favorable currency fluctuations (which factor the Company estimates contributed to an approximate 15.5% increase in net sales for the region) and increased sales volume in South Africa, Japan and certain distributor markets in the Far East (which factor the Company estimates contributed to an approximate 7.6% increase in net sales for the region).

Net sales in the Company's international operations may be adversely affected by weak economic conditions, political uncertainties, military actions, adverse currency fluctuations, and competitive activities.

Gross profit

Gross profit was $197.1 for the second quarter of 2003, compared with $188.4 for the second quarter of 2002, and was $377.6 for the first half of 2003, compared with $354.8 for the first half of 2002. As a percentage of net sales, gross profit margins were 61.2% for the second quarter of 2003, compared with 61.1% for the second quarter of 2002, and were 61.5% for the first half of 2003, compared with 60.8% for the first half of 2002. The $8.7 increase in gross profit in the second quarter of 2003, as compared to the

second quarter of 2002, was primarily due to higher sales of $1.7 and lower sales returns, allowances and discounts of $7.5 (which includes the impact of the stabilization and growth phase of the Company's plan), partially offset by a decrease in other revenue of $1.4. The $22.8 increase in gross profit in the first half of 2003, as compared to the comparable 2002 period, is primarily due to higher sales of $24.0 and lower sales returns, allowances and discounts of $3.5 (which includes the impact of the stabilization and growth phase of the Company's plan), partially offset by higher brand support of $2.6 and a decrease in other revenue of $2.1.

SG&A expenses

SG&A expenses were $200.2 for the second quarter of 2003, compared with $180.8 for the second quarter of 2002, and were $384.4 for the first half of 2003, compared with $347.5 for the first half of 2002. The increase in SG&A expenses for the second quarter and first half of 2003, as compared to the comparable 2002 periods, is due primarily to higher brand support of $21.2 and $26.7, respectively, related to the stabilization and growth phase of the Company's plan, higher personnel-related expenses (including pension expense) and higher professional fees of $5.4 during the second quarter of 2003 and $21.0 during the first half of 2003, respectively (including consulting expenses related to the stabilization and growth phase of the Company's plan), which were partially offset by the absence of executive separation costs in the first half of 2003, which were $6.5 in the first half of 2002 and by lower wall display amortization of $5.4 and $3.5, respectively.

Restructuring costs

During the third quarter of 2000, the Company initiated a new restructuring program in line with the original restructuring plan developed in late 1998, designed to improve profitability by reducing personnel and consolidating manufacturing facilities. The 2000 restructuring program focused on the Company's plans to close its manufacturing operations in Phoenix, Arizona and Mississauga, Canada and to consolidate its cosmetics production into its plant in Oxford, North Carolina. The 2000 restructuring program also includes the remaining obligation for excess leased real estate in the Company's headquarters, consolidation costs associated with the

Company closing its facility in New Zealand, and the elimination of several domestic and international executive and operational positions, each of which were effected to reduce and streamline corporate overhead costs. During the second quarter and first half of 2002, the Company continued to implement the 2000 restructuring program, as well as other restructuring actions, and recorded charges of $3.2 and $7.2, respectively, principally for additional employee severance and other personnel benefits, primarily resulting from reductions in the Company's worldwide sales force, relocation and other costs related to the consolidation of the Company's worldwide operations.

During the first half of 2003, the Company recorded a separate charge of $0.5, principally for employee severance and other personnel benefits in certain Latin American operations.

The Company anticipates annualized savings of approximately $1 relating to the restructuring charges recorded during the first half of 2003.

Other expenses (income)

Interest expense was $42.8 for the second quarter of 2003, compared with $39.1 for the second quarter of 2002, and $84.2 for the first half of 2003, as compared to $78.3 for the first half of 2002. The increase in interest expense for the second quarter and first half of 2003, as compared to the second quarter and first half of 2002, is primarily due to higher interest rates under the Credit Agreement, as a result of the amendment to the Credit Agreement in February 2003, and higher overall borrowings during the second quarter and first half of 2003, including amounts borrowed under the Credit Agreement and the MacAndrews & Forbes $100 million term loan.

(Benefit) provision for income taxes

The (benefit) provision for income taxes was $(6.1) for the second quarter of 2003, compared with $1.0 for the second quarter of 2002, and $(5.2) for the first half of 2003, as compared to $1.1 for the first half of 2002. The benefit for income taxes for the second quarter and first half of 2003 was attributable to the resolution of various tax audits.

Financial Condition, Liquidity and Capital Resources

Net cash used for operating activities was $134.8 and $102.4 for the first half of 2003 and 2002, respectively. The increase in net cash used for operating activities for the first half of 2003, compared to the first half of 2002, resulted primarily from higher purchases of permanent wall displays due to the roll out of the Company's newly-reconfigured wall displays, higher inventory and brand support for the continued implementation of the stabilization and growth phase of the Company's plan.

Net cash used for investing activities was $13.2 and $3.0 for the first half of 2003 and 2002, respectively. Net cash used for investing activities for the first half of 2003 consisted of capital expenditures. Net cash used for investing activities for the first half of 2002 consisted of capital expenditures, partially offset by the sale of marketable securities.

Net cash provided by financing activities was $89.0 and $37.9 for the first half of 2003 and 2002, respectively. Net cash provided by financing activities for the first half of 2003 included cash drawn under the Credit Agreement and the MacAndrews & Forbes $100 million term loan and net proceeds from the Rights Offering, partially offset by the repayment of borrowings under the Credit Agreement and payment of financing costs. Net cash provided by financing activities for the first half of 2002 included cash drawn under the Credit Agreement, partially offset by the repayment of borrowings under the Credit Agreement.

On November 30, 2001, Products Corporation entered into a credit agreement (the "2001 Credit Agreement") with a syndicate of lenders, whose individual members change from time to time, which agreement amended and restated the credit agreement entered into by Products Corporation in May 1997 (as amended, the "1997 Credit Agreement"; the 2001 Credit Agreement and the 1997 Credit Agreement are sometimes referred to as the "Credit Agreement"), and which matures on May 30, 2005. As of June 30, 2003, the 2001 Credit Agreement provided up to $248.7, which is comprised of a $116.6 term loan facility (the "Term Loan Facility") and a $132.1 multi-currency revolving credit facility (the "Multi-Currency Facility"). At June 30, 2003, the Term Loan Facility was fully drawn and $1.4 was available under the Multi-Currency Facility, including letters of credit. As of June 30, 2003, the Company had approximately $119 of available liquidity from all available sources.

In connection with the transactions with MacAndrews & Forbes described in Note 9 to the Unaudited Consolidated Condensed Financial Statements, and as a result of the Company's operating results for the fourth quarter of 2002 and the effect of the acceleration of the Company's implementation of the stabilization and growth phase of its plan, Products Corporation entered into an amendment in February 2003 of its Credit Agreement with its bank lenders and secured waivers of compliance with certain covenants under the Credit Agreement. In particular, EBITDA (as defined in the Credit Agreement) was $35.2 for the four consecutive fiscal quarters ended December 31, 2002, which was less than the minimum of $210 required under the EBITDA covenant of the Credit Agreement for that period and the Company's leverage ratio was 5.09:1.00, which was in excess of the maximum ratio of 1.4:1.00 permitted under the leverage ratio covenant of the Credit Agreement for that period. Accordingly, the Company sought and secured waivers of compliance with these covenants for the fourth quarter of 2002 and, in light of the Company's expectation that the continued implementation of the stabilization and growth phase of the Company's plan would affect the ability of Products Corporation to comply with these covenants during 2003, the Company also secured an amendment to eliminate the EBITDA and leverage

ratio covenants for the first three quarters of 2003 and a waiver of compliance with such covenants for the fourth quarter of 2003 expiring on January 31, 2004.

The amendment to the Credit Agreement also included the substitution of a covenant requiring the Company to maintain a minimum of $20 of liquidity from all available sources at all times through January 31, 2004 and certain other amendments to allow for the M&F Investments and the implementation of the stabilization and growth phase of the Company's plan, including specific exceptions from the limitations under the indebtedness covenant to permit the MacAndrews & Forbes $100 million term loan and the MacAndrews & Forbes $40-65 million line of credit and to exclude the proceeds from the M&F Investments from the mandatory prepayment provisions of the Credit Agreement, and to increase the maximum limit on capital expenditures (as defined in the Credit Agreement) from $100 to $115 for 2003. The amendment also increased the applicable margin on loans under the Credit Agreement by 0.5%, the incremental cost of which to the Company, assuming the Credit Agreement is fully drawn, would be $1.1 from February 5, 2003 through the end of 2003.

As discussed in Note 9 to the Unaudited Consolidated Condensed Financial Statements, pursuant to the Investment Agreement MacAndrews & Forbes agreed, among other things, (i) to purchase such shares of Revlon, Inc.'s Class A Common Stock represented by its pro rata share of the rights distributed in the Rights Offering (approximately 83% of the shares available for purchase under the Rights Offering, or approximately $41.5) and to back-stop the Rights Offering by purchasing the remaining shares, if any, of Class A Common Stock offered to, but not purchased by, other stockholders (approximately 17% of the shares offered in the Rights Offering, or an additional approximate $8.5), (ii) to provide Products Corporation with the MacAndrews & Forbes $100 million term loan (the terms and conditions of which the parties agreed to on February 5, 2003), (iii) if, prior to the consummation of the Rights Offering, Products Corporation had fully drawn the MacAndrews & Forbes $100 million term loan and the implementation of the stabilization and growth phase of the Company's plan caused it to require some or all of the $50 of funds that the Company would raise from the Rights Offering, MacAndrews & Forbes would advance the Company these funds prior to closing the Rights Offering by making the $50 million Series C preferred stock investment, which would be redeemed with the proceeds the Company receives from the Rights Offering, and (iv) to provide Products Corporation with the MacAndrews & Forbes $40-65 million line of credit (the terms and conditions of which the parties agreed to on February 5, 2003), provided that the MacAndrews & Forbes $100 million term loan is fully drawn and MacAndrews & Forbes had made the $50 million Series C preferred stock investment (or the Company had consummated the Rights Offering and redeemed any outstanding shares of Series C preferred stock). During the second quarter of 2003, prior to the consummation of the Rights Offering, MacAndrews & Forbes agreed to waive the condition that the MacAndrews & Forbes $100 million term loan be fully drawn before it would be required to purchase up to $50 of the Company's Series C preferred stock. During the second quarter of 2003, prior to the consummation of the Rights Offering, MacAndrews & Forbes purchased $50 of the Company's Series C preferred stock, which was redeemed with the gross proceeds the Company received from the Rights Offering. The Company made a series of capital contributions of the proceeds from such issuances of Series C preferred stock to Products Corporation, which proceeds Products Corporation used to help fund a portion of the costs and expenses associated with implementing the stabilization and growth phase of its plan and for general corporate purposes.

The Company's principal sources of funds are expected to be operating revenues, cash on hand, the net proceeds from the Rights Offering (which the Company received in June 2003) and funds available for borrowing under the Credit Agreement and the Mafco Loans. At June 30, 2003 Products Corporation had borrowings of $43.5 (which excludes accrued interest of $1.1), under the MacAndrews & Forbes $100 million term loan which it used to help fund the stabilization and growth phase of the Company's plan and for general corporate purposes. The Credit Agreement, the Mafco Loans, Products Corporation's 12% Notes, Products Corporation's 8 5/8% Notes due 2008 (the "8 5/8% Notes"), Products Corporation's 8 1/8% Notes due 2006 (the "8 1/8% Notes") and Products Corporation's 9% Notes due 2006 (the

"9% Notes") contain certain provisions that by their terms limit Products Corporation's and/or its subsidiaries' ability to, among other things, incur additional debt.

The Company's principal uses of funds are expected to be the payment of operating expenses, including expenses in connection with the stabilization and growth phase of the Company's plan, purchases of permanent wall displays, capital expenditure requirements, including costs in connection with the ERP System (as hereinafter defined), payments in connection with the Company's restructuring programs referred to below and debt service payments and costs, including capital expenditures, associated with relocating the Company's corporate offices due to the expiration of the lease for its current offices.

The Company has undertaken a number of programs to efficiently manage its cash and working capital including programs to carefully manage and reduce inventory levels, centralized purchasing to secure discounts and efficiencies in procurement, and providing additional discounts to U.S. customers for more timely payment of receivables.

The Company currently estimates that charges related to the implementation of the stabilization and growth phase of the Company's plan will not exceed $60 during 2003 and 2004 (which excludes brand support and training and development costs). In addition, the Company currently estimates that the cash payments related to this phase of the plan for charges recorded in 2002 and in the first half of 2003 will be approximately $105 during 2003 and 2004 (which excludes brand support and training and development costs).

The Company developed a new design for its wall displays (which the Company refined as part of the stabilization and growth phase of its plan) and began installing them at certain customers' retail stores during 2002. The Company is also reconfiguring existing wall displays at its retail customers on an accelerated basis. Accordingly, the Company has accelerated the amortization of its existing wall displays. The installation of these newly-reconfigured wall displays resulted in accelerated amortization in the first half of 2003 of approximately $0.8. The Company estimates that purchases of wall displays for 2003 will be approximately $75 to $80.

The Company estimates that capital expenditures for 2003 will be approximately $30 to $35. The Company estimates that cash payments related to the restructuring programs referred to in Note 5 to the Unaudited Consolidated Condensed Financial Statements and executive separation costs will be $10 to $15 in 2003.

The Company has evaluated its management information systems and determined, among other things, to upgrade to an Enterprise Resource Planning ("ERP") System. As a result of this decision, certain existing information systems are being amortized on an accelerated basis. Based upon the estimated time required to implement an ERP System and related IT actions, the Company expects that it will record additional amortization charges for its current information system in 2003 through 2005. The additional amortization recorded for the first half of 2003 was $2.4. The Company expects that the additional amortization for the balance of 2003 will be approximately $2.2.

The Company expects that operating revenues, cash on hand, net proceeds from the Rights Offering (which the Company received in June 2003) and funds available for borrowing under the Credit Agreement and the Mafco Loans will be sufficient to enable the Company to cover its operating expenses, including cash requirements in connection with the Company's operations, the stabilization and growth phase of the Company's plan, cash requirements in connection with the Company's restructuring programs referred to above and the Company's debt service requirements for 2003. The U.S. color cosmetics category during the first half of 2003 has been softer than expected. Based upon the Company's belief that its stabilization and growth plan is proving effective (including increases through the first six months of 2003 in its U.S. color cosmetics market share for the Revlon and Almay brands from the comparable periods in 2002), the Company intends to continue to support its stabilization and growth

plan, including for brand support. To help fund the costs and expenses of the stabilization and growth plan, in July 2003, MacAndrews & Forbes agreed to make available to Products Corporation in 2003 the full $65 under the MacAndrews & Forbes $40-65 million line of credit, $25 of which was scheduled to become available on January 1, 2004. The Company currently expects that it may draw on a portion of the MacAndrews & Forbes $40-65 million line of credit during the balance of 2003. The Mafco Loans and the net proceeds from the Rights Offering are intended to help fund the stabilization and growth phase of the Company's plan and to decrease the risk that would otherwise exist if the Company were to fail to meet its debt and ongoing obligations as they became due in 2003. However, there can be no assurance that such funds will be sufficient to meet the Company's cash requirements on a consolidated basis. If the Company's anticipated level of revenue growth is not achieved because, for example, of decreased consumer spending in response to weak economic conditions or weakness in the cosmetics category, increased competition from the Company's competitors or the Company's marketing plans are not as successful as anticipated, or if the Company's expenses associated with implementation of the stabilization and growth phase of the Company's plan exceed the anticipated level of expenses, the Company's current sources of funds may be insufficient to meet the Company's cash requirements. Additionally, in the event of a decrease in demand for Products Corporation's products or reduced sales or lack of increases in demand and sales as a result of the stabilization and growth phase of the Company's plan, such development, if significant, could reduce Products Corporation's operating revenues and could adversely affect Products Corporation's ability to achieve certain financial covenants under the Credit Agreement and in such event the Company could be required to take measures, including reducing discretionary spending. If the Company is unable to satisfy such cash requirements from these sources, the Company could be required to adopt one or more alternatives, such as delaying the implementation of or revising aspects of the stabilization and growth phase of its plan, reducing or delaying purchases of wall displays or advertising or promotional expenses, reducing or delaying capital spending, delaying, reducing or revising restructuring programs, restructuring indebtedness, selling assets or operations, seeking additional capital contributions or loans from MacAndrews & Forbes, the Company's other affiliates and/or third parties, selling additional equity securities of Revlon, Inc. or reducing other discretionary spending. The Company has substantial debt maturing in 2005, which will require refinancing, consisting of $246.3 (assuming the maximum amount is borrowed) under the Credit Agreement and $363.0 of 12% Notes, as well as any amounts borrowed under the Mafco Loans.

The Company expects that Products Corporation will need to seek a further amendment to the Credit Agreement or a waiver of the EBITDA and leverage ratio covenants under the Credit Agreement prior to the expiration of the existing waiver on January 31, 2004 because the Company does not expect that its operating results, including after giving effect to various actions under the stabilization and growth phase of the Company's plan, will allow Products Corporation to satisfy those covenants for the four consecutive fiscal quarters ending December 31, 2003. The minimum EBITDA required to be maintained by Products Corporation under the Credit Agreement is $230 for each of the four consecutive fiscal quarters ending on December 31, 2003 (which covenant was waived through January 31, 2004), March 31, 2004, June 30, 2004 and September 30, 2004 and $250 for any four consecutive fiscal quarters ending December 31, 2004 and thereafter and the leverage ratio covenant under the Credit Agreement will permit a maximum ratio of 1.10:1.00 for any four consecutive fiscal quarters ending on or after December 31, 2003 (which limit was waived through January 31, 2004 for the four fiscal quarters ending December 31, 2003). In addition, after giving effect to the amendment, the Credit Agreement also contains a $20 minimum liquidity covenant. While the Company expects that Products Corporation's bank lenders will consent to such amendment or waiver request, there can be no assurance that they will or that they will do so on terms that are favorable to the Company. If the Company is unable to secure such amendment or waiver, it could be required to refinance the Credit Agreement or repay it with proceeds from the sale of assets or operations, or additional capital contributions or loans from MacAndrews & Forbes, the Company's other affiliates and/or third parties or the sale of additional equity securities of

Revlon, Inc. In the event that Products Corporation were unable to secure such a waiver or amendment and Products Corporation were not able to refinance or repay the Credit Agreement, Products Corporation's inability to meet the financial covenants for the four consecutive fiscal quarters ending December 31, 2003 would constitute an event of default under Products Corporation's Credit Agreement, which would permit the bank lenders to accelerate the Credit Agreement, which in turn would constitute an event of default under the indentures governing Products Corporation's debt if the amount accelerated exceeds $25.0 and such default remains uncured within 10 days of notice from the trustee under the applicable indenture.

There can be no assurance that the Company would be able to take any of the actions referred to in the preceding two paragraphs because of a variety of commercial or market factors or constraints in the Company's debt instruments, including, for example, Products Corporation's inability to reach agreement with its bank lenders on refinancing terms that are acceptable to the Company before the waiver of its financial covenants expires on January 31, 2004, market conditions being unfavorable for an equity or debt offering, or that the transactions may not be permitted under the terms of the Company's various debt instruments then in effect, because of restrictions on the incurrence of debt, incurrence of liens, asset dispositions and related party transactions. In addition, such actions, if taken, may not enable the Company to satisfy its cash requirements if the actions do not generate a sufficient amount of additional capital.

Revlon, Inc., as a holding company, will be dependent on the earnings and cash flow of, and dividends and distributions from, Products Corporation to pay its expenses and to pay any cash dividend or distribution on Revlon, Inc.'s Class A Common Stock that may be authorized by the Board of Directors of Revlon, Inc. The terms of the Credit Agreement, the Mafco Loans, the 12% Notes, the 8 5/8% Notes, the 8 1/8% Notes and the 9% Notes generally restrict Products Corporation from paying dividends or making distributions, except that Products Corporation is permitted to pay dividends and make distributions to Revlon, Inc., among other things, to enable Revlon, Inc. to pay expenses incidental to being a public holding company, including, among other things, professional fees such as legal and accounting fees, regulatory fees such as Commission filing fees and other miscellaneous expenses related to being a public holding company and, subject to certain limitations, to pay dividends or make distributions in certain circumstances to finance the purchase by Revlon, Inc. of its Class A Common Stock in connection with the delivery of such Class A Common Stock to grantees under the Amended Stock Plan.

Pursuant to a tax sharing agreement, Revlon, Inc. may be required to make tax sharing payments to Mafco Holdings as if Revlon, Inc. were filing separate income tax returns, except that no payments are required by Revlon, Inc. if and to the extent that Products Corporation is prohibited under the Credit Agreement from making tax sharing payments to Revlon, Inc. The Credit Agreement prohibits Products Corporation from making any tax sharing payments other than in respect of state and local income taxes. Revlon, Inc. currently anticipates that, as a result of net operating tax losses and prohibitions under the Credit Agreement, no cash federal tax payments or cash payments in lieu of federal taxes pursuant to the tax sharing agreement will be required for 2003.

As a result of dealing with suppliers and vendors in a number of foreign countries, Products Corporation enters into foreign currency forward exchange contracts and option contracts from time to time to hedge certain cash flows denominated in foreign currencies. There were foreign currency forward exchange contracts with a notional amount of $31.9 outstanding at June 30, 2003. The fair value of foreign currency forward exchange contracts outstanding at June 30, 2003 was $(1.8).

Disclosures about Contractual Obligations and Commercial Commitments

There have been no material changes outside the ordinary course of the Company's business to the Company's total contractual cash obligations which are set forth in the table included in the Company's Annual Report on Form 10-K for the year ended December 31, 2002, except that during the second

REVLON, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS—Concluded
(dollars in millions, except per share data)

quarter of 2003 Products Corporation entered into 11-year operating leases for its corporate offices in New York City (as Products Corporation's current lease expires in 2003), which have minimum lease payments in the aggregate of approximately $115 over the 11-year term.

Off-Balance Sheet Transactions

The Company does not maintain any off-balance sheet transactions, arrangements, obligations or other relationships with unconsolidated entities or others that are reasonable likely to have a material current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Effect of New Accounting Standard

In April 2003, the FASB announced it will require all companies to expense the fair value of employee equity-based awards. The FASB announced that it plans to issue an exposure draft later this year that could become effective in 2004. Until a new statement is issued, the provisions of APB Opinion No. 25 and SFAS No. 123 will remain in effect. The Company will evaluate the impact of any new statement regarding employee equity-based awards when a new statement is issued.

REVLON, INC. AND SUBSIDIARIES

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company has exposure to market risk both as a result of changing interest rates and movements in foreign currency exchange rates. The Company's policy is to manage market risk through a combination of fixed and floating rate debt, the use of derivative financial instruments and foreign exchange forward and option contracts. The Company does not hold or issue financial instruments for trading purposes. The qualitative and quantitative information presented in Item 7A of the Company's Annual Report on Form 10-K for the year ended December 31, 2002 ("Item 7A") describes significant aspects of the Company's financial instrument programs that have material market risk as of December 31, 2002. The following table presents the information required by Item 7A as of June 30, 2003:

	Expected maturity date for the year ended December 31,							Fair Value June 30, 2003
	2003	2004	2005	2006	2007	Thereafter	Total	
Debt				(dollars in millions)				
Short-term variable rate (various currencies)	$27.8						$ 27.8	$ 27.8
Average interest rate (a)	3.8%							
Long-term fixed rate - third party ($US)			$354.8	$499.7		$649.9	1,504.4	952.3
Average interest rate			12.0%	8.6%		8.6%		
Long-term variable rate - third party ($US)			221.1*				221.1	221.1
Average interest rate (a)			6.3%					
Long-term variable rate - third party (various currencies)			4.3*				4.3	4.3
Average interest rate (a)			8.3%					
Long-term fixed rate - affiliates ($US)			44.6**				44.6	31.7
Average interest rate			12.0%					
Total debt (b)	$27.8	$—	$624.8	$499.7	$ —	$649.9	$1,802.2	$1,237.2

	Average Contractual Rate $/FC	Original US Dollar Notional Amount	Contract Value June 30, 2003	Fair Value June 30, 2003
Forward Contracts				
Buy Euros/Sell USD	1.0619	$ 5.7	$ 6.1	$ 0.4
Sell British Pounds/Buy USD	1.5500	3.5	3.3	(0.2)
Sell Australian Dollars/Buy USD	0.5811	6.3	5.5	(0.8)
Sell Canadian Dollars/Buy USD	0.6671	9.9	8.9	(1.0)
Sell South African Rand/Buy USD	0.1162	2.6	2.3	(0.3)
Buy Australian Dollars/Sell New Zealand Dollars	1.0914	2.3	2.4	0.1
Buy British Pounds/Sell Euros	0.6816	1.6	1.6	—
Total forward contracts		$31.9	$30.1	$(1.8)

[redacted]

(a) Weighted average variable rates are based upon implied forward rates from the yield curves at June 30, 2003.

(b) Excludes affiliate debt of $24.1, for which fair value is not readily determinable.

* Represents Products Corporation's Credit Agreement which matures in May 2005.

** Represents borrowings under MacAndrews & Forbes $100 million term loan, which matures in December 2005, of which fair value was determined based on the market rates of Products Corporation's 8 1/8% and 9% Notes, which have similar credit attributes.

Item 4. <u>Controls and Procedures</u>

(a) Disclosure Controls and Procedures. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the

Exchange Act) as of the end of the fiscal period covered by this Quarterly Report on Form 10-Q. Based upon such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting information required to be disclosed by the Company in the reports it files or submits under the Exchange Act within the time periods specified in the Commission's rules and forms.

(b) Internal Control Over Financial Reporting. There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Forward-Looking Statements

This Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, as well as other public documents and statements of the Company, contain forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those discussed in such forward-looking statements. Such statements include, without limitation, the Company's expectations and estimates (whether qualitative or quantitative) as to:

(i) the Company's plans to update its retail presence and improve the marketing effectiveness of its retail wall displays by installing newly-reconfigured wall displays and reconfiguring existing wall displays at its retail customers (and its estimates of the costs of such wall displays, the effects of such plans on the accelerated amortization of existing wall displays and the estimated amount of such amortization);

(ii) the Company's plans to increase its advertising and media spending and improve the effectiveness of its advertising;

(iii) the Company's plans to introduce new products and further strengthen its new product development process;

(iv) the Company's plans to streamline its product assortment and reconfigure product placement on its wall displays and selectively adjust prices on certain of its products;

(v) the Company's plans to implement comprehensive programs to develop and train its employees;

(vi) the Company's future financial performance, including the Company's belief that its stabilization and growth plan is proving effective;

(vii) the effect on sales of political and/or economic conditions, political uncertainties, military actions, adverse currency fluctuations and competitive activities;

(viii) the Company's plans to accelerate the implementation of the stabilization and growth phase of its plan and the charges and the cash costs resulting from implementing such plan and the timing of such costs, as well as the Company's expectations as to improved revenues over the long term as a result of such phase of its plan and the Company's plans to continue to fund brand support;

(ix) restructuring activities, restructuring costs, the timing of restructuring payments and annual savings and other benefits from such activities;

(x) operating revenues, cash on hand, cash from the Rights Offering and availability of borrowings under the Mafco Loans and Products Corporation's Credit Agreement being sufficient to

satisfy the Company's cash requirements in 2003, and the availability of funds from restructuring indebtedness, selling assets or operations, capital contributions or loans from MacAndrews & Forbes, the Company's other affiliates and/or third parties and the sale of additional shares of Revlon, Inc. and the Company's current expectation that it may draw on a portion of the MacAndrews & Forbes $40-65 million line of credit during the balance of 2003;

(xi) the Company's uses of funds, including amounts required for the payment of operating expenses, including expenses in connection with the stabilization and growth phase of the Company's plan, such as the purchase and reconfiguration of wall displays and increases in advertising and media, capital expenditure requirements, including charges and costs in connection with the ERP System, payments in connection with the Company's restructuring programs and debt service payments, and its estimates of operating expenses, working capital expenses, wall display costs, capital expenditures, restructuring costs and debt service payments (including payments required under Products Corporation's debt instruments);

(xii) matters concerning the Company's market-risk sensitive instruments;

(xiii) the effects of the Company's adoption of certain accounting principles;

(xiv) Products Corporation securing a further waiver or amendment of various provisions of its Credit Agreement, including the EBITDA and leverage ratio covenants, or refinancing or repaying such debt before January 31, 2004 in the event such waiver or amendment is not secured; and

(xv) the Company's plan to refinance Products Corporation's debt maturing in 2005.

Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as "believes," "expects," "estimates," "projects," "forecast," "may," "will," "should," "seeks," "plans," "scheduled to," "anticipates" or "intends" or the negative of those terms, or other variations of those terms or comparable language, or by discussions of strategy or intentions. Forward-looking statements speak only as of the date they are made, and except for the Company's ongoing obligations under the U.S. federal securities laws, the Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Investors are advised, however, to consult any additional disclosures the Company makes in its Quarterly Reports on Form 10-Q filed in 2003, its current Annual Report on Form 10-K and Current Reports on Form 8-K filed with the Commission in 2003 (which, among other places, can be found on the Commission's website at http://www.sec.gov), as well as on the Company's website at www.revloninc.com. The information available from time to time on such websites shall not be deemed incorporated by reference into this Quarterly Report on Form 10-Q. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. In addition to factors that may be described in the Company's filings with the Commission, including this filing, the following factors, among others, could cause the Company's actual results to differ materially from those expressed in any forward-looking statements made by the Company:

(i) difficulties or delays or unanticipated costs associated with improving the marketing effectiveness of the Company's wall displays;

(ii) difficulties or delays in developing and/or presenting the Company's increased advertising programs and/or improving the effectiveness of its advertising;

(iii) difficulties or delays in developing and introducing new products or failure of the Company's customers to accept new product offerings and/or in further strengthening the Company's new product development process;

(iv) difficulties or delays in implementing the Company's plans to streamline its product assortment and reconfigure product placement on its wall displays and selectively adjust prices on certain of its products;

(v) difficulties or delays in implementing comprehensive programs to train the Company's employees;

(vi) unanticipated circumstances or results affecting the Company's financial performance, including decreased consumer spending in response to weak economic conditions or weakness in the category, changes in consumer preferences, such as reduced consumer demand for the Company's color cosmetics and other current products, and actions by the Company's competitors, including business combinations, technological breakthroughs, new products offerings, promotional spending and marketing and promotional successes, including increases in market share;

(vii) the effects of and changes in political and/or economic conditions, including inflation, monetary conditions and military actions, and in trade, monetary, fiscal and tax policies in international markets;

(viii) unanticipated costs or difficulties or delays in completing projects associated with the stabilization and growth phase of the Company's plan or lower than expected revenues over the long term as a result of such plan;

(ix) difficulties, delays or unanticipated costs or less than expected savings and other benefits resulting from the Company's restructuring activities;

(x) lower than expected operating revenues, the inability to secure capital contributions or loans from MacAndrews & Forbes, the Company's other affiliates and/or third parties, lower than expected operating revenues or increased operating expenses, or the unavailability of funds under Products Corporation's Credit Agreement or the Mafco Loans;

(xi) higher than expected operating expenses, sales returns, working capital expenses, wall display costs, capital expenditures, restructuring costs or debt service payments;

(xii) interest rate or foreign exchange rate changes affecting the Company and its market sensitive financial instruments;

(xiii) unanticipated effects of the Company's adoption of certain new accounting standards;

(xiv) difficulties, delays or inability to secure a further waiver or amendment of the EBITDA and leverage ratio covenants under the Credit Agreement or refinancing or repaying such debt on or before January 31, 2004 in the event such waiver or amendment is not secured; and

(xv) difficulties, delays or the inability of the Company to refinance Products Corporation's debt maturing in 2005.

Factors other than those listed above could also cause the Company's results to differ materially from expected results. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

Disclosure Concerning Website Access to Company Reports

The Company's corporate website address is www.revloninc.com. The Company makes available, free of charge, on such website its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Commission.

PART II — OTHER INFORMATION

Item 1. <u>Legal Proceedings</u>.

On April 17, 2000, the plaintiffs in the six purported class actions filed in October and November 1999 by each of Thomas Comport, Boaz Spitz, Felix Ezeir and Amy Hoffman, Ted Parris, Jerry Krim and Dan Gavish individually and allegedly on behalf of others similarly situated to them against Revlon, Inc., certain of its present and former officers and directors and the parent of Revlon, Inc., REV Holdings Inc. (a Delaware corporation and the predecessor of REV Holdings LLC, a Delaware limited liability company ("REV Holdings")), alleging among other things, violations of Rule 10b-5 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), filed an amended complaint, which consolidated all of the actions under the caption "In Re Revlon, Inc. Securities Litigation" and limited the alleged class to security purchasers during the period from October 29, 1997 through October 1, 1998. On June 30, 2003, the court approved the settlement agreement that was executed in January 2003, which provides that the defendants will obtain complete releases from the participating members of the alleged class, and the period to appeal this decision has expired. The Company had recorded this settlement, including a related settlement of the defendants' insurance claim for this matter and the Second Gavish Action described below (the "Insurance Settlement"), in the fourth quarter of 2002.

A purported class action lawsuit was filed on September 27, 2000, in the United States District Court for the Southern District of New York on behalf of Dan Gavish, Tricia Fontan and Walter Fontan individually and allegedly on behalf of all others similarly situated who purchased the securities of Revlon, Inc. and REV Holdings between October 2, 1998 and September 30, 1999 (the "Second Gavish Action"). In November 2001, plaintiffs amended their complaint. The amended complaint alleges, among other things, that Revlon, Inc., certain of its present and former officers and directors and REV Holdings violated, among other things, Rule 10b-5 under the Exchange Act. In December 2001, the defendants moved to dismiss the amended complaint. The Company believes the allegations in the amended complaint are without merit and, if its motion to dismiss is not granted, intends to vigorously defend against them. In light of the Insurance Settlement, the Company does not expect to incur any further expense in this matter.

Item 4. <u>Submission of Matters to a Vote of Security Holders</u>.

The Company's 2003 Annual Meeting of Stockholders was held on May 30, 2003. The only matter voted upon at such meeting was the re-election of Ronald O. Perelman, Donald G. Drapkin, Meyer Feldberg, Howard Gittis, Edward J. Landau, Linda Gosden Robinson, Terry Semel, Jack L. Stahl and Martha Stewart as directors, consisting of all the directors standing for re-election, and all of whom were re-elected.

The following is a tabulation of the votes cast in connection with the Election of Directors:

Nominees for Director	For	Against or Withheld	Abstained	Broker Non-Votes
Ronald O. Perelman	331,955,985	209,692	—	—
Donald G. Drapkin	331,956,164	209,513	—	—
Meyer Feldberg	332,007,964	157,713	—	—
Howard Gittis	332,007,664	158,013	—	—
Edward J. Landau	332,007,864	157,813	—	—
Linda Gosden Robinson	332,008,064	157,613	—	—
Terry Semel	332,008,764	156,913	—	—
Jack L. Stahl	331,956,959	208,718	—	—
Martha Stewart	332,002,896	162,781	—	—

Item 6. <u>Exhibits and Reports on Form 8-K</u>.

(a) Exhibits

10.19 Amendment No. 1, dated as of July 30, 2003 to the Senior Unsecured Supplemental Line of Credit Agreement, dated as of February 5, 2003, between Products Corporation and MacAndrews & Forbes Holdings.

31.1 Section 302 CEO certification. Filed herewith.

31.2 Section 302 CFO certification. Filed herewith.

32.1 Section 906 CEO certification. Furnished herewith.

32.2 Section 906 CFO certification. Furnished herewith.

(b) Reports on Form 8-K

On April 24, 2003, the Company filed with the Commission a current report on Form 8-K furnishing as Item 12 of Form 8-K, "Results of Operations and Financial Condition" (included in such Form 8-K as Item 9, "Regulation FD Disclosure," in accordance with the transition rules set forth in SEC Release Nos. 33-8216; 34-47583), a copy of the Company's press release announcing its earnings for the fiscal quarter ended March 31, 2003.

On May 13, 2003, the Company filed with the Commission a current report on Form 8-K furnishing as Item 5 of Form 8-K, "Other Events and Regulation FD Disclosure," a copy of the Company's press release announcing the subscription price and other offering terms of its previously announced rights offering.

On June 20, 2003, the Company filed with the Commission a current report on Form 8-K furnishing as Item 5 of Form 8-K, "Other Events and Regulation FD Disclosure," a copy of the Company's press release announcing the consummation of its previously announced rights offering.

On July 31, 2003, the Company filed with the Commission a current report on Form 8-K furnishing as Item 12 of Form 8-K, "Results of Operations and Financial Condition" a copy of the Company's press release announcing its earnings for the fiscal quarter ended June 30, 2003.

REVLON, INC. AND SUBSIDIARIES

S I G N A T U R E

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

Dated: August 13, 2003

REVLON, INC.
Registrant

By: /s/ Douglas H. Greeff
Douglas H. Greeff
Executive Vice President
and Chief Financial Officer

Exhibit 10.19

**AMENDMENT NO. 1 TO
SENIOR UNSECURED SUPPLEMENTAL LINE OF CREDIT AGREEMENT**

AMENDMENT NO. 1, dated as of July 30, 2003 (this "Amendment"), to Senior Unsecured Supplemental Line of Credit Agreement, dated as of February 5, 2003 (the "Revolver Agreement"), between Revlon Consumer Products Corporation (the "Borrower"), and MacAndrews & Forbes Holdings Inc. (the "Lender").

WHEREAS, pursuant to the Revolver Agreement, the Lender has agreed to make certain loans to the Borrower; and

WHEREAS, the Lender and the Borrower have agreed to amend certain terms of the Revolver Agreement.

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties hereto agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein which are defined in the Revolver Agreement are used as therein defined. Unless otherwise identified herein, Section references refer to Sections of the Revolver Agreement.

2. Amendment of Section 1.1. Section 1.1 of the Revolver Agreement is hereby amended by amending and restating the definition of "Commitment" as follows:

> "Commitment" means the obligation of the Lender to make Loans to the Borrower hereunder in an aggregate principal amount at any one time outstanding of up to $40,000,000 for the period from the Effective Date through and including December 31, 2004, increasing to $65,000,000 for the period from and including July 30, 2003 through and including December 31, 2004, as such obligation is reduced from time to time in accordance with Section 2.3 hereof."

3. Amendment of Section 8.2. Under Section 8.2 of the Revolver Agreement, the Borrower's address for notices shall be amended and restated as follows:

Borrower: Revlon Consumer Products Corporation
625 Madison Avenue
New York, New York 10022
Attention: John Matsen, Jr.
Telecopy: (212) 527-5250
E-mail: john.matsen@revlon.com

4. Effectiveness. This Amendment shall be effective as of the date first set forth above.

5. Reference to and Effect on the Revolver Agreement; Limited Effect. On and after the date hereof, each reference in the Revolver Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Revolver Agreement shall mean and be a reference to the Revolver Agreement as amended hereby. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Lender under the Revolver Agreement, nor constitute a waiver of any other provision of the Revolver Agreement. Except as expressly amended herein, all of the provisions and covenants of the Revolver Agreement remain in full force and effect in accordance with the terms thereof and are hereby in all respects ratified and confirmed.

6. Counterparts. This Amendment may be executed by one or more of the parties on any number of separate counterparts (including by facsimile transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

7. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[Execution page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly 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/ Robert K. Kretzman

[redacted]

Name: Robert K. Kretzman
Title: Senior Vice President, General
Counsel and Secretary

MACANDREWS & FORBES HOLDINGS INC.
By: /s/ Todd J. Slotkin

[redacted]

[redacted]
Financial Officer

REVLON, INC. AND SUBSIDIARIES

Exhibit 31.1

CERTIFICATIONS

I, Jack L. Stahl, certify that:

1. I have reviewed this quarterly report on Form 10-Q (the "Report") of Revlon, Inc. (the "Registrant");

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

   (b) [Intentionally omitted per SEC's transition rules in SEC Release Nos. 33-8238 and 34-47986];

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

   (d) Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 13, 2003

/s/ Jack L. Stahl

Jack L. Stahl
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Douglas H. Greeff, certify that:

1. I have reviewed this quarterly report on Form 10-Q (the "Report") of Revlon, Inc. (the "Registrant");

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

   (b) [Intentionally omitted per SEC's transition rules in SEC Release Nos. 33-8238 and 34-47986];

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

   (d) Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 13, 2003

/s/ Douglas H. Greeff

Douglas H. Greeff
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Revlon, Inc. (the "Company") for the period ended June 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jack L. Stahl, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jack L. Stahl

Jack L. Stahl
Chief Executive Officer
August 13, 2003

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Revlon, Inc. (the "Company") for the period ended June 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas H. Greeff, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Douglas H. Greeff

Douglas H. Greeff
Chief Financial Officer
August 13, 2003