

REVLON INC /DE/  
Form DEF 14C  
March 03, 2004  
SCHEDULE 14C

(Rule 14c-101)

Information Statement Pursuant to Section 14(c) of the  
Securities Exchange Act of 1934

Check the appropriate box:

Preliminary information statement

Definitive information statement

Confidential, for use of the Commission only (as permitted by Rule 14c-5(d)(2))  
REVLON, INC.

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.

(1) Title of each class of securities to which transaction applies: \_\_\_\_\_

(2) Aggregate number of securities to which transaction applies: \_\_\_\_\_

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

\_\_\_\_\_  
(4) Proposed maximum aggregate value of transaction: \_\_\_\_\_

(5) Total fee paid: \_\_\_\_\_

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid: \_\_\_\_\_

(2) Form, Schedule or Registration Statement No.: \_\_\_\_\_

(3) Filing Party: \_\_\_\_\_

(4) Date Filed: \_\_\_\_\_

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NOTICE OF ACTION BY WRITTEN CONSENT  
OF THE MAJORITY STOCKHOLDERS OF

237 PARK AVENUE  
NEW YORK, NEW YORK 10017  
TO BE EFFECTIVE ON MARCH 23, 2004

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DATE FIRST MAILED TO STOCKHOLDERS: MARCH 3, 2004

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WE ARE NOT ASKING YOU FOR A PROXY AND  
YOU ARE REQUESTED NOT TO SEND US A PROXY.

Dear Stockholder:

We hereby give you notice of, and the attached information statement is being distributed in connection with, an action by written consent of the majority stockholders of Revlon, Inc., a Delaware corporation ("we," "us," "our" or the "Company"), taken on March 3, 2004 which will be effective on March 23, 2004.

The matters upon which action was taken are:

- (1) The issuance of a minimum of approximately 265 million and a maximum of approximately 486 million shares of our Class A common stock, par value \$0.01 per share, in connection with a series of transactions to reduce debt and strengthen our balance sheet and capital structure.
- (2) An amendment to our certificate of incorporation to increase the number of authorized shares of our Class A common stock from 350 million to 900 million.
- (3) An amendment to our certificate of incorporation to eliminate our Series A preferred stock, par value \$0.01 per share, subject to, and following, our consummation of all of the components of the series of transactions referenced above. Upon the consummation of such transactions, no shares of Series A preferred stock will be outstanding.

Please review the information statement included with this notice for a more complete description of these matters.

Our board of directors has fixed the close of business on February 17, 2004 as the record date for the determination of stockholders entitled to notice of the action by written consent. Your consent is not required and is not being solicited in connection with this action. The action by written consent authorizing the proposals described in the accompanying information statement will take effect on March 23, 2004, and the transactions contemplated thereby are expected to be consummated shortly thereafter. The accompanying information statement is being furnished to our stockholders for informational purposes only. The information statement also constitutes notice of corporate action without a meeting by less than unanimous written consent of our stockholders pursuant to Section 228(e) of the Delaware General Corporation Law.

BY ORDER OF OUR BOARD OF DIRECTORS

Jack L. Stahl  
President and Chief Executive Officer

New York, New York  
March 3, 2004

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INFORMATION STATEMENT  
FOR  
REVLON, INC.  
237 PARK AVENUE  
NEW YORK, NEW YORK 10017

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INFORMATION STATEMENT  
FOR  
REVLON, INC.  
237 PARK AVENUE  
NEW YORK, NEW YORK 10017

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This information statement is being furnished to the stockholders of Revlon, Inc., a Delaware corporation ("we," "us," "our" or the "Company"), in connection with an action by written consent of our majority stockholders taken on March 3, 2004 which will be effective on March 23, 2004.

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.**

The matters upon which action was taken (collectively, the "Proposals") are:

(1)

The issuance of a minimum of approximately 265 million and a maximum of approximately 486 million shares (the "Proposed Issuance") of our Class A common stock, par value \$0.01 per share, in connection with a series of transactions to reduce debt and strengthen our balance sheet and capital structure.

- (2) An amendment to our certificate of incorporation to increase the number of authorized shares of our Class A common stock from 350 million to 900 million.
- (3) An amendment to our certificate of incorporation to eliminate our Series A preferred stock, par value \$0.01 per share, subject to, and following, our consummation of all of the components of the series of transactions referenced above. Upon the consummation of such transactions, no shares of Series A preferred stock will be outstanding.

Our majority stockholders are MacAndrews & Forbes Holdings Inc., a Delaware corporation ("MacAndrews Holdings"), and REV Holdings LLC, a Delaware limited liability company ("REV Holdings"). MacAndrews Holdings is wholly owned indirectly through Mafco Holdings Inc., a Delaware corporation, by Ronald O. Perelman, the Chairman of our board of directors. The REV Holdings membership interest is owned by its sole member, Revlon Holdings LLC, a Delaware limited liability company ("Revlon Holdings"), whose membership interest in turn is owned indirectly by MacAndrews Holdings. In this information statement, MacAndrews Holdings, REV Holdings, Revlon Holdings and their respective affiliates (other than the Company or any of our subsidiaries) are referred to collectively as "MacAndrews & Forbes."

This information statement is being furnished pursuant to the requirements of Rule 14c-2 of the Securities Exchange Act of 1934, as amended, to our stockholders entitled to vote or give an authorization or consent in regard to the Proposals. This information statement is first being mailed on March 3, 2004 to our stockholders of record as of February 17, 2004. The action by written consent authorizing the Proposals will take effect on March 23, 2004, and the transactions contemplated thereby are expected to be consummated shortly thereafter.

Our principal executive offices are located at 237 Park Avenue, New York, New York 10017, and our telephone number is (212) 527-4000.

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## QUESTIONS AND ANSWERS ABOUT THIS INFORMATION STATEMENT

Q: Why am I receiving this information statement?

A: This information statement provides notice to all of our public stockholders of an action by written consent of our majority stockholders, which, before giving effect to the Proposed Issuance, together hold shares representing approximately 83% of our outstanding common stock and approximately 97% of the combined voting power of the outstanding shares of our common and preferred stock.

Q: Why are we undertaking the Proposed Issuance?

A: We are undertaking the Proposed Issuance in order to consummate a series of transactions to reduce debt and strengthen our balance sheet and capital structure, referred to in this information statement as the "Debt Reduction Transactions." The Debt Reduction Transactions will significantly reduce the indebtedness of Revlon Consumer Products Corporation, a Delaware corporation and our wholly owned subsidiary ("Products Corporation"), and eliminate our obligations to holders of our preferred stock. We believe that the Debt Reduction Transactions will make cash available for operations and capital expenditures instead of debt service. See "Proposal No. 1 — Approval of the Proposed Issuance — Reasons for the Proposed Issuance."

Q: Is the consummation of any component of the Debt Reduction Transactions conditioned on any minimum level of participation?

A: No. The Debt Reduction Transactions include offers to exchange any and all outstanding 8 1/8% Senior Notes due 2006, 9% Senior Notes due 2006 and 8 5/8% Senior Subordinated Notes due 2008 for shares of our Class A common stock; however, the consummation of these exchange offers is not dependent on the participation of any holders other than Fidelity Management & Research Co. and its affiliates and consolidated funds (collectively, "Fidelity") and MacAndrews & Forbes, each of which has entered into a separate agreement to participate. MacAndrews & Forbes has also committed to the other components of the Debt Reduction Transactions. See "Proposal No. 1 — Approval of the Proposed Issuance — Agreements with Fidelity and MacAndrews & Forbes." In addition, to the extent that a minimum of \$150 million aggregate principal amount of notes (other than certain notes to be tendered by Fidelity and MacAndrews & Forbes pursuant to separate commitments to tender such notes in the exchange offers) is not tendered in the exchange offers, MacAndrews & Forbes has agreed to back-stop the exchange offers by subscribing for additional shares of our Class A common stock, at a purchase price of \$2.50 per share, to the extent of any such shortfall. MacAndrews & Forbes has also agreed, in order for us to meet the cash requirements of the exchange offers (see "Proposal No. 1 — Approval of the Proposed Issuance — The Proposed Issuance — The Exchange Offers"), to subscribe for shares of our Class A common stock, at a purchase price of \$2.50 per share, in an aggregate subscription amount equal to the cash, if any, paid by us in exchange for notes in the exchange offers (other than cash paid with respect to accrued interest on such notes). Each of MacAndrews & Forbes' obligations to acquire Class A common stock is subject to certain customary conditions. See "Proposal No. 1 — Approval of the Proposed Issuance — Agreements with Fidelity and MacAndrews & Forbes — The MacAndrews Investment Agreement."

Q: Is the Company presently able to issue Class A common stock as contemplated by the Proposed Issuance?

A: Our Class A common stock is listed on the New York Stock Exchange, or the NYSE, and, as a result, we are subject to the rules of the NYSE. As described in more detail in "Vote Required for Each of the Proposals — The Proposed Issuance," the rules of the NYSE require stockholder approval of the Proposed Issuance. In addition, in order to ensure that we will have enough authorized but unissued shares of our Class A common stock for issuance in the Proposed Issuance, our board of directors has approved the amendment to our certificate of incorporation described in Proposal No. 2. Our majority stockholders, holding approximately 97% of the voting

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power outstanding before giving effect to the Proposed Issuance, have already consented to the Proposed Issuance and the related amendment to our certificate of incorporation described in Proposal No. 2.

Q: Will the Class A common stock be listed for trading?

A: Our Class A common stock is listed for trading on the NYSE under the symbol "REV." We will apply for listing on the NYSE of the shares of Class A common stock to be issued in the Proposed Issuance. The approval of these listing applications is a condition to the consummation of the exchange offers component of the Debt Reduction Transactions.

Q: Will the Company receive any cash proceeds from the Proposed Issuance?

A: We will not receive any net cash proceeds from the Proposed Issuance, other than cash contributions, if any, received in connection with certain commitments by MacAndrews & Forbes to subscribe for shares of our Class A common stock. See "Proposal No. 1 — Approval of the Proposed Issuance — Agreements with Fidelity and MacAndrews & Forbes — The MacAndrews Investment Agreement." In general, any net cash proceeds that are received in connection with such

commitments will be contributed to Products Corporation as a capital contribution to be used to reduce outstanding indebtedness (other than revolving indebtedness unless there is a corresponding commitment reduction).

Q: How many shares of Class A common stock will be issued in the Proposed Issuance?

A: We will issue between approximately 265 million and approximately 486 million shares of our Class A common stock in the Proposed Issuance. The exact number will depend on a variety of factors described in Proposal No. 1. In order to enhance the description of the Proposed Issuance, the minimum and maximum number of shares to be issued has been estimated based upon the assumptions described in "Proposal No. 1 — Approval of the Proposed Issuance — Certain Assumptions Used in Describing the Proposed Issuance."

Q: Why are we amending our certificate of incorporation to increase the number of authorized shares of our Class A common stock?

A: In addition to ensuring that we will have enough authorized but unissued shares of our Class A common stock for issuance in the Proposed Issuance, our board of directors believes it to be in our best interests to increase the number of authorized shares of Class A common stock to permit us to meet our business needs as they arise. The availability of additional authorized shares of Class A common stock will provide us with greater flexibility to issue Class A common stock for a variety of corporate purposes, without the delay and expense associated with convening a special stockholders' meeting.

Q: Why are we amending our certificate of incorporation to eliminate our Series A preferred stock?

A: Upon the consummation of all of the components of the Debt Reduction Transactions, no shares of our Series A preferred stock will be outstanding. In order to reduce the administrative and recordkeeping burden associated with maintaining a series of preferred stock for which no shares are, or are intended to be, issued, our board of directors believes it to be in our best interests to eliminate the Series A preferred stock from our capital structure after the consummation of the Debt Reduction Transactions.

Q: What does the board of directors think of the Proposals?

A: Our board of directors has determined that each of the Proposals is advisable and in our best interests.

Q: Do I have any appraisal rights?

A: No. The General Corporation Law of the State of Delaware does not provide for dissenters' rights of appraisal in connection with any of the Proposals.

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Q: What do I need to do now?

A: Nothing. This information statement provides notice to all stockholders of the action to be taken. No vote or proxy is required and we are not requesting you to send us a proxy.

Q: Whom can I talk to if I have questions about this information statement?

A: If you have questions regarding the Proposals or this information statement, please contact D.F. King & Co., the Information Agent, at (800) 949-2583. If you would like additional copies of this information statement or any document we refer to in this information statement, please contact the Information Agent.

Banks and brokerage firms can call the Information Agent collect at (212) 269-5550. You can also write to the Information Agent at: D.F. King & Co., Inc., 48 Wall Street, New York, New York 10005.

RECORD DATE

Our board of directors has fixed the close of business on February 17, 2004 (the "Record Date") as the record date for the determination of stockholders entitled to notice of the Proposals.

#### OUTSTANDING SHARES

As of the Record Date, there were issued and outstanding (i) 38,208,451 shares of our Class A common stock, each of which is entitled to one vote, (ii) 31,250,000 shares of our Class B common stock, par value \$0.01 per share, each of which is entitled to ten votes, (iii) 546 shares of our Series A preferred stock, which are not entitled to vote, and (iv) 4,333 shares of our Series B convertible preferred stock, par value \$0.01 per share, which are entitled to 433,333 votes in the aggregate. As of the Record Date, 14,590,347 shares of our Class A common stock were directly held by MacAndrews Holdings and 11,650,000 shares of our Class A common stock and all of the outstanding Class B common stock, Series A preferred stock and Series B convertible preferred stock were directly held by REV Holdings. The combined holdings of our majority stockholders, before giving effect to the Proposed Issuance, represent approximately 83% of our outstanding shares of common stock and approximately 97% of the combined voting power of our outstanding common and preferred stock.

#### APPROVAL OF OUR BOARD OF DIRECTORS

Our board of directors has determined that each of the Proposals is advisable and in our best interests.

#### VOTE REQUIRED FOR EACH OF THE PROPOSALS

##### The Proposed Issuance

Our Class A common stock is listed on the NYSE and, as a result, we are subject to the rules of the NYSE.

Rule 312.03(b) of the rules of the NYSE requires an issuer to obtain stockholder approval prior to the issuance of common stock, or of securities convertible into or exercisable for common stock, to (i) a director, officer or substantial security holder of the company (an "NYSE Related Party"), (ii) a subsidiary, affiliate or other closely-related person of an NYSE Related Party or (iii) any company or entity in which an NYSE Related Party has a substantial direct or indirect interest, if the number of shares of common stock to be issued, or if the number of shares of common stock into which the securities may be convertible or exercisable, exceeds either 1% of the number of shares of common stock or 1% of the voting power outstanding before the issuance. Rule 312.03(c) of the rules of the NYSE requires an issuer to obtain stockholder approval prior to the issuance of common stock, or of securities convertible into or exercisable for common stock, in any transaction or series of related transactions, if (a) the common stock has, or will have upon issuance, voting power equal to or in

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excess of 20% of the voting power outstanding before the issuance of such stock or of securities convertible into or exercisable for common stock or (b) the number of shares of common stock to be issued is, or will be upon issuance, equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of common stock or of securities convertible into or exercisable for common stock.

As described in "Proposal No. 1 — Approval of the Proposed Issuance — Agreements with Fidelity and MacAndrews & Forbes — The MacAndrews Support Agreement," the consummation of the Proposed Issuance will result in an issuance to MacAndrews & Forbes of a minimum of approximately 169 million shares of our Class A common stock,



constituting approximately 244% of the number of shares of common stock and approximately 48% of the voting power outstanding before giving effect to the Proposed Issuance. Based upon the assumptions described in "Proposal No. 1 — Approval of the Proposed Issuance — Certain Assumptions Used in Describing the Proposed Issuance," the consummation of the Proposed Issuance would result in an aggregate issuance by us of a minimum of approximately 265 million shares of our Class A common stock, or approximately 383% of the number of shares of common stock and approximately 76% of the voting power outstanding before the Proposed Issuance.

#### The Amendments to Our Certificate of Incorporation

Under the General Corporation Law of the State of Delaware (the "DGCL"), an amendment to a corporation's certificate of incorporation requires the affirmative vote of a majority of the outstanding stock entitled to vote thereon, and a majority of the outstanding stock of each class entitled to vote thereon as a class.

#### Action by Written Consent; No Vote Required

Your consent is not required and is not being solicited in connection with any of the Proposals. Pursuant to Section 228(a) of the DGCL, unless otherwise provided in a corporation's certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of a corporation, or any action which may be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and properly delivered to the corporation. On March 3, 2004, our majority stockholders acted by written consent and authorized each of the Proposals. Accordingly, the action by written consent of our majority stockholders is sufficient, without the concurring consent of any of our other stockholders, to approve and adopt each of the Proposals.

#### NOTICE OF ACTION BY WRITTEN CONSENT

Pursuant to Section 228(e) of the DGCL, we are required to provide prompt notice of the taking of corporate action without a meeting by less than unanimous written consent to those stockholders who have not consented in writing to such action. This information statement serves as the notice required by Section 228(e) of the DGCL.

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#### PROPOSAL NO. 1 — APPROVAL OF THE PROPOSED ISSUANCE

The Proposed Issuance has been approved and submitted for stockholder approval by our board of directors. On March 3, 2004, our majority stockholders acted by written consent (to be effective on March 23, 2004) to authorize the Proposed Issuance.

#### THE PROPOSED ISSUANCE

We are proposing the issuance of a minimum of approximately 265 million and a maximum of approximately 486 million shares of our Class A common stock. The exact number will depend on a variety of factors described below. In order to enhance the description of the Proposed Issuance, the minimum and maximum number of shares to be issued has been estimated based upon the assumptions described in "— Certain Assumptions Used in Describing the Proposed Issuance."

The Proposed Issuance is being made in connection with a series of Debt Reduction Transactions having the following components:

#### The Exchange Offers

We will issue a minimum of approximately 183 million and a maximum of approximately 404 million shares (based upon the assumptions described in "— Certain Assumptions Used in Describing the Proposed Issuance") of our Class A common stock upon exchange for Products Corporation's outstanding 8 1/8% Senior Notes, 9% Senior Notes and 8 5/8% Senior Subordinated Notes (collectively, the "Exchange Notes"), which we have guaranteed, in exchange offers (the "Exchange Offers") as follows:

1. Shares of our Class A common stock will be issued upon exchange for Products Corporation's outstanding 8 1/8% Senior Notes at an exchange ratio of 400 shares of our Class A common stock, or, at the option of the tendering holder, cash (subject to certain limitations and proration) in an amount equal to \$830, for each \$1,000 principal amount of Products Corporation's 8 1/8% Senior Notes tendered for exchange (with any accrued and unpaid interest exchangeable for, at the option of the holder thereof, cash or shares of our Class A common stock).
2. Shares of our Class A common stock will be issued upon exchange for Products Corporation's outstanding 9% Senior Notes at an exchange ratio of 400 shares of our Class A common stock, or, at the option of the tendering holder, cash (subject to certain limitations and proration) in an amount equal to \$800, for each \$1,000 principal amount of Products Corporation's 9% Senior Notes tendered for exchange (with any accrued and unpaid interest exchangeable for, at the option of the holder thereof, cash or shares of our Class A common stock).
3. Shares of our Class A common stock will be issued upon exchange for Products Corporation's outstanding 8 5/8% Senior Subordinated Notes at an exchange ratio of 300 shares of our Class A common stock, or, at the option of the tendering holder, cash (subject to certain limitations and proration) in an amount equal to \$620, for each \$1,000 principal amount of Products Corporation's 8 5/8% Senior Subordinated Notes tendered for exchange (with any accrued and unpaid interest exchangeable for, at the option of the holder thereof, cash or shares of our Class A common stock).

As described below, pursuant to separate agreements, each of Fidelity Management & Research Co. and MacAndrews & Forbes have agreed, among other things, to exchange certain Exchange Notes in the Exchange Offers and to elect to receive shares of Class A common stock in exchange therefor. In addition, MacAndrews & Forbes has committed to elect to receive shares of our Class A common stock in exchange for any accrued and unpaid interest on any Exchange Notes it tenders.

We have concluded private negotiations with Fidelity Management & Research Co., which negotiations established substantially all of the terms of the Debt Reduction Transactions, including the exchange rates for the Exchange Offers and MacAndrews & Forbes' obligation to back-stop the

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Exchange Offers described in "— Agreements with Fidelity and MacAndrews & Forbes — The MacAndrews Investment Agreement." We established the cash tender price for Exchange Notes tendered for cash.

Fidelity has committed, subject to our consummation of the Exchange Offers, to tender for exchange approximately \$75.6 million, \$47.4 million and \$32.1 million aggregate principal amount, representing 30.2%, 18.9% and 4.9% of our 8 1/8% Senior Notes, 9% Senior Notes and 8 5/8% Senior Subordinated Notes, respectively, held by it and its affiliates and consolidated funds (collectively, "Fidelity"). Pursuant to a separate agreement, MacAndrews & Forbes, which, as of February 11, 2004, held approximately \$1.0 million and \$284.8 million aggregate principal amounts, representing 0.4% and 43.8% of our 9% Senior Notes and 8 5/8% Senior Subordinated Notes, respectively, has committed, subject to our consummation of the Exchange Offers, to tender for exchange the aggregate principal amount of all such notes in the Exchange Offers for shares of our Class A common stock. The Exchange Notes to be tendered pursuant to such commitments by Fidelity and MacAndrews & Forbes are referred to in this information statement as the "Negotiated Transaction Notes." MacAndrews & Forbes has also committed to tender in the Exchange Offers all additional Exchange Notes acquired by it prior to the expiration of the Exchange Offers for shares of our Class A common stock, and to elect to receive shares of our Class A common stock in exchange for any accrued and unpaid interest on any Exchange Notes it tenders.

In addition, to the extent that a minimum of \$150 million aggregate principal amount of Exchange Notes (other than the Negotiated Transaction Notes) is not tendered in the Exchange Offers, MacAndrews & Forbes has agreed to back-stop the Exchange Offers by subscribing for additional shares of our Class A common stock, at a purchase price of \$2.50 per share, to the extent of any such shortfall. MacAndrews & Forbes has also agreed, in order for us to meet the cash requirements of the Exchange Offers, to subscribe for shares of our Class A common stock, at a purchase price of \$2.50 per share, in an aggregate subscription amount equal to the cash, if any, paid by us in exchange for Exchange Notes in the Exchange Offers (other than cash paid with respect to accrued interest on such notes). See "— Agreements with Fidelity and MacAndrews & Forbes — The MacAndrews Investment Agreement."

As a result of the commitments by Fidelity and MacAndrews & Forbes, and assuming (i) none of the outstanding aggregate principal amount of Exchange Notes, other than the approximately \$440.8 million aggregate principal amount of Negotiated Transaction Notes (and accrued and unpaid interest thereon at the applicable rate), are tendered in the Exchange Offers; (ii) the receipt by Fidelity and MacAndrews & Forbes of cash and Class A common stock, respectively, in exchange for accrued and unpaid interest thereon; and (iii) the purchase by MacAndrews & Forbes of \$150 million of shares of Class A common stock at \$2.50 per share to back-stop the Exchange Offers, then in such circumstance approximately 206 million shares of our Class A common stock will be issued in the aggregate in the Exchange Offers.

#### The Loan Conversion Transactions

We will issue approximately 73 million shares (based upon the assumption that an aggregate of approximately \$189 million will be outstanding under the Conversion Loans (as defined below) on the date we expect to consummate the Loan Conversion Transactions (as defined below)) of our Class A common stock upon exchange for certain indebtedness of Products Corporation held by MacAndrews & Forbes. We have concluded private negotiations with Fidelity Management & Research Co., which negotiations established substantially all of the terms of the Debt Reduction Transactions, including the exchange rates for the Loan Conversion Transactions. MacAndrews & Forbes has committed, subject to our consummation of the Exchange Offers, to the following transactions (the "Loan Conversion Transactions"):

1. Shares of our Class A common stock will be issued upon exchange for all amounts outstanding (including accrued and unpaid interest) under the \$100 Million Senior Unsecured Multiple-Draw Term Loan Agreement, dated as of February 5, 2003, between Products Corporation and MacAndrews Holdings, as amended (the "MacAndrews Holdings

- \$100 million term loan") (which amount outstanding we expect to be approximately \$110 million as of the date the Loan Conversion Transactions are expected to be consummated), at an exchange ratio of 400 shares of our Class A common stock for each \$1,000 outstanding.
2. Shares of our Class A common stock will be issued upon exchange for all amounts outstanding (including accrued and unpaid interest) under the \$65 Million Senior Unsecured Supplemental Line of Credit Agreement, dated as of February 5, 2003, between Products Corporation and MacAndrews Holdings, as amended (the "MacAndrews Holdings \$65 million line of credit") (which amount outstanding we expect to be \$0 as of the date the Loan Conversion Transactions are expected to be consummated), at an exchange ratio of 400 shares of our Class A common stock for each \$1,000 outstanding.
  3. Shares of our Class A common stock will be issued upon exchange for all amounts outstanding (including accrued and unpaid interest) under the \$125 Million Senior Unsecured Multiple-Draw Term Loan Agreement, dated as of January 28, 2004, between Products Corporation and MacAndrews Holdings (the "MacAndrews Holdings \$125 million term loan") (which amount outstanding we expect to be approximately \$55 million as of the date the Loan Conversion Transactions are expected to be consummated), at an exchange ratio of 400 shares of our Class A common stock for each \$1,000 outstanding.
  4. Shares of our Class A common stock will be issued upon exchange for an aggregate of approximately \$24.1 million outstanding under certain non-interest bearing subordinated promissory notes (the "MacAndrews Advance" and, together with the MacAndrews Holdings \$100 million term loan, the MacAndrews Holdings \$65 million line of credit and the MacAndrews Holdings \$125 million term loan, the "Conversion Loans"), at an exchange ratio of 300 shares of our Class A common stock for each \$1,000 outstanding.

Following the Loan Conversion Transactions, amounts undrawn at such time under the MacAndrews Holdings \$65 million line of credit and the MacAndrews Holdings \$125 million term loan will remain available to Products Corporation in accordance with their respective terms, subject to the Borrowing Limitation in the Fidelity Support Agreement (each as defined below on page 9).

#### The Preferred Stock Transactions

We will issue an aggregate of approximately 9.1 million shares of our Class A common stock in exchange for or upon conversion of, as applicable, all of our outstanding preferred stock (the "Preferred Stock Transactions"). We have concluded private negotiations with Fidelity Management & Research Co., which negotiations established substantially all of the terms of the Debt Reduction Transactions, including the exchange rate for the exchange of the Series A preferred stock described below. MacAndrews & Forbes, the holder of 100% of our Series A preferred stock and Series B convertible preferred stock, has committed, subject to our consummation of the Exchange Offers, to (i) exchange all 546 shares of outstanding Series A preferred stock (having an aggregate liquidation preference of approximately \$54.6 million) at an exchange ratio of 160 shares of Class A common stock for each \$1,000 of liquidation preference outstanding and (ii) convert all 4,333 shares of outstanding Series B convertible preferred stock into 433,333 shares of our Class A common stock in accordance with Section 8 of the Certificate of the Designations, Powers, Preferences and Rights of the Series B convertible preferred stock.

We will not issue fractional shares of our Class A common stock in the Proposed Issuance. Rather, any fractional share to which recipients of our Class A common stock would otherwise be entitled will be rounded down to the nearest whole number of shares.

In this information statement, the "Debt Reduction Transactions" refer to the Proposed Issuance in conjunction with the transactions contemplated by the Exchange Offers, the Preferred Stock Transactions, the Loan Conversion Transactions and the Negotiated Transactions (as defined below).

Our Class A common stock is listed for trading on the NYSE under the symbol "REV." We will apply for listing on the NYSE of the shares of Class A common stock to be issued in the Proposed Issuance. The approval of these listing applications is a condition to the consummation of the Exchange Offers.

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## AGREEMENTS WITH FIDELITY AND MACANDREWS & FORBES

As noted above, the terms of the Debt Reduction Transactions were privately negotiated and agreed to with Fidelity Management & Research Co., which negotiations encompassed the terms of MacAndrews & Forbes' participation and back-stop obligations.

With the commitments from Fidelity and MacAndrews & Forbes described below, a minimum of approximately \$440.8 million aggregate principal amount of the Exchange Notes, an aggregate of approximately \$189 million outstanding under the Conversion Loans and approximately \$54.6 million of aggregate liquidation preference of our preferred stock will be exchanged or converted, as the case may be, in the Debt Reduction Transactions for an aggregate of approximately 228 million shares of our Class A common stock. In addition, we may issue up to an additional 60 million shares of our Class A common stock to MacAndrews & Forbes pursuant to the commitments by MacAndrews & Forbes relating to the Exchange Offers, including the commitment to back-stop the Exchange Offers, described below in "— The MacAndrews Investment Agreement."

### The Fidelity Support Agreement

We are party to an agreement with Fidelity Management & Research Co. (as amended, the "Fidelity Support Agreement") pursuant to which Fidelity agreed to:

- tender in the Exchange Offers, subject to the terms and conditions thereof, approximately \$75.6 million, \$47.4 million and \$32.1 million aggregate principal amount, representing 30.2%, 18.9% and 4.9%, respectively, of the outstanding 8 1/8% Senior Notes, 9% Senior Notes and 8 5/8% Senior Subordinated Notes, which notes were held by it as of the date of the Fidelity Support Agreement, in exchange for shares of our Class A common stock; and
- elect to receive either cash or shares of Class A common stock in exchange for accrued and unpaid interest (at the applicable rate) on any Exchange Notes tendered by it in the Exchange Offers.

In connection with the tender by Fidelity of approximately \$155.1 million aggregate principal amount of Exchange Notes in the Exchange Offers pursuant to the Fidelity Support Agreement, we will issue to Fidelity a minimum of approximately 58.8 million shares of Class A common stock.

Fidelity has also agreed that, without our prior written consent, it will not sell, assign, grant an option with respect to, transfer or otherwise dispose of any of the Exchange Notes it has agreed to tender in the Exchange Offers, in whole or in part, unless the transferee agrees in writing to be bound by the terms of the Fidelity Support Agreement as if it were an additional signatory and we find such agreement to be reasonably acceptable.

We have agreed, among other things, until the termination of the Fidelity Support Agreement, not to issue or agree to issue any of our securities (other than to employees pursuant to the Revlon, Inc. Amended and Restated 1996 Stock Plan or any other equity based compensation plan) or to make any distributions to equity holders or incur any material

indebtedness other than under existing facilities or the Additional Term Loans (as defined below), without the consent of Fidelity. We have agreed with Fidelity not to permit Products Corporation to have outstanding aggregate borrowings, at any time until the termination of the Stockholders Agreement described below, under the MacAndrews Holdings \$65 million line of credit and the MacAndrews Holdings \$125 million term loan in excess of (a) \$190 million minus (b) the aggregate principal amount of borrowings under the MacAndrews Holdings \$125 million term loan and the MacAndrews Holdings \$65 million line of credit exchanged by MacAndrews & Forbes for Class A common stock in the Loan Conversion Transactions minus (c) the original commitment amount of the Additional Term Loans (the "Borrowing Limitation"). For a description of the Additional Term Loans, see "Proposal No. 1 — Approval of the Proposed Issuance — About Us — Our Indebtedness — Credit Agreement Amendments."

As a condition to the exchange of its Exchange Notes in the Exchange Offers, two directors nominated by Fidelity shall have been appointed to our board of directors, one of whom shall be

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appointed to each of the committees of our board of directors, subject to satisfaction of applicable listing standards and other applicable laws, rules and regulations. However, Fidelity has no right to designate members to our board of directors thereafter.

The Fidelity Support Agreement cannot be amended or waived without the prior written consent of MacAndrews & Forbes and, other than the Borrowing Limitation, the Fidelity Support Agreement will terminate upon the earlier of the consummation of the Exchange Offers, June 30, 2004 or the occurrence of certain events specified in the Fidelity Support Agreement.

#### The MacAndrews Support Agreement

We are party to a separate agreement with MacAndrews & Forbes (as amended, the "MacAndrews Support Agreement"), pursuant to which MacAndrews & Forbes agreed to:

- tender in the Exchange Offers, subject to the terms and conditions thereof, approximately \$1.0 million and \$284.8 million aggregate principal amount, representing 0.4% and 43.8%, respectively, of the outstanding 9% Senior Notes and 8 5/8% Senior Subordinated Notes, which notes were held by it as of the date of the MacAndrews Support Agreement, and the aggregate outstanding principal amount of all Exchange Notes acquired by it prior to the expiration of the Exchange Offers, in exchange for shares of our Class A common stock;
- elect to receive shares of Class A common stock in exchange for accrued and unpaid interest (at the applicable rate) on any Exchange Notes tendered by it in the Exchange Offers;
- upon the closing of the Exchange Offers, exchange all amounts outstanding (including accrued and unpaid interest) as of the date of such closing under the Conversion Loans for shares of Class A common stock in the Loan Conversion Transactions; and
- upon the closing of the Exchange Offers, exchange all 546 shares of our outstanding Series A preferred stock for shares of Class A common stock and convert all 4,333 shares of our outstanding Series B convertible preferred stock into shares of Class A common stock in the Preferred Stock Transactions.

We will issue to MacAndrews & Forbes approximately 169 million shares of Class A common stock in connection with (i) the tender by MacAndrews & Forbes of approximately \$285.8 million aggregate principal amount of

Exchange Notes in the Exchange Offers; (ii) the exchange of an aggregate of approximately \$189 million outstanding under the Conversion Loans as of the date the Loan Conversion Transactions are consummated; and (iii) the exchange or conversion, as applicable, of preferred stock in the Preferred Stock Transactions. We may also issue additional shares of Class A common stock to MacAndrews & Forbes in connection with its commitments relating to the Exchange Offers pursuant to the MacAndrews Investment Agreement (as defined below). See "— The MacAndrews Investment Agreement."

In addition, MacAndrews & Forbes has agreed to take, or cause to be taken, all action necessary to facilitate, encourage or otherwise support the Debt Reduction Transactions and to vote all of its shares of our voting stock in favor of, or consent to, the Debt Reduction Transactions. In connection with this agreement, MacAndrews & Forbes has caused the taking of the action by written consent of our majority stockholders on March 3, 2004 which is the subject of this information statement.

MacAndrews & Forbes has also agreed that, without our prior written consent, it will not sell, assign, grant an option with respect to, transfer or otherwise dispose of any of the Exchange Notes it has agreed to tender in the Exchange Offers, in whole or in part, unless the transferee agrees in writing to be bound by the terms of the MacAndrews Support Agreement as if it were an additional signatory and we find such agreement to be reasonably acceptable.

We have agreed, among other things, until the termination of the MacAndrews Support Agreement, not to issue or agree to issue any of our securities (other than to employees pursuant to the Revlon, Inc. Amended and Restated 1996 Stock Plan or any other equity based compensation plan) or to make any distributions to equity holders or incur any material indebtedness other than under existing facilities or the Additional Term Loans, without the consent of MacAndrews & Forbes.

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The MacAndrews Support Agreement cannot be amended or waived without the prior written consent of Fidelity. The MacAndrews Support Agreement will terminate upon the earlier of the consummation of the Exchange Offers, June 30, 2004 or upon the occurrence of certain events specified in the MacAndrews Support Agreement.

#### The MacAndrews Investment Agreement

In furtherance of the Fidelity Support Agreement and the MacAndrews Support Agreement, on February 20, 2004, we entered into an investment agreement (the "MacAndrews Investment Agreement") with MacAndrews & Forbes. Pursuant to the MacAndrews Investment Agreement, MacAndrews & Forbes is committed to assisting us in meeting our goal of reducing Products Corporation's indebtedness by an additional \$200 million in the aggregate by the end of 2004 and further by an additional \$100 million in the aggregate by March 2006.

Agreements Relating to the Exchange Offers. To the extent that a minimum of \$150 million aggregate principal amount of Exchange Notes (other than the Negotiated Transaction Notes) is not tendered in the Exchange Offers, MacAndrews & Forbes has agreed to back-stop the Exchange Offers by subscribing for additional shares of our Class A common stock, at a purchase price of \$2.50 per share, to the extent of any such shortfall. The net cash proceeds raised by us from such purchases, if any, will be contributed to Products Corporation as a capital contribution to be used to reduce outstanding indebtedness (other than revolving indebtedness unless there is a corresponding commitment reduction).

In order for us to meet the cash requirements of the Exchange Offers (see "— The Proposed Issuance — The Exchange Offers"), MacAndrews & Forbes has agreed to subscribe for shares of our Class A common stock, at a purchase price of \$2.50 per share, in an aggregate subscription amount equal to the cash, if any, paid by us in exchange for Exchange Notes in the Exchange Offers (other than cash paid with respect to accrued interest on such notes). Pursuant to the terms of the Exchange Offers, the maximum aggregate principal amount of Exchange Notes that may receive cash in the Exchange Offers is \$150 million, which amount will be reduced by the aggregate principal amount of Exchange Notes (other than the Negotiated Transaction Notes) validly tendered in the Exchange Offers and exchanged for shares of our Class A common stock. Any cash received by us from such purchases by MacAndrews & Forbes will be used solely to fund the cash consideration paid in the Exchange Offers.

The transactions contemplated by the Fidelity Support Agreement and the MacAndrews Support Agreement, together with the transactions relating to the Exchange Offers contemplated by the MacAndrews Investment Agreement, are referred to in this information statement as the "Negotiated Transactions."

**First Rights Offering.** In the event that MacAndrews & Forbes purchases our Class A common stock for cash in any of the circumstances described above, we will consummate a rights offering as soon as reasonably practicable after the closing of the Exchange Offers in order to provide our other pre-Debt Reduction Transaction stockholders the pro rata opportunity to subscribe for shares of Class A common stock at the same \$2.50 per share subscription price. MacAndrews & Forbes has agreed not to participate in this first rights offering. The net cash proceeds, if any, received by us in this first rights offering will be contributed to Products Corporation as a capital contribution to be used to reduce outstanding indebtedness (other than revolving indebtedness unless there is a corresponding commitment reduction).

Since this potential first rights offering is intended to allow our stockholders (other than MacAndrews & Forbes) the opportunity to invest pro rata on the same terms as MacAndrews & Forbes, it will only occur if there is a cash investment by MacAndrews & Forbes in connection with the Exchange Offers. In the event that MacAndrews & Forbes is not required to make a cash investment in connection with the Exchange Offers, we will not conduct this first rights offering. Similarly, since the size of this first rights offering is dependent on the amount of MacAndrews & Forbes' cash investment, there is no way to predict the size of the first rights offering at this time; however, because MacAndrews & Forbes' cash subscription will in no event exceed \$150 million, the

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aggregate offering amount of this first rights offering will not exceed approximately \$30.7 million for all stockholders other than MacAndrews & Forbes. We will publicly announce, following the Exchange Offers, whether the first rights offering will be necessary, and, if so, its terms and timing.

**Second Rights Offering.** As the next step in our debt reduction plan, and to the extent that we have not accomplished an aggregate of \$200 million of further debt reduction following the Exchange Offers (including MacAndrews & Forbes' back-stop, if any) and the first rights offering, we will, prior to December 31, 2004, consummate a second rights offering in order to provide all our stockholders the pro rata opportunity to subscribe for shares of our Class A common stock. For these purposes, \$200 million of further debt reduction will be measured by the aggregate principal amount of Exchange Notes tendered in the Exchange Offers (other than the Negotiated Transaction Notes), the amount of any cash contributed by MacAndrews & Forbes (other than to provide the cash consideration for the Exchange Offers) and the proceeds of the first rights offering described above. This second rights offering will be at an aggregate subscription price equal to the amount necessary to meet the \$200 million aggregate debt reduction target by December 31, 2004 and will not exceed \$50 million since at least \$150 million of debt reduction in the aggregate is



ensured as a result of MacAndrews & Forbes' back-stop obligations in the Exchange Offers. MacAndrews & Forbes has agreed to back-stop this second rights offering by agreeing to purchase all shares not subscribed for by other stockholders, thereby ensuring that the second rights offering will be fully subscribed. The net cash proceeds, if any, received by us in this second rights offering will be contributed to Products Corporation as a capital contribution to be used to reduce outstanding indebtedness (other than revolving indebtedness unless there is a corresponding commitment reduction). The price and other terms of the second rights offering, if it is necessary, will be set by our board of directors and publicly announced at the appropriate time.

**Third Stage Equity Offerings.** As the last step in our debt reduction plan, and in order to reach an aggregate of \$300 million of further debt reduction (inclusive of the \$200 million debt reduction described above), we have agreed to consummate further equity offerings in such amounts necessary to meet the \$300 million aggregate debt reduction target by March 31, 2006. For these purposes, \$300 million of further debt reduction will be measured by the aggregate principal amount of Exchange Notes tendered in the Exchange Offers (other than the Negotiated Transaction Notes), the amount of any cash contributed by MacAndrews & Forbes (other than to provide the cash consideration for the Exchange Offers) and the proceeds of the first and the second rights offerings described above. These additional equity offerings will only occur if and to the extent of any shortfall necessary to meet the \$300 million aggregate debt reduction target by March 31, 2006 and will not exceed \$100 million since at least \$200 million of debt reduction in the aggregate is ensured as a result of MacAndrews & Forbes' back-stop obligations in the Exchange Offers and in the second rights offering. MacAndrews & Forbes has agreed to back-stop these additional equity offerings, thereby ensuring that the \$300 million aggregate debt reduction target will be fully met. The net cash proceeds, if any, received by us in the additional equity offerings will be contributed to Products Corporation as a capital contribution to be used to reduce outstanding indebtedness (other than revolving indebtedness unless there is a corresponding commitment reduction). The terms of any such equity offerings, if necessary, will be set by our Board of Directors and publicly announced at the appropriate times.

MacAndrews & Forbes' obligations to acquire our capital stock pursuant to the MacAndrews Investment Agreement are subject to customary conditions. The MacAndrews Investment Agreement cannot be amended or waived without the prior written consent of Fidelity.

**Registration Rights.** The MacAndrews Investment Agreement provides that any shares of our Class A common stock acquired by MacAndrews & Forbes in transactions contemplated by the MacAndrews Investment Agreement, including the Debt Reduction Transactions, will be deemed to be registrable securities under the registration rights agreement initially entered into prior to the consummation of our initial public equity offering with Revlon Worldwide Corporation (subsequently merged into REV Holdings), our then direct parent, as modified by the February 2003 joinder agreement with MacAndrews Holdings.

**Voting and Other Support.** In addition, MacAndrews & Forbes has agreed to use its commercially reasonable efforts and take, or cause to be taken, all commercially reasonable actions in

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order to facilitate the Debt Reduction Transactions and all of the transactions contemplated by the MacAndrews Investment Agreement as described above. MacAndrews & Forbes has further agreed to vote all of its shares of our voting stock in favor of, or consent to, the Debt Reduction Transactions and all of the transactions contemplated by the MacAndrews Investment Agreement as described above.

The Stockholders Agreement

Also in furtherance of the Fidelity Support Agreement, on February 20, 2004, we entered into a stockholders agreement (the "Stockholders Agreement") with Fidelity Management & Research Co. pursuant to which, among other things (i) we will continue to maintain a majority of independent directors on our board of directors (as defined by NYSE listing standards; provided, however, that any directors nominated by Fidelity in accordance with the Fidelity Support Agreement shall be deemed to be independent for purposes of the Stockholders Agreement); (ii) we will establish and maintain a nominating and corporate governance committee of our board of directors; (iii) certain restrictions will be placed on us with respect to our conducting any business or entering into any transactions or series of related transactions with any of our affiliates, any holders of 10% or more of our outstanding voting stock or any affiliates of such holders (in each case, other than our subsidiaries); and (iv) the Borrowing Limitation described above in "Proposal No. 1 — Approval of the Proposed Issuance — Agreements with Fidelity and MacAndrews & Forbes — The Fidelity Support Agreement" will survive the termination of the Fidelity Support Agreement but will terminate when the Stockholders Agreement terminates. The Stockholders Agreement will terminate (x) at such time as Fidelity ceases to be the beneficial holder of at least 5% of our outstanding voting stock or (y) June 30, 2004, in the event that the Exchange Offers have not been consummated by such time.

#### CERTAIN ASSUMPTIONS USED IN DESCRIBING THE PROPOSED ISSUANCE

To enhance the description of the Proposed Issuance and to allow you to understand the range of shares which may be issued therein, we have provided certain disclosure with respect to the number of shares of our Class A common stock that may be issued in the Proposed Issuance.

For purposes of estimating the minimum number of shares of our Class A common stock that may be issued in the Proposed Issuance, we have assumed that (i) the Negotiated Transaction Notes (having an aggregate principal amount of approximately \$440.8 million) will be tendered in exchange for our Class A common stock in the Exchange Offers (with any accrued and unpaid interest on such notes tendered by Fidelity and MacAndrews & Forbes paid in cash and shares of Class A common stock, respectively); (ii) \$150 million aggregate principal amount of Products Corporation's 8 5/8% Senior Subordinated Notes (and any accrued and unpaid interest thereon) will be tendered for cash in the Exchange Offers; (iii) an aggregate of approximately \$189 million outstanding under the Conversion Loans as of the date we expect to consummate the Debt Reduction Transactions will be exchanged in the Loan Conversion Transactions; and (iv) all shares of our preferred stock will be exchanged or converted, as applicable, in the Preferred Stock Transactions.

For purposes of estimating the maximum number of shares of our Class A common stock that may be issued in the Proposed Issuance, we have assumed that (i) 100% of the aggregate principal amount of outstanding Exchange Notes (including the Negotiated Transaction Notes and having an aggregate principal amount of approximately \$1.15 billion) will be tendered in the Exchange Offers for shares of Class A common stock (with any accrued and unpaid interest on such notes paid in shares of Class A common stock); (ii) an aggregate of approximately \$189 million outstanding under the Conversion Loans as of the date we expect to consummate the Debt Reduction Transactions will be exchanged in the Loan Conversion Transactions; and (iii) all shares of our preferred stock will be exchanged or converted, as applicable, in the Preferred Stock Transactions.

With respect to our estimate of the number of shares we expect to issue in exchange for accrued and unpaid interest on the Exchange Notes, we have calculated such interest as we currently expect it to be as of March 31, 2004. In addition, with respect to our estimate of the number of shares we expect to issue in exchange for principal, and accrued and unpaid interest, under the Conversion

Loans, we have calculated such outstanding amounts as we currently expect them to be as of March 31, 2004. The assumptions made for purposes of "Selected Historical and Unaudited Pro Forma Consolidated Financial Data" and "— About Us — Capitalization" may reflect different assumptions as described in the footnotes thereto.

#### DESCRIPTION OF OUR CLASS A COMMON STOCK

For a description of our Class A common stock, see "Proposal No. 1 — Approval of the Proposed Issuance — About Us — Description of Our Capital Stock."

#### DESCRIPTION OF CONSIDERATION FOR THE PROPOSED ISSUANCE

For a description of the Exchange Notes, see "Proposal No. 1 — Approval of the Proposed Issuance — About Us — Our Indebtedness." For a description of the Conversion Loans, see "Proposal No. 1 — Approval of the Proposed Issuance — About Us — Our Indebtedness — Borrowings from MacAndrews & Forbes." For a description of our Series A preferred stock and Series B convertible preferred stock, see "Proposal No. 1 — Approval of the Proposed Issuance — About Us — Description of Our Capital Stock."

#### REASONS FOR THE PROPOSED ISSUANCE

We conduct our business exclusively through our direct subsidiary, Products Corporation. We are undertaking the Proposed Issuance in order to consummate the Debt Reduction Transactions and the resulting reduction in the indebtedness and interest expense of Products Corporation, which are intended to:

- help the continued implementation of, and refinement to, Products Corporation's plan;
- provide us with greater financing and operational flexibility; and
- decrease the risk that would otherwise exist if Products Corporation were to fail to meet its debt and ongoing obligations as they begin to come due in 2005.

As of February 17, 2004, Products Corporation's total indebtedness was approximately \$1,926 million. Products Corporation has substantial debt maturing in 2005, consisting of \$310.0 million under its Credit Agreement (as defined below) (assuming the maximum amount is borrowed and after giving effect to the February 2004 Credit Agreement Amendment (as defined below)), \$363.0 million of Products Corporation's 12% Senior Secured Notes (as defined below), \$106.6 million (including accrued interest of \$6.6 million at February 17, 2004) principal amount outstanding under the MacAndrews Holdings \$100 million term loan, any amounts outstanding under the MacAndrews Holdings \$65 million line of credit, any amounts outstanding under the MacAndrews Holdings \$125 million term loan and \$24.1 million under the MacAndrews Advance and, in each case, accrued interest, as applicable. With respect to the MacAndrews Holdings \$100 million term loan and the MacAndrews Holdings \$125 million term loan, in each case, interest is not payable in cash, but accrues to the principal amount each quarter. In addition, \$250.0 million and \$250.0 million in aggregate principal amount, are due under the 8 1/8% Senior Notes and the 9% Senior Notes in 2006, respectively.

We believe we have made considerable progress since 2002 in implementing our plan. However, the maturity of substantial amounts of Products Corporation's debt beginning in 2005 presents significant challenges. We believe that a reduction in Products Corporation's indebtedness will provide the operational as well as financial flexibility to allow us to execute and achieve the continued implementation of our plan. We believe that strengthening our balance sheet, in addition to increasing our liquidity, will allow us to receive better commercial terms from our vendors and our retail partners. In addition, reducing Products Corporation's indebtedness, combined with our projected improving operating performance, should provide us with other opportunities to further strengthen our financial position, such as raising capital through new equity or debt issuances on more favorable terms, refinancing Products Corporation's bank debt or retiring or refinancing some or all of Products Corporation's remaining public indebtedness.

In mid-December 2003, the board of directors of the Company authorized management to begin exploring various alternatives to strengthen our balance sheet by reducing indebtedness and increasing equity. At that time, management was charged with exploring the issuance of equity or debt securities, including Class A common stock, for cash or in exchange for Products Corporation's outstanding indebtedness. In order to assist management in its analysis of the potential transactions and any negotiations with relevant parties, we retained UBS Securities LLC as our exclusive financial advisor and capital markets advisor.

The proposed Debt Reduction Transactions (including the Exchange Offers and Loan Conversion Transactions) include a debt for equity exchange that would have, assuming all \$1.15 billion of the Exchange Notes are exchanged in the Exchange Offers, reduced Products Corporation's outstanding total indebtedness by approximately \$1,296 million, or approximately 68.3% of Products Corporation's outstanding total indebtedness as of December 31, 2003, reduced Products Corporation's annual interest expense by approximately \$105.9 million, and reduced the earnings to fixed charges deficiency by approximately \$108.1 million on a pro forma basis for the year ended December 31, 2003. As of March 31, 2004, using the same assumptions and also assuming that approximately \$189 million will be outstanding under the Conversion Loans as of March 31, 2004, we estimate that our indebtedness will be reduced by approximately \$1,339 million, or 68.7% of our outstanding indebtedness. Alternatively, assuming that the only Exchange Notes tendered in the Exchange Offers are the Negotiated Transaction Notes and that MacAndrews & Forbes back-stops the Exchange Offers (as described above), the Debt Reduction Transactions (including the Exchange Offers and Loan Conversion Transactions) would have reduced Products Corporation's total indebtedness by approximately \$736.9 million, or approximately 38.8% of Products Corporation's outstanding total indebtedness as of December 31, 2003, reduced Products Corporation's annual interest expense by approximately \$57.6 million, and reduced the earnings to fixed charges deficiency by approximately \$58.7 million on a pro forma basis for the year ended December 31, 2003. As of March 31, 2004, using the same assumptions and also assuming that approximately \$189 million will be outstanding under the Conversion Loans as of March 31, 2004, we estimate that our outstanding indebtedness will be reduced by approximately \$780 million, or 40.0% of our outstanding indebtedness. Our Series A preferred stock with an aggregate liquidation preference of \$54.6 million will also be exchanged for, and Series B convertible preferred stock will be converted into, shares of our Class A common stock in the Preferred Stock Transactions. The consummation of the Debt Reduction Transactions to refinance a portion of Products Corporation's long-term debt is a critical step in our strategic plan and, we believe, maximizes value for all of our stakeholders. We have many competitive strengths, including our significant revenue and margin potential, strong customer relationships, strong management team and business plan, strong market position and powerful brand equities. With a stronger long-term capital structure and adequate working capital, we believe that our business will remain viable and can reasonably be managed to produce higher margins in the future than those experienced in 2002 and 2003. We believe that a strengthened capital structure will enable us to retain and attract high quality personnel and, most importantly, existing and future customers, negotiate better terms with our vendors and customers, devote increased resources to new product development and employee training and enable us to successfully implement and refine our plan.

While we are making the Exchange Offers to all of the holders of the Exchange Notes, the success of this transaction is not dependent on the participation of any holders other than Fidelity and MacAndrews & Forbes, each of which has entered into a separate agreement to participate. MacAndrews & Forbes has also committed to the Loan Conversion Transactions and the Preferred Stock Transactions. In addition, to the extent that a minimum of \$150 million aggregate principal amount of Exchange Notes (other than the Negotiated Transaction Notes) is not tendered in the Exchange Offers, MacAndrews & Forbes has agreed to back-stop the Exchange Offers by subscribing for additional shares of our Class A common stock, at a purchase price of \$2.50 per share, to the extent of any such shortfall. MacAndrews & Forbes has also agreed, in order for us to meet the cash requirements of the Exchange Offers, to subscribe for shares of our Class A common stock, at a purchase price of \$2.50 per share, in an aggregate subscription

amount equal to the cash, if any, paid by us in exchange for Exchange Notes in the Exchange Offers (other than cash paid with respect to

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accrued interest on such notes). See "— Agreements with Fidelity and MacAndrews & Forbes — The MacAndrews Investment Agreement."

We believe that the Debt Reduction Transactions are a critical step in enhancing our prospects for successfully refinancing the significant portion of Products Corporation's debt that is due in 2005 and 2006. However, the reduction in Products Corporation's debt that results from consummating the Debt Reduction Transactions may not, without additional actions, be sufficient to achieve these goals, and we have agreed to undertake, in certain circumstances, future rights offerings and other equity offerings to effectuate further debt reduction, as described in "Proposal No. 1 — Approval of the Proposed Issuance — Agreements with Fidelity and MacAndrews & Forbes — The MacAndrews Investment Agreement." In addition, we may in the future evaluate various transactions to further simplify and restructure our capital structure, which may include refinancing Products Corporation's Credit Agreement, refinancing or retiring some or all of Products Corporation's remaining public indebtedness or issuing new debt or equity securities. We believe that a reduction in Products Corporation's level of indebtedness and the accompanying interest expense, combined with improved operating performance, will enhance our ability to effect other possible refinancing or debt reduction transactions on terms that are favorable to us, improve our operational flexibility and reduce the risks faced by us with respect to having substantial indebtedness. However, we cannot assure you that we will be able to consummate other possible transactions or that we will be able to consummate them on commercially reasonable terms. Any possible transactions would be subject to, among other things, agreement on terms and any necessary consents of the banks under Products Corporation's Credit Agreement and any necessary board, stockholder and regulatory approvals.

Although we currently have no reason to believe we will be unable to do so, if we are unable to reduce Products Corporation's current debt obligations through the Debt Reduction Transactions and thus improve our financial stability, we may be required to adopt one or more alternatives, such as delaying the implementation, or revising aspects, of our plan; reducing or delaying purchases of wall displays, advertising or promotional expenses; reducing or delaying capital spending; delaying, reducing or revising restructuring programs; selling assets or operations; seeking additional capital contributions or loans from MacAndrews & Forbes, our other affiliates and/or third parties; selling additional equity securities of the Company or reducing other discretionary spending.

Products Corporation's substantial indebtedness affects its operations in a number of ways. Products Corporation is subject to the risks normally associated with substantial indebtedness, including the risk that its operating revenues will be insufficient to meet required payments of principal and interest and the risk that it will be unable to refinance existing indebtedness when it becomes due or that the terms of any such refinancing will be less favorable than the current terms of such indebtedness. In addition, Products Corporation's substantial indebtedness could also:

- limit its ability to fund the costs and expenses of the continued implementation of, and refinement to, our plan, future working capital, capital expenditures, advertising or promotional expenses, new product development costs, purchases of wall displays, acquisitions, investments, restructuring programs and other general corporate requirements;
- require it to dedicate a substantial portion of its cash flow from operations to payments on its indebtedness, thereby reducing the availability of its cash flow for the continued implementation

- of, and refinement to, our plan and other general corporate purposes;
- place it at a competitive disadvantage compared to competitors that have less debt;
  - limit its flexibility in responding to changes in its business and the industry in which it operates; and
  - make it more vulnerable in the event of adverse economic conditions or a downturn in its business.

Restrictions and covenants in Products Corporation's debt agreements also limit its ability to take certain actions and impose consequences in the event of failure to comply. The indentures and the debt agreements governing Products Corporation's outstanding indebtedness, Products Corporation's

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Credit Agreement and the agreements governing the MacAndrews Holdings \$100 million term loan, the MacAndrews Holdings \$65 million line of credit and the MacAndrews Holdings \$125 million term loan contain a number of significant restrictions and covenants that limit Products Corporation's and its subsidiaries' ability to, among other things, borrow money, use assets as security in other borrowings or transactions, pay dividends on stock or purchase stock, sell assets, enter into certain transactions with affiliates and make certain investments or acquisitions.

Events beyond Products Corporation's control, such as prevailing economic conditions, changes in consumer preferences and changes in the competitive environment, could impair its operating performance, which could affect its ability and that of its subsidiaries to comply with the terms of its debt instruments. Breaching of the covenants or restrictions or the failure to comply with obligations after the lapse of any applicable grace periods could result in a default under the applicable debt instruments, including Products Corporation's Credit Agreement. If there were an event of default, holders of such defaulted debt could cause all amounts borrowed under these instruments to be due and payable immediately. Because we cannot assure you that the assets or cash flow of Products Corporation or its subsidiaries would be sufficient to fully repay borrowings under the outstanding debt instruments, either upon maturity or if accelerated upon an event of default or, in the case of certain debt securities of Products Corporation, if it was required to repurchase these securities upon a change of control, Products Corporation may be unable to refinance or restructure the payments on such debt. Further, if Products Corporation is unable to repay, refinance or restructure its indebtedness under its Credit Agreement, the lenders could proceed against the collateral securing that indebtedness. In addition, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of Products Corporation's or its subsidiaries' other debt instruments.

#### EFFECTS OF THE PROPOSED ISSUANCE

The Debt Reduction Transactions, including the Negotiated Transactions, are not conditioned upon any minimum participation, other than the participation of Fidelity and MacAndrews & Forbes in the Exchange Offers pursuant to their separate agreements to participate. Accordingly, subject to the terms and conditions of each of the Fidelity Support Agreement, the MacAndrews Support Agreement and the MacAndrews Investment Agreement, a minimum of approximately 265 million and a maximum of approximately 486 million shares (based upon the assumptions described in "— Certain Assumptions Used in Describing the Proposed Issuance") of our Class A common stock will be issued in the Proposed Issuance, and, accordingly, upon consummation of the Proposed Issuance, a minimum of approximately 304 million and a maximum of approximately 524 million shares of our Class A common stock will be outstanding.

Dilution

As a result of the Proposed Issuance, holders of our Class A common stock will incur substantial dilution of their shares. The following table sets forth certain record ownership of our common stock as of February 17, 2004 on a historical basis and as adjusted to give pro forma effect to the Proposed Issuance as if such transactions had occurred on February 17, 2004 (and based upon the total amount of indebtedness of approximately \$1,948 million that we expect to be outstanding as of March 31, 2004). The pro forma adjustments give effect to the Proposed Issuance based on the assumptions described in footnotes (1) and (2) below, which underlie our estimates regarding the issuance of a minimum of approximately 265 million and maximum of approximately 486 million shares, respectively, described in this information statement. The information below has not been prepared in accordance with the rules of the SEC relating to beneficial ownership in that it does not include shares of common stock which a holder has the right to acquire within 60 days through the exercise of any option, warrant or right, through conversion of any security or pursuant to the automatic termination of a power of attorney or revocation of a trust, discretionary account or similar arrangement. For information regarding certain beneficial ownership of our common stock as determined under the rules of the SEC (and without giving effect to the Proposed Issuance) see "Security Ownership of Certain Beneficial Owners and Management."

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Notwithstanding the potential dilution of MacAndrews & Forbes' ownership described below, following the consummation of the Proposed Issuance, regardless of the aggregate principal amount of Exchange Notes tendered and exchanged for shares of Class A common stock in the Exchange Offers, MacAndrews & Forbes will continue to hold a majority of the combined voting power of our outstanding shares of common stock.

Holder	Amount and Nature of Record Ownership			Percentage of Common Stock (Class A and Class B)		
	Historical	Pro Forma(1)	Pro Forma(2)	Historical	Pro Forma(1)	Pro Forma(2)
MacAndrews & Forbes	57,490,347 (Class A and Class B) (3)	227,308,375 (Class A and Class B)	264,508,376 (Class A and Class B)	82.8%	40.9%	78.9%
Fidelity	1,535,585 (Class A)	61,656,927 (Class A)	60,352,385 (Class A)	2.2	11.1	18.0
Other Stockholders	10,432,519 (Class A)	10,432,519 (Class A)	10,432,519 (Class A)	15.0	1.9	3.1

(1) Adjusted to reflect approximately 556 million shares of common stock outstanding as of February 17, 2004, after giving pro forma effect to the issuance of approximately 486 million shares of Class A common stock in the Proposed Issuance as if such transactions had been consummated on February 17, 2004 and assuming that (i) 100% of the aggregate principal amount, or \$1.15 billion, of outstanding Exchange Notes (including the Negotiated Transaction Notes) (and any accrued and unpaid interest thereon at the applicable rate) had been tendered in the Exchange Offers for Class A common stock; (ii) approximately \$189 million outstanding under the Conversion Loans as of the date the Loan Conversion Transactions are expected to be consummated had been exchanged in the Loan Conversion Transactions; and (iii) all of the outstanding preferred stock had been exchanged or converted, as applicable, in the Preferred Stock Transactions.

(2) Adjusted to reflect approximately 335 million shares of common stock outstanding as of February 17, 2004, after giving pro forma effect to the issuance of approximately 265 million shares of Class A common stock in the Proposed Issuance as if such transactions had been consummated on February 17, 2004 and assuming that (i) the Negotiated Transaction Notes had been tendered in the Exchange Offers for shares of Class A common stock (with any accrued and unpaid interest at the applicable rate on the Negotiated Transaction Notes tendered by Fidelity and MacAndrews & Forbes being exchanged for cash and Class A common stock, respectively); (ii) \$150 million aggregate principal amount of 8 5/8% Senior Subordinated Notes (and any accrued and unpaid interest thereon) had been tendered for cash in the Exchange Offers; (iii) approximately \$189 million outstanding under the Conversion Loans as of the date the Debt Reduction Transactions are expected to be consummated had been exchanged in the Loan Conversion Transactions; and (iv) all of the outstanding preferred stock had been exchanged or converted, as applicable, in the Preferred Stock Transactions. The Negotiated Transactions are not contingent on participation by other bondholders.

(3) Includes (i) 26,240,347 shares of our Class A common stock (11,650,000 of which are owned by REV Holdings and 14,590,347 of which are owned by MacAndrews Holdings), which represent approximately 69% of the outstanding shares of our Class A common stock as of February 17, 2004 before giving effect to the Proposed Issuance and (ii) all of the outstanding 31,250,000 shares of our Class B common stock, which together with the shares referenced in subclause (i) above represent approximately 83% of the outstanding shares of our common stock and approximately 97% of the combined voting power of our common stock as of February 17, 2004 before giving effect to the Proposed Issuance. Does not include (i) 4,333 shares of our Series B convertible preferred stock held by REV Holdings, which will be converted into 433,333 shares of our Class A common stock in the Preferred Stock Transactions and (ii) certain options held by Mr. Perelman (see "Security Ownership of Certain Beneficial Owners and Management").

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#### Certain Participants in the Exchange Offers May Become Significant Stockholders

As a result of the Proposed Issuance, certain holders of Exchange Notes, including Fidelity, may become significant stockholders of the Company. As a result of the shares of Class A common stock to be issued to Fidelity in the Exchange Offers pursuant to the Fidelity Support Agreement, Fidelity will, following the Proposed Issuance, own at least approximately 60.4 million shares of our Class A common stock. In addition, as a condition to the exchange of its Exchange Notes in the Exchange Offers, two directors nominated by Fidelity shall have been appointed to our board of directors, one of whom shall be appointed to each of the committees of our board of directors, subject to satisfaction of applicable listing standards and other applicable laws, rules and regulations. However, Fidelity has no right to designate members to our board of directors thereafter. See "— Agreements with Fidelity and MacAndrews & Forbes — The Fidelity Support Agreement."

Holders of Exchange Notes other than Fidelity, including certain holders who, as of February 17, 2004, held Exchange Notes in an aggregate principal amount in excess of those to be tendered in the Exchange Offers by Fidelity pursuant to the Negotiated Transactions, may also tender their Exchange Notes for shares of our Class A common stock in the Exchange Offers. Accordingly, such holders may become significant stockholders of the Company upon consummation of the Debt Reduction Transactions.

#### Effect on Price of Common Stock



The Proposed Issuance contemplates the issuance of our Class A common stock. The price of the Class A common stock is highly linked to our financial condition and the number of shares outstanding. Because we are issuing a significant amount of Class A common stock in the Proposed Issuance, we do not know at what price the Class A common stock will trade following the consummation of such transactions. In addition, other than the Negotiated Transaction Notes, we do not know how many of the Exchange Notes will be tendered in the Exchange Offers and how many shares of Class A common stock will be issued in exchange therefor, which may further affect the price of our Class A common stock.

#### Effect on Earnings Per Share

For information on the possible effect of the Proposed Issuance on our earnings per share, see "Selected Historical and Unaudited Pro Forma Consolidated Financial Data."

#### Tax Consequences to the Company

**Tax Sharing Agreement.** The Company and Products Corporation, for U.S. federal income tax purposes, are currently included in the affiliated group of which Mafco Holdings is the common parent, and our and Products Corporation's U.S. federal taxable income and loss are included in such group's consolidated tax return filed by Mafco Holdings. The Company and Products Corporation also are included in Florida state and local tax returns of Mafco Holdings or its subsidiaries. In June 1992, MacAndrews Holdings, the Company, Products Corporation and certain of its subsidiaries and Mafco Holdings entered into a tax sharing agreement (as subsequently amended and restated, the "Tax Sharing Agreement"), pursuant to which Mafco Holdings agreed to indemnify the Company and Products Corporation against federal, state or local income tax liabilities of the consolidated or combined group of which Mafco Holdings (or a subsidiary of Mafco Holdings other than the Company and Products Corporation or its subsidiaries) is the common parent for taxable periods beginning on or after January 1, 1992 during which the Company and Products Corporation or a subsidiary of Products Corporation is a member of such group. Pursuant to the Tax Sharing Agreement, for all taxable periods beginning on or after January 1, 1992, Products Corporation pays to us, and we in turn pay to MacAndrews Holdings, amounts equal to the taxes that Products Corporation would otherwise have to pay if it were to file separate U.S. federal, state or local income tax returns (including any amounts determined to be due as a result of a redetermination arising from an audit or otherwise of the consolidated or combined tax liability relating to any such period which is attributable to Products Corporation), except that Products Corporation is not entitled to carry back any losses to taxable periods ending prior to January 1, 1992.

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Each member of a consolidated group is severally liable for the federal income tax liability of each other member of the consolidated group. Accordingly, with respect to periods in which the Company and Products Corporation are included in Mafco Holdings' consolidated group, each such member could be liable for any U.S. federal income tax liability incurred, but not discharged, by any other member of Mafco Holdings' consolidated group.

**Deconsolidation of the Company.** As a result of the Proposed Issuance, it is likely that, as of the end of the day on which the Debt Reduction Transactions close, the Company, Products Corporation and our U.S. subsidiaries will no longer be included in the Mafco Holdings consolidated group for U.S. federal income tax purposes. Sections 1501 to 1504 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury regulations issued thereunder, govern both the calculation of the amount and allocation to the members of the consolidated group of any consolidated federal net operating losses of the group ("CNOLs") that will be available to offset the taxable income of the Company and our U.S. subsidiaries for taxable years beginning on the day after the Debt Reduction Transactions

close.

It is impossible to estimate accurately the amount of CNOLs that will be allocated to us if we and our U.S. subsidiaries cease to be members of the Mafco Holdings consolidated group as of the end of the day on which the Debt Reduction Transactions close because various factors could increase or decrease or eliminate these amounts before that time. These factors include, but are not limited to, the actual date that the Debt Reduction Transactions close and the amount and nature of the income, gains or losses that we and our U.S. subsidiaries recognize in the period from January 1, 2004 through the day on which the Debt Reduction Transactions close. Furthermore, the amount and nature of the income, gains or losses that the other members of the Mafco Holdings consolidated group recognize in the 2004 taxable year will also determine the amount of CNOLs that will be allocated to us because any CNOLs are, pursuant to Treasury regulations, first used to offset the taxable income of the Mafco Holdings group for the entire consolidated return year ending December 31, 2004. Only the amount of any CNOLs that the Mafco Holdings consolidated group does not absorb during 2004 will be available to be allocated to us and our U.S. subsidiaries for our taxable years beginning on the day after the Debt Reduction Transactions close. This may significantly reduce, or even eliminate, the amount of CNOLs available to us and our U.S. subsidiaries. Subject to the foregoing, it is estimated that we and our U.S. subsidiaries would have approximately \$330.0 million in U.S. federal net operating losses and nil for alternative minimum tax losses available to us if such deconsolidation were to occur at March 31, 2004.

Any losses that we and our U.S. subsidiaries may generate after the day the Debt Reduction Transactions close will generally be available for our use and the use of our U.S. subsidiaries and will not be available for the use of the Mafco Holdings consolidated group.

**Section 382 Limitation.** It is possible that the Proposed Issuance could result in an ownership change for purposes of Section 382 of the Code if more than a threshold amount of Exchange Notes (in addition to the approximately \$440.8 million of Negotiated Transaction Notes), other than Exchange Notes tendered by MacAndrews & Forbes (if any), are exchanged for our Class A common stock. This threshold amount is expected to be approximately \$475 million (in addition to the approximately \$440.8 million of Negotiated Transaction Notes), but, in fact, would vary based upon the mix of Exchange Notes exchanged since the 8 1/8% Senior Notes and the 9% Senior Notes exchange at 400 shares of Class A common stock per \$1,000 principal amount while the 8 5/8% Senior Subordinated Notes exchange at 300 shares of Class A common stock per \$1,000 principal amount. If an ownership change were to occur, the portion of the CNOL that would be attributed to us for periods following the Proposed Issuance would be subject to an annual limitation, which would generally equal the product of the value of our stock (with certain adjustments) immediately before the ownership change and the then applicable "long-term tax-exempt rate" (e.g., 4.58% for ownership changes occurring in February 2004). In that case, our ability to use such net operating losses to offset future taxable income from operations would be materially limited.

**Cancellation of Indebtedness Income.** The consummation of the Debt Reduction Transactions will result in the cancellation of a portion of Products Corporation's outstanding indebtedness.

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Products Corporation will realize cancellation of debt ("COD") income in an amount equal to the excess, if any, of the adjusted issue price of the Exchange Notes and Conversion Loans (generally including any accrued but unpaid interest) over the sum of the fair market value of the Class A common stock and/or cash consideration issued or paid in exchange therefor. The COD income realized by Products Corporation will be included in the consolidated federal income tax return of Mafco Holdings for the current taxable year ending on December 31, 2004. We believe that

under the Tax Sharing Agreement we have sufficient credits for prior net operating losses that will offset all of the anticipated COD income arising from the Debt Reduction Transactions so that we will not be required to make any payments to MacAndrews & Forbes under the Tax Sharing Agreement as a result of the COD income arising from the Debt Reduction Transactions.

## ABOUT US

We conduct our business exclusively through our direct subsidiary, Products Corporation, which manufactures, markets and sells an extensive array of cosmetics and skin care, fragrances and personal care products. We are one of the world's leading mass-market cosmetics brands. We believe that our global brand name recognition, product quality and marketing experience have enabled us to create one of the strongest consumer brand franchises in the world. Our products are sold worldwide and marketed under such well-known brand names as Revlon, ColorStay, Revlon Age Defying and Skinlights, as well as Almay in cosmetics; Almay Kinetin, Vitamin C Absolutes, Eterna 27, Ultima II and Jeanne Gatineau in skin care; Charlie in fragrances; and High Dimension, Flex, Mitchum, Colorsilk, Jean Naté and Bozzano in personal care products.

Our Company was founded by Charles Revson, who revolutionized the cosmetics industry by introducing nail enamels matched to lipsticks in fashion colors over 70 years ago. Today, we have leading market positions in a number of our principal product categories in the U.S. mass-market distribution channel, including the lip, face makeup and nail enamel categories. We also have leading market positions in several product categories in certain markets outside of the U.S., including in Australia, Canada, Mexico and South Africa. Our products are sold in more than 100 countries across six continents.

## Our Plan

Our plan consists of three main components: (1) the cost rationalization phase; (2) the stabilization and growth phase; and (3) the continued growth momentum and accelerated growth phase.

**Phase 1 – Cost Rationalization.** In 1999 and 2000, we faced a number of strategic challenges. Accordingly, through 2001 we focused our plan on lowering costs and improving operating efficiency. We believe that the actions taken during 2000 and 2001 lowered aspects of our cost structure and improved our manufacturing and operating efficiency, creating a platform for the stabilization and growth stage of our plan.

**Phase 2 – Stabilization and Growth.** In February 2002, we announced the appointment of Jack L. Stahl, former president and chief operating officer of The Coca-Cola Company, as our new President and Chief Executive Officer. Following the appointment of Mr. Stahl, we undertook an extensive review and evaluation of our business to establish specific integrated objectives and actions to advance the next stage in our plan. As a result of this review, we established three principal objectives:

- creating and developing the most consumer-preferred brands;
- becoming the most valuable partner to our retailers; and
- becoming a top company where people choose to work.

We also conducted detailed evaluations and research of the strengths of the Revlon brand and the Almay brand; our advertising and promotional efforts; our relationships with our retailers and consumers; our retail in-store presence; and the strength and skills of our organization. As a result, we developed the following key actions and investments to support the stabilization and growth phase of our plan:

- Increase advertising and media spending and effectiveness. We increased our media spending and advertising support in 2003 and the latter half of 2002. We are also seeking to improve the effectiveness of our marketing, including our advertising, by, among other things, ensuring consistent messaging and imagery in our advertising, in the graphics included in our wall displays and in other marketing materials.
- Increase the marketing effectiveness of our wall displays. Beginning in the first quarter of 2003, we have begun and intend to continue to make significant improvements to our retail wall displays by streamlining our product assortment and reconfiguring product placement, which we believe will optimize cross-selling among our various product categories on the wall displays and make the displays easier to merchandise and stock. We also intend to continue to roll out our new wall displays, which we began in 2002. In addition, beginning in the first quarter of 2003, we have begun and intend to continue to focus on enhancing the effectiveness of our merchandiser coverage to improve in-store stock levels and work with our retail customers to improve replenishment of our products on the wall displays and to minimize out-of-stocks at our retail customers.
- Adopt revised pricing strategies. We have been selectively adjusting prices on certain stock keeping units, or SKUs, to better align our pricing with product benefits and competitive benchmarks.
- Further strengthen our new product development process. We have developed and are implementing a new cross-functional product development process intended to optimize our ability to bring to market our new product offerings and to ensure that we have products in key trend categories.
- Implement a comprehensive program to develop and train our employees. We are implementing a comprehensive program to further develop the management, leadership and communication skills of our employees, which we will regularly assess as part of our goal to become a top company where people choose to work.

In December 2002, we announced that we would accelerate aspects of the implementation of the stabilization and growth phase of our plan. We recorded charges of approximately \$104 million in 2002 and approximately \$31 million during 2003. These charges primarily related to various aspects of the stabilization and growth phase of our plan, primarily stemming from sales returns and inventory writedowns from a selective reduction of SKUs, reduced distribution of the Ultima II brand, higher allowances stemming from selective price adjustments on certain products, professional expenses associated with the development of, and research in relation to, and execution of the stabilization and growth phase of our plan, and writedowns associated with reconfiguring existing wall displays at our retail customers. These charges exclude brand support expenses and training and development costs.

Phase 3 – Continued Growth Momentum and Accelerated Growth. We intend to capitalize on the actions taken during the stabilization and growth phase of our plan, with the objective of increasing revenues and achieving profitability over the long term.

We currently anticipate that the continued growth momentum and accelerated growth stage of our plan will include various actions that represent refinements of and additions to the actions taken during the stabilization and growth phase of our plan, with the objective of improving our operating margins. We currently anticipate that these initiatives will include, among other things, actions to: (i) further improve the new product development and implementation process; (ii) continue to increase the effectiveness and reduce the cost of our display walls; (iii) drive efficiencies across our overall supply chain, including reducing manufacturing costs by streamlining components and sourcing strategically; and (iv) optimize the effectiveness of our marketing and promotions. This stage will also include strengthening our balance sheet.

Finally, we expect that we will continue the training and development of our organization to continue to improve the organization's capability to execute our strategies, while providing enhanced job satisfaction for our employees.

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## Organization

The following sets forth a summary organizational chart for the Company prior to the consummation of the Debt Reduction Transactions:

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\*MacAndrews Holdings is wholly owned through Mafco Holdings by Ronald O. Perelman.

MacAndrews Holdings directly owns 14,590,347 shares of our Class A common stock.

\*\*MacAndrews Holdings beneficially owns approximately 83% of the outstanding shares of our common stock. REV Holdings beneficially owns 11,650,000 shares of our Class A common stock (representing approximately 31% of the outstanding shares of our Class A common stock) and all of the outstanding 31,250,000 shares of our Class B common stock (which is entitled to ten votes per share), which together represent approximately 62% of the outstanding shares of our common

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stock. MacAndrews Holdings directly owns 14,590,347 outstanding shares of our Class A common stock. REV Holdings also beneficially owns all of the outstanding 546 shares of our Series A preferred stock (which are not entitled to vote) and all of the outstanding 4,333 shares of our Series B convertible preferred stock (which are entitled to 433,333 votes in the aggregate and which are convertible into an aggregate of 433,333 shares of Class A common stock), which, together with the shares of common stock beneficially owned by REV Holdings and the 14,590,347 shares of Class A common stock held directly by MacAndrews Holdings, represent approximately 97% of the combined voting power of our outstanding shares of common and preferred stock.

## Our Indebtedness

We have a substantial amount of outstanding indebtedness. As of February 17, 2004, our subsidiaries, including Products Corporation, had approximately \$1,926 million of total indebtedness.

8 1/8% Senior Notes Due 2006. As of February 17, 2004, there was outstanding \$250 million aggregate principal amount of the 8 1/8% Senior Notes. The 8 1/8% Senior Notes are senior unsecured obligations of Products Corporation and rank pari passu in right of payment with all existing and future Senior Debt (as defined in the indenture governing the 8 1/8% Senior Notes) of Products Corporation, including the 12% Senior Secured Notes due 2005 issued by Products Corporation, the 9% Senior Notes, the indebtedness under Products Corporation's Credit Agreement, the MacAndrews Holdings \$100 million term loan, the MacAndrews Holdings \$65 million line of credit and the MacAndrews Holdings \$125 million term loan and are senior to the 8 5/8% Senior Subordinated Notes and to all future subordinated indebtedness of Products Corporation. The 8 1/8% Senior Notes are effectively subordinated to the outstanding indebtedness and other liabilities of Products Corporation's subsidiaries. Interest is payable on February 1 and August 1.

The 8 1/8% Senior Notes may be redeemed at the option of Products Corporation in whole or from time to time in part at any time on or after February 1, 2002 at the redemption prices set forth in the indenture governing the 8 1/8% Senior Notes, plus accrued and unpaid interest, if any, to the date of redemption.

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

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

9% Senior Notes Due 2006. As of February 17, 2004, there was outstanding \$250 million aggregate principal amount of the 9% Senior Notes. The 9% Senior Notes are senior unsecured obligations of Products Corporation and rank pari passu in right of payment with all existing and future Senior Debt (as defined in the indenture governing the 9% Senior Notes) of Products Corporation, including the 12% Senior Secured Notes, 8 1/8% Senior Notes and the indebtedness under Products Corporation's Credit Agreement, the MacAndrews Holdings \$100 million term loan, the

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MacAndrews Holdings \$65 million line of credit and the MacAndrews Holdings \$125 million term loan, and are senior to the 8 5/8% Senior Subordinated Notes and to all future subordinated indebtedness of Products Corporation. The 9% Senior Notes are effectively subordinated to outstanding indebtedness and other liabilities of Products Corporation's subsidiaries. Interest is payable on May 1 and November 1.

The 9% Senior Notes may be redeemed at the option of Products Corporation in whole or from time to time in part at any time on or after November 1, 2002 at the redemption prices set forth in the indenture governing the 9% Senior Notes plus accrued and unpaid interest, if any, to the date of redemption.

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

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

8 5/8% Senior Subordinated Notes Due 2008. As of February 17, 2004, there was outstanding \$650 million aggregate principal amount of the 8 5/8% Senior Subordinated Notes. The 8 5/8% Senior Subordinated Notes due 2008 are general unsecured obligations of Products Corporation and are (i) subordinate in right of payment to all existing and future Senior Debt (as defined in the indenture governing the 8 5/8% Senior Subordinated Notes) of Products Corporation, including the 12% Senior Secured Notes, the 9% Senior Notes, the 8 1/8% Senior Notes and the indebtedness under Products Corporation's Credit Agreement, the MacAndrews Holdings \$100 million term loan, the MacAndrews Holdings \$65 million line of credit and the MacAndrews Holdings \$125 million term loan, (ii) *pari passu* in right of payment with all future senior subordinated debt, if any, of Products Corporation and (iii) senior in right of payment to all future subordinated debt, if any, of Products Corporation. The 8 5/8% Senior Subordinated Notes are effectively subordinated to the outstanding indebtedness and other liabilities of Products Corporation's subsidiaries. Interest is payable on February 1 and August 1.

The 8 5/8% Senior Subordinated Notes may be redeemed at the option of Products Corporation in whole or, from time to time, in part at any time on or after February 1, 2003 at the redemption prices set forth in the indenture governing the 8 5/8% Senior Subordinated Notes, plus accrued and unpaid interest, if any, to the date of redemption.

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

The indenture governing the 8 5/8% Senior Subordinated Notes contains covenants that, among other things, limit (i) the issuance of additional debt and redeemable stock by Products Corporation,

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

12% Senior Secured Notes Due 2005. As of February 17, 2004, there was outstanding \$363 million aggregate principal amount of the 12% Senior Secured Notes. On November 26, 2001, prior to closing on the 2001 Credit Agreement (as defined below), Products Corporation issued and sold \$363 million in aggregate principal amount of Senior Secured Notes due 2005 ("Original 12% Senior Secured Notes") in a private placement receiving gross proceeds of \$350.5 million. The effective interest rate on the 12% Senior Secured Notes is 13.125%. Products Corporation used the proceeds from the Original 12% Senior Secured Notes and borrowings under the 2001 Credit Agreement to repay outstanding indebtedness under Products Corporation's 1997 Credit Agreement (as defined below) and to pay fees and expenses incurred in connection with the issuance of the Original 12% Senior Secured Notes and the 2001 Credit Agreement, and the balance was available for general corporate purposes. On June 21, 2002, the Original 12% Senior Secured Notes were exchanged for new 12% Senior Secured Notes (the "12% Senior Secured Notes") which have substantially identical terms as the Original 12% Senior Secured Notes, except that the new 12% Senior Secured Notes are registered with the Securities and Exchange Commission, or the SEC, under the Securities Act and the transfer restrictions and registration rights applicable to the Original 12% Senior Secured Notes do not apply to the 12% Senior Secured Notes.

The 12% Senior Secured Notes were issued pursuant to an indenture, dated as of November 26, 2001, among Products Corporation, the guarantors party thereto, including us as parent guarantor, and Wilmington Trust Company, as trustee. The 12% Senior Secured Notes are supported by guaranties from us and, subject to certain limited exceptions, Products Corporation's domestic subsidiaries. The obligations of Products Corporation under the 12% Senior Secured Notes and the obligations under the aforementioned guaranties are secured, on a second-priority basis, subject to certain limited exceptions, primarily by (i) a mortgage on Products Corporation's facility in Oxford, North Carolina, (ii) the capital stock of Products Corporation and its domestic subsidiaries and 66% of the capital stock of Products Corporation's and its domestic subsidiaries' first-tier foreign subsidiaries, (iii) domestic intellectual property and certain other domestic intangibles of Products Corporation and its domestic subsidiaries and (iv) domestic inventory, accounts receivable, equipment and certain investment property of Products Corporation and its domestic subsidiaries. Such liens are subject to certain limitations, which among other things, limit the ability of holders of second-priority liens from exercising any remedies against the collateral while the Credit Agreement or any other first-priority lien remains in effect.

The 12% Senior Secured Notes are senior secured obligations of Products Corporation and rank pari passu in right of payment with all existing and future Senior Debt (as defined in the indenture governing the 12% Senior Secured Notes) including the 8 1/8% Senior Notes, the 9% Senior Notes and the indebtedness under the Credit Agreement, the MacAndrews Holdings \$100 million term loan, the MacAndrews Holdings \$65 million line of credit and the MacAndrews Holdings \$125 million term loan, and are senior to the 8 5/8% Senior Subordinated Notes and all future subordinated indebtedness of Products Corporation. The 12% Senior Secured Notes are effectively subordinated to the outstanding indebtedness and other liabilities of Products Corporation's subsidiaries. The 12% Senior Secured Notes mature on December 1, 2005. Interest is payable on June 1 and December 1.

The 12% Senior Secured Notes may be redeemed at the option of Products Corporation in whole or in part at any time at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any to the date of redemption, plus the Applicable Premium (as defined in the indenture governing the 12% Senior Secured Notes). Upon a Change of Control (as defined in the



Senior Secured Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to the date of repurchase.

The indenture governing the 12% Senior Secured Notes contains covenants that, among other things, limit (i) the issuance of additional debt and redeemable stock by Products Corporation, (ii) the incurrence of liens, (iii) the issuance of debt and preferred stock by Products Corporation's subsidiaries, (iv) the payment of dividends on capital stock of Products Corporation and its subsidiaries and the redemption of capital stock of Products Corporation and certain subordinated obligations, (v) the sale of assets and subsidiary stock, (vi) transactions with affiliates and (vii) consolidations, mergers and transfers of all or substantially all of Products Corporation's assets. The indenture governing the 12% Senior Secured Notes also prohibits certain restrictions on distributions from subsidiaries. All of these limitations and prohibitions, however, are subject to a number of important qualifications.

**Events of Default.** The indentures governing the 8 1/8% Senior Notes, the 9% Senior Notes, the 8 5/8% Senior Subordinated Notes and the 12% Senior Secured Notes each contain customary events of default for debt instruments of such type.

**Cross Acceleration Provisions.** The indentures governing the 8 1/8% Senior Notes, the 9% Senior Notes, the 8 5/8% Senior Subordinated Notes and the 12% Senior Secured Notes each include a cross acceleration provision which provides that it shall be an event of default under each such indenture if any Debt (as defined in each such indenture) of Products Corporation or any of its Significant Subsidiaries (as defined in each such indenture), and, in the case of the indenture governing the 12% Senior Secured Notes, the Company, is not paid within any applicable grace period after final maturity or is accelerated by the holders of such debt because of a default and the total principal amount of the portion of such debt that is unpaid or accelerated exceeds \$25 million and such default continues for ten days after notice from the trustee under each such indenture. If any such event of default occurs, the trustee under each such indenture or the holders of at least 25% in principal amount of the outstanding notes under each such indenture may declare all such notes to be due and payable immediately, provided that the holders of a majority in aggregate principal amount of the outstanding notes under each such indenture may, by notice to the trustee, waive any such default or event of default and its consequences under each such indenture.

**Credit Agreement.** As of February 17, 2004, there was approximately \$221 million aggregate principal amount outstanding (excluding letters of credit) under the Credit Agreement. On November 30, 2001, Products Corporation entered into the Second Amended and Restated Credit Agreement (the "2001 Credit Agreement" and, as amended, the "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 (the "1997 Credit Agreement").

The Credit Agreement, as of February 17, 2004, provides up to \$247.5 million and consists of a \$115.4 million term loan facility (the "Term Loan Facility") and a \$132.1 million multi-currency revolving credit facility (the "Multi-Currency Facility") (the Term Loan Facility and the Multi-Currency Facility are referred to as the "Credit Facilities"). The Multi-Currency Facility is available (i) to Products Corporation in revolving credit loans denominated in U.S. dollars, (ii) to Products Corporation in standby and commercial letters of credit denominated in U.S. dollars up to \$50 million, \$18.0 million of which was issued but undrawn at February 17, 2004 and (iii) to Products Corporation and certain of its international subsidiaries designated from time to time in revolving credit loans and bankers' acceptances denominated in U.S. dollars and other currencies (the "Local Loans"). At December 31, 2003 and 2002, the Company had \$115.4 million and \$116.6 million, respectively, outstanding under the Term Loan Facility, and \$124.2 (\$22.3 of which was issued but undrawn letters of credit) and \$131.8 million (\$25.3 million of which was issued but undrawn letters of credit), respectively, outstanding under the Multi-Currency Facility.

The Credit Facilities (other than loans in foreign currencies) bear interest as of December 31, 2003 at a rate equal to, at Products Corporation's option, either (A) the Alternate Base Rate plus

4.25% or (B) the Eurodollar Rate plus 5.25% (provided that as a result of the January 2004 Credit Agreement Amendment discussed below such rate is currently either (A) the Alternate Base Rate plus 4.50% or (B) the Eurodollar Rate plus 5.50%). Loans in foreign currencies bear interest in certain limited circumstances or if mutually acceptable to Products Corporation and the relevant foreign lenders at the Local Rate and otherwise at the Eurocurrency Rate, in each case plus 5.25% (provided that as a result of the January 2004 Credit Agreement Amendment the applicable margin for such loans is currently 5.50%). Products Corporation pays to those lenders having multi-currency commitments a commitment fee of 0.75% of the average daily unused portion of the Multi-Currency Facility, which fee is payable quarterly in arrears. Under the Multi-Currency Facility, Products Corporation pays (i) to foreign lenders a fronting fee of 0.25% per annum on the aggregate principal amount of specified Local Loans (which fee is retained by the foreign lenders out of the portion of the Applicable Margin payable to such foreign lender), (ii) to foreign lenders an administrative fee of 0.25% per annum on the aggregate principal amount of specified Local Loans, (iii) to the multi-currency lenders a letter of credit commission equal to (a) the Applicable Margin for Eurodollar Rate loans (adjusted for the term that the letter of credit is outstanding) times (b) the aggregate undrawn face amount of outstanding letters of credit and (iv) to the issuing lender a letter of credit fronting fee of 0.25% per annum of the aggregate undrawn face amount of outstanding letters of credit (which fee is a portion of the Applicable Margin). Products Corporation also paid certain facility and other fees to the lenders and agents upon closing of the 2001 Credit Agreement. Prior to the termination date of the Credit Facilities, on each November 30 (commencing November 30, 2002) Products Corporation shall repay \$1.25 million in aggregate principal amount of the Term Loan Facility, in addition to \$650,000 in respect of the Additional Term Loans as provided in the February 2004 Credit Agreement Amendment (as defined below). Products Corporation made its applicable installment payment in November 2002 and November 2003, respectively. In addition, prior to its termination, the commitments under the Credit Facilities will be reduced by: (i) the net proceeds in excess of \$10.0 million each year received during such year from sales of assets by Products Corporation or any of its subsidiaries (and in excess of an additional \$15.0 million in the aggregate during the term with respect to certain specified dispositions), subject to certain limited exceptions, (ii) certain proceeds from the sales of collateral security granted to the lenders, and (iii) the net proceeds from the issuance by Products Corporation or any of its subsidiaries of certain additional debt. The 2001 Credit Agreement will terminate on May 30, 2005. The weighted average interest rates on the Term Loan Facility and the Multi-Currency Facility were 8.25% and 8.26% at December 31, 2003, respectively, 7.75% and 7.81% at December 31, 2002, respectively, and 7.75% and 8.49% at December 31, 2001, respectively.

The Credit Facilities are supported by, among other things, guaranties from us and, subject to certain limited exceptions, the domestic subsidiaries of Products Corporation. The obligations of Products Corporation under the Credit Facilities and the obligations under the aforementioned guaranties are secured on a first-priority basis (and therefore entitled to payment out of the proceeds on any sale of the following collateral before the 12% Senior Secured Notes, which are secured on a second-priority basis), subject to certain limited exceptions, primarily by (i) a mortgage on Products Corporation's facility in Oxford, North Carolina, (ii) the capital stock of Products Corporation and its domestic subsidiaries and 66% of the capital stock of Products Corporation's and its domestic subsidiaries' first-tier foreign subsidiaries, (iii) domestic intellectual property and certain other domestic intangibles of Products Corporation and its domestic subsidiaries, (iv) domestic inventory, accounts receivable, equipment and certain investment property of Products Corporation and its domestic subsidiaries and (v) the assets of certain foreign subsidiary borrowers under the Multi-Currency Facility (to support their borrowings only). The Credit Agreement provides that the liens on the stock and property referred to above may be shared from time to time, subject to certain limitations, on a first-priority basis, with specified types of other obligations incurred or guaranteed by Products Corporation, such as interest rate hedging obligations and working capital lines, and on a second-priority basis with Products Corporation's obligations under the 12% Senior Secured Notes.

The Credit Agreement contains various material restrictive covenants prohibiting Products Corporation from (i) incurring additional indebtedness or guaranties, with certain exceptions, (ii)

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making dividend, tax sharing and other payments or loans to us or other affiliates, with certain exceptions, including among others, permitting Products Corporation to pay dividends and make distributions to us, among other things, to enable us 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 SEC 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 us of our Class A common stock in connection with the delivery of such common stock to grantees under the Revlon, Inc. Amended and Restated 1996 Stock Plan, (iii) creating liens or other encumbrances on Products Corporation's or its domestic subsidiaries' assets or revenues, granting negative pledges or selling or transferring any of Products Corporation's or its domestic subsidiaries' assets except in the ordinary course of business, all subject to certain limited exceptions, including among others, permitting Products Corporation to create liens to secure Products Corporations' obligations under the 12% Senior Secured Notes, (iv) with certain exceptions, engaging in merger or acquisition transactions, (v) prepaying indebtedness and modifying the terms of certain indebtedness and specified material contractual obligations, subject to certain limited exceptions, (vi) making investments, subject to certain limited exceptions, and (vii) entering into transactions with affiliates of Products Corporation other than upon terms no less favorable to Products Corporation or its subsidiaries than it would obtain in an arms'-length transaction. In addition to the foregoing, the Credit Agreement contains financial covenants requiring Products Corporation to maintain specified cumulative EBITDA levels and limiting the leverage ratio of Products Corporation, which financial covenants, among the other amendments referred to below, the bank lenders under the Credit Agreement waived for the four quarters ended December 31, 2002 in the 2003 Credit Agreement Amendment (as defined below) and waived until January 31, 2005 for the four quarters ended December 31, 2004 in connection with the January 2004 Credit Agreement Amendment (as defined below). In addition, the amendments referred to below increased the maximum limit on capital expenditures (as defined in the Credit Agreement) to \$115 million for 2003 and includes a minimum liquidity covenant requiring Products Corporation to maintain a minimum of \$20 million in liquidity from specified sources at all times, which liquidity covenant was extended through January 31, 2005 in connection with the January 2004 Credit Agreement Amendment.

The events of default under the Credit Agreement include a Change of Control (as defined in the Credit Agreement) of Products Corporation and other customary events of default for such types of agreements. Among such customary events of default under the Credit Agreement is a cross-default provision which provides that it is an event of default under the Credit Agreement if Products Corporation or any of its subsidiaries (as defined under the Credit Agreement) (i) defaults in the payment of certain indebtedness when due (whether at maturity or by acceleration) in excess of \$5 million in aggregate principal amount or (ii) defaults in the observance or performance of any other agreement or condition relating to such debt, provided that the amount of debt involved is in excess of \$5 million in aggregate principal amount, or any other event occurs, the effect of such default or other event would cause or permit the holders of such debt to accelerate payment.

Upon entering into the 2001 Credit Agreement, we recorded a charge of \$3.6 million (\$0.07 basic and diluted loss per common share) for associated costs.

Credit Agreement Amendments. In connection with our 2003 Rights Offering (as defined below) and related transactions discussed below, and as a result of Products Corporation's operating results for the fourth quarter of 2002 and the effect of acceleration of Products Corporation's implementation of the stabilization and growth phase of its

plan in February 2003, Products Corporation entered into an amendment of its 2001 Credit Agreement in February 2003 (the "2003 Credit Agreement Amendment") 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 million for the four consecutive fiscal quarters ended December 31, 2002, which was less than the minimum of \$210 million required under the EBITDA covenant of the Credit Agreement for that period and Products Corporation'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, we sought and secured waivers of compliance with these covenants for the four quarters

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ended December 31, 2002 and, in light of our expectation that the continued implementation of the stabilization and growth phase of our plan would affect the ability of Products Corporation to comply with these covenants during 2003, as part of the 2003 Credit Agreement Amendment, we 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 four quarters ended December 31, 2003 expiring on January 31, 2004.

The 2003 Credit Agreement Amendment also included the addition of a covenant requiring Products Corporation to maintain a minimum of \$20 million of liquidity from specified sources at all times through January 31, 2004 and certain other amendments to allow for the MacAndrews Holdings \$100 million term loan, the MacAndrews Holdings \$65 million line of credit and the 2003 Rights Offering and the implementation of the stabilization and growth phase of our plan, including specific exceptions from the limitations under the indebtedness covenant to permit the MacAndrews Holdings \$100 million term loan and the MacAndrews Holdings \$65 million line of credit and to exclude the proceeds from the MacAndrews Holdings \$100 million term loan, the MacAndrews Holdings \$65 million line of credit and the 2003 Rights Offering 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 million to \$115 million for 2003. The amendment also increased the applicable margin on loans under the existing Credit Agreement by 0.5%, the incremental cost of which to us, assuming the Credit Facilities are fully drawn, was \$1.1 million from February 5, 2003 through the end of 2003.

EBITDA (as defined in the Credit Agreement) was \$144.4 million for the four consecutive fiscal quarters ended December 31, 2003, which was less than the minimum of \$230 million required under the EBITDA covenant of the Credit Agreement for that period and our leverage ratio was 1.66:1.00, which was in excess of the maximum ratio of 1.10:1.00 permitted under the leverage ratio covenant of the Credit Agreement for that period. Accordingly, we sought and, on January 28, 2004, secured further amendments to Products Corporation's Credit Agreement (the "January 2004 Credit Agreement Amendment") which includes waivers of compliance with these covenants for the four quarters ended December 31, 2003 and, in light of our expectation that the continued implementation of our plan will affect the ability of Products Corporation to comply with these covenants during 2004, we also secured as part of the January 2004 Credit Agreement Amendment an amendment to eliminate the EBITDA and leverage ratio covenants for the first three quarters of 2004 and a waiver of compliance with such covenants for the four quarters ending December 31, 2004 expiring on January 31, 2005. The January 2004 Credit Agreement Amendment included certain other amendments to allow for the continued implementation of our plan, including, among other things: (i) providing exceptions from the limitations under the indebtedness covenant to permit the MacAndrews Holdings \$125 million term loan, (ii) permitting Products Corporation to borrow up to an additional \$50 million in working capital loans from MacAndrews & Forbes, if necessary, (iii) extending the maturity of the MacAndrews Holdings \$65 million line of credit until June 30, 2005 and providing, from and after the effective date of the January 2004 Credit Agreement Amendment, that as a condition to Products Corporation borrowing under such line at least \$100 million shall have

been borrowed under the MacAndrews Holdings \$125 million term loan, (iv) continuing the \$20 million minimum liquidity covenant through the maturity of the credit agreement, (v) increasing the applicable margin on loans under the Credit Agreement by 0.25%, the incremental cost of which to us, assuming the Credit Facilities are fully drawn, would be approximately \$0.5 million from February 1, 2004 through the end of 2004 and (vi) permitting us to guarantee certain classes of Products Corporation's public indebtedness, to consummate the Debt Reduction Transactions.

In connection with the Debt Reduction Transactions, in February 2004 we sought and secured amendments of Products Corporation's Credit Agreement (the "February 2004 Credit Agreement Amendment") to permit various aspects of such transactions, including permitting (i) the prepayment of the MacAndrews Holdings \$100 million term loan and the MacAndrews Holdings \$125 million term loan as a result of the indebtedness thereunder outstanding at the consummation of the exchange offers being fully converted to equity in connection with the Loan Conversion Transactions; (ii) the reduction of the commitment of the MacAndrews Holdings \$65 million line of credit to its undrawn

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amount at the consummation of the Exchange Offers; (iii) an exclusion from our obligation to make capital contributions to Products Corporation using the proceeds from our equity offerings in connection with the Debt Restructuring Transactions; (iv) any proceeds remaining after such transactions to be contributed to Products Corporation and used by Products Corporation to prepay or repurchase any of its outstanding indebtedness, provided that Products Corporation takes certain action to make such prepayment or repurchase within 30 days after receipt of such contribution and grants a first-priority security interest in the amount contributed pending its application to such prepayment or repurchase; (v) our entering into certain investment or subscription agreements in connection with the Debt Reduction Transactions, including the support agreements and any other investment or subscription agreements; and (vi) the aggregate term loan commitments under the Term Loan Facility to be increased by \$64.4 million (the "Additional Term Loans").

The Additional Term Loans will be borrowed in a single borrowing upon the consummation of the Exchange Offers. They will bear interest at the same rate as the loans under the Term Loan Facility, equal to, at Products Corporation's option, either (A) the Alternate Base Rate plus 4.50% or (B) the Eurodollar Rate plus 5.50%. The Additional Term Loans will mature on May 30, 2005 and require an amortization payment of \$650,000 on November 30, 2004.

**Borrowings from MacAndrews & Forbes.** During 1992, Revlon Holdings provided the MacAndrews Advance to Products Corporation in the amount of \$25 million, evidenced by subordinated non-interest bearing demand notes. The notes were subsequently adjusted by offsets and additional amounts loaned by Revlon Holdings to Products Corporation. At February 17, 2004, the balance of \$24.1 million on the MacAndrews Advance was evidenced by non-interest bearing subordinated promissory notes payable to Revlon Holdings that are subordinated to Products Corporation's obligations under the Credit Agreement.

In December 2002, MacAndrews Holdings proposed providing us with up to \$150 million in cash in order to help fund a portion of the costs and expenses associated with implementing the stabilization and growth phase of our plan and for general corporate purposes. Our board of directors appointed a special committee of independent directors to evaluate the proposal made by MacAndrews Holdings. 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 our board of directors by the special committee of our board of directors and approved by our full board.

In connection with MacAndrews Holdings' enhanced proposal, in February 2003 we entered into an investment agreement with MacAndrews Holdings pursuant to which we undertook a \$50 million equity rights offering (the "2003 Rights Offering") that allowed our stockholders to purchase additional shares of our Class A common stock. In connection with the 2003 Rights Offering, MacAndrews Holdings advanced to us the \$50 million that we were to raise from the 2003 Rights Offering by purchasing \$50 million of newly-issued shares of our Series C preferred stock, par value \$0.01 per share, which shares were redeemed with the proceeds we received from the 2003 Rights Offering.

In addition, in accordance with the enhanced proposal, MacAndrews Holdings agreed to provide Products Corporation with the MacAndrews Holdings \$100 million term loan through December 1, 2005. The interest rate on the MacAndrews Holdings \$100 million term loan is 12.0% and is not payable in cash, but accrues and is added to the principal amount each quarter and will be paid in full at final maturity, which is December 1, 2005. As of February 17, 2004, \$106.6 million was outstanding under the MacAndrews Holdings \$100 million term loan (including accrued interest).

Additionally, MacAndrews Holdings also provided Products Corporation with an additional \$40 million line of credit during 2003, the amount of which was originally to increase to \$65 million on January 1, 2004 and which was originally to be available to Products Corporation through December 31, 2004, provided that the MacAndrews Holdings \$100 million term loan was fully drawn and Products Corporation had consummated the 2003 Rights Offering. In July 2003, MacAndrews Holdings agreed to make available to Products Corporation in 2003 the full \$65 million under the MacAndrews Holdings \$65 million line of credit. The MacAndrews Holdings \$65 million line of credit

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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 8.00% as of December 31, 2003 and is 8.25% after the January 2004 Credit Agreement Amendment). However, in connection with the January 2004 Credit Agreement Amendment, Products Corporation and MacAndrews Holdings agreed to extend the maturity of the MacAndrews Holdings \$65 million line of credit to June 30, 2005 and to subject the availability of funds under such line of credit to the condition that an aggregate principal amount of \$100 million be drawn under the MacAndrews Holdings \$125 million term loan. As of February 17, 2004, \$26.0 million was outstanding under the MacAndrews Holdings \$65 million line of credit. No further funds may be drawn under the MacAndrews Holdings \$65 million line of credit until \$100 million of the MacAndrews Holdings \$125 million term loan has been fully drawn.

In December 2003, we announced that our board of directors approved two loans from MacAndrews Holdings to provide up to \$100 million (the "2004 M&F Loan") and an additional \$25 million (the "\$25 million M&F Loan"), if needed, to help fund our continued implementation and refinement of our growth plan. The 2004 M&F Loan and \$25 million M&F Loan were consolidated into the MacAndrews Holdings \$125 million term loan. The MacAndrews Holdings \$125 million term loan is a senior unsecured multiple-draw term loan facility with an interest rate of 12% per annum and which is on substantially the same terms as the MacAndrews Holdings \$100 million term loan provided by MacAndrews Holdings in 2003, including that interest on such loans 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 on December 1, 2005. As of February 17, 2004, \$12.4 million was outstanding under the MacAndrews Holdings \$125 million term loan plus accrued interest. We also announced in December 2003 that we would begin exploring the Debt Reduction Transactions.

Pursuant to the Fidelity Support Agreement, we have agreed with Fidelity not to permit Products Corporation to have outstanding aggregate borrowings, at any time until the termination of the Stockholders Agreement, under the MacAndrews Holdings \$65 million line of credit and the MacAndrews Holdings \$125 million term loan in excess of the Borrowing Limitation.

### Capitalization

The following table sets forth (i) our audited cash and capitalization as of December 31, 2003 and (ii) our capitalization as of December 31, 2003 as adjusted to give pro forma effect to the Debt Reduction Transactions as if such transactions had occurred on December 31, 2003. The information presented below should be read in conjunction with "Selected Historical and Unaudited Pro Forma Consolidated Financial Data" and with our consolidated financial statements and the notes to those consolidated financial statements included in the Annual Report on Form 10-K of the Company included in this information statement as Annex C. The pro forma adjustments give effect to the Debt Reduction Transactions based on the assumptions described in the footnotes below.

The following unaudited pro forma condensed consolidated financial information is prepared on the following basis:

- The "pro forma maximum" assumes that:
  - all of the \$1.15 billion outstanding Exchange Notes (including interest thereon) are exchanged for our Class A common stock; and
  - the Loan Conversion Transactions and the Preferred Stock Transactions are consummated.
- The "pro forma minimum" assumes that:
  - none of the Exchange Notes, other than the Negotiated Transaction Notes, are tendered and exchanged pursuant to the Exchange Offers;
  - the Loan Conversion Transactions and the Preferred Stock Transactions are consummated;
  - MacAndrews & Forbes, pursuant to its back-stop obligation, subscribes for additional

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- shares of our Class A common stock, at a purchase price of \$2.50 per share, for an aggregate subscription price of \$150 million;
  - we use the proceeds to reduce outstanding indebtedness (other than revolving indebtedness unless there is a corresponding commitment reduction); and
  - all accrued interest on indebtedness exchanged in the Negotiated Transactions is exchanged for cash, except for accrued interest on indebtedness exchanged by MacAndrews & Forbes, which is exchanged for shares of our Class A common stock.

### CAPITALIZATION

		December 31, 2003 (Dollars in millions)				
	Actual	Pro Forma Adjustments	Pro Forma Maximum	Pro Forma Adjustments	Pro Forma Minimum	
			(Unaudited)			
Cash and cash equivalents	\$ 56.5	\$ —	\$ 56.5	\$ —	\$ 56.5	
Indebtedness:						
Short-term borrowings – third parties	\$ 28.0	\$ —	\$ 28.0	\$ —	\$ 28.0	

Long-term debt:					
Credit facilities	217.3	—	217.3	(125.6)(g)	91.7
8 1/8% Senior Notes due 2006	249.8	(249.8)(a)	—	(75.5)(h)	174.3
9% Senior Notes due 2006	250.0	(250.0)(a)	—	(48.4)(h)	201.6
8 5/8% Senior Subordinated Notes due 2008	649.9	(649.9)(a)	—	(316.8)(h)	333.1
12% Senior Secured Notes due 2005	356.3	—	356.3	—	356.3
12% Senior Unsecured Multiple Draw Term Loan due 2005	106.6	(106.6)(a)	—	(106.6)(h)	—
8% MacAndrews & Forbes Line of Credit due 2005	15.5	(15.5)(a)	—	(15.5)(h)	—
		20.0 (b)	20.0		
Advance from affiliates	24.1	(24.1)(a)	—	(24.1)(h)	—
Total indebtedness	1,897.5	(1,275.9)	621.6	(712.5)	1,185.0
Stockholders' deficiency:					
Series A preferred stock	54.6	(54.6)(c)	—	(54.6)(c)	—
Series B convertible preferred stock	—	— (d)	—	— (d)	—
Class B common stock	0.3	—	0.3	—	0.3
Class A common stock	0.4	4.7 (e)	5.1	2.7(i)	3.1
(Capital deficiency) Additional paid in capital	(139.0)	1,203.4 (e)	1,064.4	769.3(i)	630.3
Accumulated deficit since June 24, 1992	(1,515.7)	150.9 (f)	(1,364.8)	6.2(j)	(1,509.5)
Deferred compensation	(4.2)	—	(4.2)	—	(4.2)
Accumulated other comprehensive loss	(122.0)	—	(122.0)	—	(122.0)
Total stockholders' deficiency	(1,725.6)	1,304.4	(421.2)	723.6	(1,002.0)
Total capitalization	\$ 171.9	\$ 28.5	\$ 200.4	\$ 11.1	\$ 183.0

(a)Reflects the conversion of indebtedness to Class A common stock as described in "Proposal No. 1 — Approval of the Proposed Issuance — The Proposed Issuance."

(b)Reflects the borrowings related to the estimated transaction fees and expenses.

(c)Reflects the conversion of the Series A preferred stock to Class A common stock as described in "Proposal No. 1 — Approval of the Proposed Issuance — The Proposed Issuance — The Preferred Stock Transactions."

(d)Reflects the conversion of the Series B convertible preferred stock to Class A common stock as described in "Proposal No. 1 — Approval of the Proposed Issuance — The Proposed Issuance — The Preferred Stock Transactions."

(e)Reflects the issuance of 474,485,339 shares of Class A common stock in connection with the conversion of indebtedness and Series A preferred stock and Series B convertible preferred stock (including accrued

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interest) for an assumed total outstanding of 512,693,790 shares of Class A common stock. In addition, reflects a charge of \$6.6 million related to estimated transaction fees and expenses attributable to Class A common stock issuances.

(f)Reflects an estimated gain of \$171.7 million based on the difference between the closing price of our Class A common stock on December 31, 2003 of \$2.24 per share and the book value of the indebtedness exchanged. If the Debt Reduction Transactions had occurred on February 17, 2004 at the



closing price of \$3.25 per share, the loss on the exchange would have been \$140.6 million. In addition, this reflects the estimated transaction fees and expenses attributable to the converted indebtedness of \$13.4 million and the write-off of unamortized debt issuance costs and debt discount of \$7.4 million.

- (g) Reflects the repayment of \$150.0 million of borrowings under the credit facilities, reduced by borrowings of \$24.4 million to fund the \$20.0 million in estimated transaction fees and expenses and \$4.4 million of accrued interest.
- (h) Reflects the conversion of indebtedness to Class A common stock as described in "Proposal No. 1 — Approval of the Proposed Issuance — Agreements with Fidelity and MacAndrews & Forbes."
- (i) Reflects the issuance of 274,003,972 shares of Class A common stock in connection with the conversion of indebtedness (including accrued interest on indebtedness held by MacAndrews & Forbes) and \$150.0 million back-stop and Series A preferred stock and Series B convertible preferred stock for an assumed total outstanding of 312,212,423 shares of Class A common stock. In addition, reflects charge of \$6.6 million related to estimated transaction fees and expenses attributable to the Class A stock issuances.
- (j) Reflects an estimated gain of \$23.3 million based on the difference between the closing price of our Class A common stock at December 31, 2003 of \$2.24 per share and the book value of the indebtedness exchanged. If the transactions contemplated by the Fidelity Support Agreement and the MacAndrews Support Agreement and \$150.0 million in back-stop had occurred on February 17, 2004 at the closing price of \$3.25 per share, the loss on the exchange would have been \$36.1 million. In addition, this reflects the estimated transaction fees and expenses attributable to the converted indebtedness of \$13.4 million and the write-off of unamortized debt issuance costs and debt discount of \$3.7 million.

#### Description of Our Capital Stock

The following summary description of our capital stock is based on our certificate of incorporation and our by-laws in effect as of the date of this information statement. This summary description does not reflect either the Preferred Stock Transactions described in Proposal No. 1 (pursuant to which all of the issued and outstanding shares of our Series A preferred stock and our Series B convertible preferred stock will be exchanged or converted, as applicable, into shares of our Class A common stock), the proposed amendments to our certificate of incorporation described in Proposal No. 2 (pursuant to which we are proposing to amend our certificate of incorporation to increase the number of authorized shares of our Class A common stock from 350 million to 900 million) or Proposal No. 3 (pursuant to which we are proposing to amend our certificate of incorporation to eliminate our Series A preferred stock subject to, and following, our consummation of all of the components of the Debt Reduction Transactions) or our board of directors' determination to eliminate our Series B convertible preferred stock from our capital structure upon the consummation of the Debt Reduction Transactions.

We are authorized to issue two classes of common stock, Class A common stock and Class B common stock, the two classes of which are substantially identical, except as to their voting power. We are currently authorized to issue 350 million shares of Class A common stock, 38,208,451 of which were outstanding as of February 17, 2004, and 200 million shares of Class B common stock, 31,250,000 of which were outstanding as of February 17, 2004. We are also authorized to issue 20 million shares of preferred stock, of which we have two series, Series A preferred stock and Series B convertible preferred stock. We had 546 shares of Series A preferred stock and 4,333 shares of Series B convertible preferred stock outstanding as of February 17, 2004.

**Class A Common Stock and Class B Common Stock.** Each share of our Class A common stock entitles the holder to one vote and each share of our Class B common stock entitles the holder to ten votes at each annual or special meeting of stockholders, in the case of any written consent of stockholders and for all other purposes on all matters being voted on by our stockholders. The holders of our Class A common stock and our Class B common stock vote as a single class on all matters submitted to a vote of our stockholders, except as otherwise provided by law. Neither the holders of our Class A common stock nor the holders of our Class B common stock have cumulative voting or preemptive

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The holders of our Class A common stock and our Class B common stock are entitled to receive dividends and other distributions as may be declared by our board of directors out of assets or funds legally available for that purpose, subject to the rights of the holders of any series of our preferred stock, and any other provision of our certificate of incorporation. Our certificate of incorporation provides that if at any time a dividend or other distribution in cash or other property is paid on our Class A common stock or our Class B common stock, a like dividend or other distribution in cash or other property will also be paid on our Class B common stock or our Class A common stock, as the case may be, in an equal amount per share. Our certificate of incorporation provides that if shares of our Class A common stock are paid on our Class A common stock and shares of our Class B common stock are paid on our Class B common stock in an equal amount per share of our Class A common stock and our Class B common stock, such payment will be deemed to be a like dividend or other distribution. We did not declare or pay dividends during 2002 or 2003. We, as a holding company, will be dependent on the earnings and cash flow of, and dividends and distributions from, Products Corporation to pay our expenses and to pay any cash dividend or distribution on our Class A common stock that may be authorized by our board of directors. The terms of the Credit Agreement, the MacAndrews Holdings \$100 million term loan, the MacAndrews Holdings \$65 million line of credit, the MacAndrews Holdings \$125 million term loan, the Exchange Notes, and the 12% Senior Secured Notes currently restrict the ability of Products Corporation to pay dividends or make distributions to us, except in limited circumstances. In the case of any split, subdivision, combination or reclassification of our Class A common stock or our Class B common stock, the shares of our Class B common stock or our Class A common stock, as the case may be, will also be split, subdivided, combined or reclassified so that the number of shares of our Class A common stock and our Class B common stock outstanding immediately following such split, subdivision, combination or reclassification will bear the same relationship to each other as that which existed immediately prior to the split, subdivision, combination or reclassification.

In the event of our liquidation, dissolution or winding up, the holders of our Class A common stock and the holders of our Class B common stock will be entitled to receive assets and funds available for distribution after payments to creditors and to the holders of any of our preferred stock that may at the time be outstanding, in proportion to the number of shares held by them, respectively, without regard to class.

In the event of any corporate merger, consolidation, purchase or acquisition of property or stock, or other reorganization in which any consideration is to be received by the holders of our Class A common stock or the holders of our Class B common stock, the holders of our Class A common stock and the holders of our Class B common stock will receive the same consideration on a per share basis. However, if such consideration consists of any voting securities (or of options or warrants to purchase, or of securities convertible into or exchangeable for, voting securities), the holders of our Class B common stock may receive, on a per share basis, voting securities with ten times the number of votes per share as those voting securities to be received by the holders of our Class A common stock (or options or warrants to purchase, or securities convertible into or exchangeable for, voting securities with ten times the number of votes per share as those voting securities issuable upon exercise of the options or warrants, or into which the convertible or exchangeable securities to be received by the holders of our Class A common stock may be converted or exchanged).

Our certificate of incorporation provides that no person holding record or beneficial ownership of shares of our Class B common stock (referred to as a "Class B Holder") may transfer, and we will not register the transfer of, such shares of our Class B common stock, except to a permitted transferee. A permitted transferee is generally defined to mean an

affiliate of the Class B Holder. In certain circumstances set forth in our certificate of incorporation, changes in ownership or control of a Class B Holder will also result in the conversion of such holder's Class B common stock into our Class A common stock. Our certificate of incorporation also provides that we will not register the transfer of any shares of our Class B common stock unless the transferee and the transferor of such Class B common stock have furnished such affidavits and other proof as we reasonably may request to establish that the proposed transferee is a permitted transferee. In addition, upon any purported transfer of shares of our Class B common stock not permitted under our certificate of incorporation,

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all shares of our Class B common stock purported to be transferred will be deemed to be converted into shares of our Class A common stock, and stock certificates formerly representing such shares of our Class B common stock will from that time be deemed to represent the number of shares of our Class A common stock as equals the number of shares of our Class A common stock into which such shares of our Class B common stock could be converted pursuant to the certificate of incorporation.

In the event that the number of shares of our Class B common stock and Class A common stock held by the Class B Holders and their permitted transferees issued and outstanding at any time shall constitute less than ten percent of the total combined number of shares of our Class A common stock and Class B common stock issued and outstanding at such time, then, without further action on the part of the Class B Holder or us, all shares of our Class B common stock then issued and outstanding will be deemed to be converted into shares of our Class A common stock, and stock certificates formerly representing such shares of our Class B common stock will from that time be deemed to represent such number of shares of our Class A common stock as equals the number of shares of our Class A common stock into which such shares of our Class B common stock could be converted pursuant to our certificate of incorporation. In addition, each share of our Class B common stock shall be convertible, at the option of its record holder, into one validly issued, fully paid and non-assessable share of our Class A common stock at any time.

Except as expressly set forth in our certificate of incorporation, the rights of the holders of our Class A common stock and the rights of the Class B Holders are in all respects identical.

Our Class A common stock is traded on the NYSE under the symbol "REV." The transfer agent and registrar for our Class A common stock is American Stock Transfer & Trust Company.

**Series A Preferred Stock and Series B Convertible Preferred Stock.** Our certificate of incorporation provides that we may issue shares of preferred stock from time to time in one or more series. Our board of directors is authorized to fix the voting rights, if any, designations, powers, preferences and the relative participation, optional or other rights, if any, and the qualifications, limitations or restrictions thereof, of any unissued series of preferred stock, to fix the number of shares constituting such series and to increase or decrease the number of shares of any such series (but not below the number of shares of such series then outstanding).

The holder of our Series A preferred stock is not entitled to receive any dividends. Our Series A preferred stock is entitled to a liquidation preference of \$100,000 per share before any distribution is made to the holders of our Class A or Class B common stock. The holder of our Series A preferred stock does not have any voting rights, except as required by law. Our Series A preferred stock may be redeemed at any time by us, at our option, for \$100,000 per share. However, the terms of Products Corporation's Credit Agreement, the indentures covering its outstanding indebtedness and the MacAndrews Holdings \$100 million term loan, the MacAndrews Holdings \$65 million line of credit and the MacAndrews Holdings \$125 million term loan currently restrict our ability to effect such redemption by

limiting the amount of dividends or distributions Products Corporation can pay to us. Our Series A preferred stock is non-convertible.

The holder of our Series B convertible preferred stock is entitled to receive dividends in an amount per share equal to the amount received by each share of our Class A common stock as if our Series B convertible preferred stock had been converted into shares of our Class A common stock as of the date immediately prior to the record date for such dividend or distribution. No dividend may be paid or declared on any share of our Class A common stock unless a dividend, payable in the same consideration and manner, is simultaneously paid or declared on each share of our Series B convertible preferred stock.

Our Series B convertible preferred stock is entitled to a liquidation preference of \$720.0554 per share plus the amount of any declared but unpaid dividends as of the date of liquidation before any distribution is made to the holders of any of our Class A or Class B common stock or any other class or series of our capital stock ranking junior as to liquidation rights to our Series B convertible preferred stock. If, upon liquidation, our available assets are insufficient to permit payment of the full liquidation preference to the holders of our Series B convertible preferred stock, all of our available

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assets shall be distributed among the holders of the then outstanding shares of our Series B convertible preferred stock and the then outstanding shares of capital stock ranking on parity with our Series B convertible preferred stock as to distributions upon liquidation, pro rata according to the number of the then outstanding shares of our Series B convertible preferred stock and the then outstanding shares of such parity stock held by each such holder.

In addition to such rights as specified in our certificate of incorporation and as are provided under Delaware law, the holder of our Series B convertible preferred stock is entitled to vote together with the holders of our Class A and Class B common stock as a single class at each annual or special meeting of stockholders, in the case of any written consent of stockholders and for all other purposes on all matters being voted on by the stockholders. Each share of our Series B convertible preferred stock entitles its holder to cast one vote for each whole vote that such holder would be entitled to cast had such holder converted its Series B convertible preferred stock into shares of our Class A common stock as of the date immediately prior to the record date for determining the stockholders eligible to vote on any such matter. In addition, we cannot, without the written consent or affirmative vote of the holders of at least a majority of the outstanding shares of our Series B convertible preferred stock voting separately as one class: (i) amend, alter or repeal our certificate of incorporation or our by-laws if such amendment, alteration or repeal would adversely alter or change the rights, preferences or privileges of our Series B convertible preferred stock, (ii) create or authorize any class, series or shares of preferred stock or any other class or series of capital stock or other equity securities ranking either as to payment of dividends or distribution of assets upon liquidation prior to our Series B convertible preferred stock or on a parity with our Series B convertible preferred stock or (iii) undertake any action, the valid consummation of which would require the approval of our stockholders pursuant to our certificate of incorporation or our by-laws or as required by applicable law and the direct or indirect result of which would adversely affect or change the rights, preferences or privileges of our Series B convertible preferred stock.

The holder of our Series B convertible preferred stock is entitled to convert each of its shares of our Series B convertible preferred stock into a number of shares of our Class A common stock determined by dividing the liquidation preference of such shares by the conversion price, which is initially \$7.20 but is subject to adjustment upon stock dividends, subdivisions, split ups or combinations, and to receive payment in lieu of any fractional shares that would otherwise be due upon conversion. Each share of our series B convertible preferred stock is currently

convertible into approximately 100 shares of our Class A common stock. In the event of any capital reorganization, reclassification of our capital stock, or consolidation or merger with or into another corporation (where we are not the surviving corporation or where there is a change in or distribution with respect to the common stock), each share of our Series B convertible preferred stock shall after such event be convertible into the kind and number of shares or other securities or property of us or of the successor corporation resulting from such consolidation or surviving such merger, if any, to which the holder of the number of shares of our Class A common stock deliverable upon conversion of such Series B convertible preferred stock (had such conversion taken place immediately prior to the time of such reorganization, reclassification, consolidation or merger) would have been entitled to receive upon such reorganization, reclassification, consolidation or merger.

We have the option to redeem all or any part of our Series B convertible preferred stock at any time after 30 days following the requisite stockholder approval at a redemption price equal to \$720.0554 per share plus the amount of any declared but unpaid dividends thereon as of such redemption date, provided that the holders of our Series B convertible preferred stock retain the right to convert their shares of our Series B convertible preferred stock into the applicable number of shares of our Class A common stock until the close of business on the last business day preceding the effective date of any such optional redemption by us.

Section 203 of the DGCL. Section 203 of the DGCL provides, in general, that a stockholder acquiring more than 15% of the outstanding voting stock of a corporation subject to the statute (referred to as an "Interested Stockholder") but less than 85% of such stock may not engage in certain business combinations (as defined in Section 203) with the corporation for a period of three years subsequent to the date on which the stockholder became an Interested Stockholder unless

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(i) prior to such time the corporation's board of directors approved either the business combination or the transaction in which the stockholder became an Interested Stockholder or (ii) the business combination is approved by the corporation's board of directors and authorized by a vote of at least 66 2/3% of the outstanding voting stock of the corporation not owned by the Interested Stockholder. Our certificate of incorporation contains a provision electing not to be governed by Section 203.

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**PROPOSAL NO. 2 — APPROVAL OF THE AMENDMENT TO OUR AMENDED  
AND RESTATED CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF  
AUTHORIZED SHARES OF OUR CLASS A COMMON STOCK**

The amendment to our certificate of incorporation to increase the number of authorized shares of our Class A common stock has been approved and submitted for stockholder approval by our board of directors. On March 3, 2004, our majority stockholders acted by written consent (to be effective on March 23, 2004) to authorize this amendment to our certificate of incorporation.

## THE PROPOSED AMENDMENT

Immediately prior to the consummation of the Debt Reduction Transactions, we are amending our certificate of incorporation to increase the number of authorized shares of Class A common stock from 350 million to 900 million and, accordingly, to increase the number of authorized shares of capital stock from 570 million to 1,120 million. A copy of this amendment to our certificate of incorporation is included as Annex A to this information statement.

As of February 17, 2004, there were 38,208,451 shares of Class A common stock issued and outstanding. Of the authorized but unissued shares of Class A common stock, 10,500,000 shares of Class A common stock are reserved for issuance under the Revlon, Inc. Amended and Restated 1996 Stock Plan, 31,250,000 shares are reserved for issuance upon conversion of 31,250,000 shares of our Class B common stock and 433,333 shares are reserved for issuance upon conversion of 4,333 shares of our Series B convertible preferred stock. In order to consummate the Debt Reduction Transactions, we will issue a minimum of approximately 265 million and a maximum of approximately 486 million shares of Class A common stock, including the 433,333 shares to be issued upon conversion of the Series B convertible preferred stock.

Accordingly, in order to ensure that we will have enough authorized but unissued shares of our Class A common stock for issuance in the Proposed Issuance and to thereafter permit us to meet our business needs as they arise, our board of directors believes it to be in our best interests to increase the number of authorized shares of Class A common stock. The availability of additional authorized shares of Class A common stock will provide us with greater flexibility to issue Class A common stock for a variety of corporate purposes, without the delay and expense associated with convening a special stockholders' meeting. These purposes may include raising equity capital through public and private offerings (including, in certain circumstances, the transactions contemplated by the MacAndrews Investment Agreement described in Proposal No. 1), funding potential acquisitions, adopting additional stock plans or reserving additional shares for issuance under existing plans. The proposed amendment to our certificate of incorporation will make available the additional authorized shares of Class A common stock for issuance from time to time at the discretion of our board of directors without further action by the stockholders, except where stockholder approval is required by law or NYSE requirement or to obtain favorable tax treatment for certain employee benefit plans.

Any future issuance of additional authorized shares of Class A common stock may, among other things, dilute the earnings per share of the Class A common stock and the equity and voting rights of those stockholders holding Class A common stock at the time the additional shares are issued.

The increased number of authorized but unissued shares of Class A common stock could be construed as having an anti-takeover effect to the extent it would render more difficult or discourage an attempt to obtain control of the Company by means of a proxy contest, tender offer, merger or otherwise, including those attempts that might result in a premium over the market price for the shares held by stockholders. For example, shares could be issued to purchasers who oppose a takeover bid or shares could be issued to increase the aggregate number of outstanding shares and thereby dilute the interest of parties attempting to obtain control of the Company.

Except as described in Proposal No. 1 and other than to employees pursuant to the Revlon, Inc. Amended and Restated 1996 Stock Plan or any other equity based compensation plan, we have no current plans to issue any of the authorized but unissued shares of our Class A common stock. We have not made the proposals in this information statement in response to any effort to accumulate our stock or to obtain control of the Company by means of a tender offer, merger or solicitation in opposition to management.

PROPOSAL NO. 3 — APPROVAL OF THE AMENDMENT TO OUR AMENDED AND  
RESTATED CERTIFICATE OF INCORPORATION TO ELIMINATE  
OUR SERIES A PREFERRED STOCK

The amendment to our certificate of incorporation to eliminate our Series A preferred stock has been approved and submitted for stockholder approval by our board of directors. On March 3, 2004, our majority stockholders acted by written consent (to be effective on March 23, 2004) to authorize this amendment to our certificate of incorporation.

THE PROPOSED AMENDMENT

Subject to our consummation of all of the components of the Proposed Issuance, we are amending our certificate of incorporation to eliminate our Series A preferred stock. A copy of this amendment to our certificate of incorporation is included as Annex B to this information statement. Upon the consummation of the Debt Reduction Transactions, no shares of Series A preferred stock will be outstanding. In order to reduce the administrative and recordkeeping burden associated with maintaining a series of preferred stock for which no shares are, or are intended to be, issued, our board of directors believes it to be in our best interests to eliminate the Series A preferred stock from our capital structure.

Similarly, on February 13, 2004, we eliminated our Series C preferred stock from our capital structure. There were no shares of Series C preferred stock outstanding on the date it was eliminated. In addition, our board of directors has determined to eliminate our Series B convertible preferred stock from our capital structure upon the consummation of the Debt Reduction Transactions. Upon the consummation of the Debt Reduction Transactions, no shares of Series B convertible preferred stock will be outstanding. The elimination of the Series B convertible preferred stock and the Series C preferred stock, unlike the elimination of the Series A preferred stock, does not require stockholder approval or an amendment to our certificate of incorporation.

Our certificate of incorporation will continue to authorize "blank check" preferred stock. The board of directors will retain its authority to issue shares of preferred stock from time to time in one or more series and to fix the voting rights, if any, designations, powers, preferences and the relative participation, optional or other rights, if any, and the qualifications, limitations or restrictions thereof, of any unissued series of preferred stock, to fix the number of shares constituting such series, and to increase or decrease the number of shares of any such series (but not below the number of shares of such series then outstanding). This flexibility to authorize and issue additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital and corporate acquisitions.

This provision, however, may be deemed to have an anti-takeover effect and may delay or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by stockholders. Also, by redeeming all of our Series A preferred stock upon exchange for shares of our Class A common stock, as described in Proposal No. 1, we will reduce the number of outstanding shares of preferred stock and thereby increase the number of authorized but unissued shares of preferred stock. The authorized but unissued shares of preferred stock will be available for future issuance without stockholder approval.

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The existence of authorized but unissued shares of preferred stock could be construed as having an anti-takeover effect to the extent it would render more difficult or discourage an attempt to obtain control of the Company by means of a proxy contest, tender offer, merger or otherwise. For example, shares could be issued to purchasers who oppose a takeover bid or shares could be issued to increase the aggregate number of outstanding shares and thereby dilute the

interest of parties attempting to obtain control of the Company. We have no current plans to create any new shares of preferred stock or to issue any of the authorized but unissued shares of our preferred stock. We have not made the proposals in this information statement in response to any effort to accumulate our stock or to obtain control of the Company by means of a tender offer, merger or solicitation in opposition to management.

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## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of February 17, 2004 the number of shares of our common stock beneficially owned, and the percent so owned, by (i) each person known to us to be the beneficial owner of more than 5% of the outstanding shares of our common stock, (ii) each director of the Company, (iii) our Chief Executive Officer during 2003 and each of the three most highly paid executive officers other than our Chief Executive Officer (we did not have any "executive officers" during 2003 other than Jack L. Stahl, Thomas E. McGuire, Paul E. Shapiro (who retired from the Company on December 31, 2003) and Douglas H. Greeff) who served as executive officers of the Company during 2003 (collectively, the "Named Executive Officers") and (iv) all of our directors and Named Executive Officers as a group. The number of shares owned are those beneficially owned, as determined under the rules of the SEC, and such information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares of common stock as to which a person has sole or shared voting power or investment power and any shares of common stock which the person has the right to acquire within 60 days through the exercise of any option, warrant or right, through conversion of any security or pursuant to the automatic termination of a power of attorney or revocation of a trust, discretionary account or similar arrangement. The following table does not give effect to any of the Proposals described in this information statement.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class
Ronald O. Perelman 35 E. 62nd St. New York, NY 10021	58,969,514 (Class A, Class B and Series B Preferred)(1)	83.13% (Class A, Class B and Series B Preferred)
Alan S. Bernikow	—	*
Donald G. Drapkin	—	*
Meyer Feldberg	11,250 (Class A)(2)	*
Howard Gittis	—	*
Douglas H. Greeff	283,194 (Class A)(3)	*
Edward J. Landau	11,384 (Class A)(4)	*
Thomas E. McGuire	—	*
Linda Gosden Robinson	11,250 (Class A)(5)	*
Terry Semel	16,250 (Class A)(6)	*
Paul E. Shapiro	140,496 (Class A)(7)	*
Jack L. Stahl	214,416 (Class A)(8)	*
Martha Stewart	11,250 (Class A)(9)	*



All Directors and Executive Officers as a Group (13 Persons)	27,985,671 (Class A)(10)	70.73%
	31,250,000 (Class B)	100.0%
	4,333 (Series B Preferred)	100.0%

\*Less than one percent.

(1)Mr. Perelman, through Mafco Holdings, beneficially owns (i) 26,240,347 shares of our Class A common stock (11,650,000 of which are owned by REV Holdings and 14,590,347 of which are owned by MacAndrews Holdings), which represent approximately 69% of the outstanding shares of our Class A common stock, (ii) all of the outstanding 31,250,000 shares of our Class B common stock, which together with the shares referenced in subclause (i) above represent approximately 83% of the outstanding shares of our common stock, and (iii) all of the outstanding 4,333 shares of our Series B convertible preferred stock, which are convertible into an aggregate of 433,333 shares of our Class A common stock. Based on the shares referenced in clauses (i), (ii) and (iii) above, Mr. Perelman through Mafco Holdings (through REV Holdings and MacAndrews Holdings) at February 17, 2004 had approximately 97% of the combined voting power of the outstanding shares of our capital stock entitled to vote at the 2004 annual meeting. As of December 31, 2003, 4,186,104 shares of our Class A common stock owned by REV Holdings were pledged by REV Holdings (the "Pledged Shares") to secure \$80.5 million principal amount of REV Holdings' 12%

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Senior Secured Notes due 2004 (the "REV 2004 Notes"). As of February 1, 2004 and following the completion of an offering by REV Holdings to exchange the REV 2004 Notes for REV Holdings' 13% Senior Secured Notes due 2007 (the "REV 2007 Notes"), there were 1,928,992 Pledged Shares pledged by REV Holdings to secure \$18.55 million principal amount of the REV 2007 Notes. From time to time, additional shares of our Class A common stock or shares of intermediate holding companies between the Company and Mafco Holdings may be pledged to secure obligations of Mafco Holdings or its affiliates. A default under REV Holdings' obligations which are secured by the Pledged Shares could cause a foreclosure with respect to such shares of our Class A common stock pledged by REV Holdings. Mr. Perelman also holds an option to acquire 300,000 shares of our Class A common stock, which option vested on February 12, 1999, an option to acquire 300,000 shares of the Company's Class A common stock, which option vested on April 4, 2002, 56,250 shares of the Company's Class A common stock which Mr. Perelman may acquire under options which vested on June 18, 2002, an option to acquire 300,000 shares of our Class A common stock, which option vested on April 27, 2003, 56,250 shares of our Class A common stock which Mr. Perelman may acquire under options which vested on June 18, 2003 and 33,334 shares of the Company's Class A common stock which Mr. Perelman may acquire under options which vested on September 17, 2003. Such vested options to acquire 1,045,834 shares of our Class A common stock, together with the Class A common stock, Class B common stock and Series B convertible preferred stock beneficially owned by Mr. Perelman, represent approximately 83% of the outstanding shares of our Common Stock.

(2)Includes 11,250 shares which Mr. Feldberg may acquire under options which vested in installments of 1,875 shares on each of May 22, 2001, May 22, 2002, July 13, 2002, May 22, 2003, July 13, 2003 and December 17, 2003.

(3)Includes 137,360 shares held directly by Mr. Greeff, 25,000 shares which Mr. Greeff may acquire under options which vested on May 22, 2001, 12,500 shares which Mr. Greeff may acquire under options which vested on March 26, 2002, 25,000 shares which Mr. Greeff may acquire under options

which vested on May 22, 2002, 12,500 shares which Mr. Greeff may acquire under options which vested on February 15, 2003, 12,500 shares which Mr. Greeff may acquire under options which vested on March 26, 2003, 25,000 shares which Mr. Greeff may acquire under options which vested on May 22, 2003, 8,334 shares which Mr. Greeff may acquire under options which vested on September 17, 2003, 12,500 shares which Mr. Greeff may acquire under options which vested on February 15, 2004 and 12,500 shares which Mr. Greeff may acquire under options which will vest on March 26, 2004.

- (4) Includes 134 shares held directly by Mr. Landau and 11,250 shares which Mr. Landau may acquire under options which vested in installments of 1,875 shares on each of May 22, 2001, May 22, 2002, July 13, 2002, May 22, 2003, July 13, 2003 and December 17, 2003.
- (5) Includes 11,250 shares which Ms. Robinson may acquire under options which vested in installments of 1,875 shares on each of May 22, 2001, May 22, 2002, July 13, 2002, May 22, 2003, July 13, 2003 and December 17, 2003.
- (6) Includes 2,000 shares owned by Mr. Semel's children as to which beneficial ownership is disclaimed, 3,000 shares owned jointly with Mr. Semel's wife and 11,250 shares which Mr. Semel may acquire under options which vested in installments of 1,875 shares on each of May 22, 2001, May 22, 2002, July 13, 2002, May 22, 2003, July 13, 2003 and December 17, 2003.
- (7) Includes 32,162 shares held directly by Mr. Shapiro and 25,000 shares which Mr. Shapiro may acquire under options which vested on June 18, 2002, 25,000 shares which Mr. Shapiro may acquire under options which vested on June 18, 2003, 25,000 shares which Mr. Shapiro may acquire under options which vested on August 8, 2003 and 33,334 options which Mr. Shapiro may acquire under options which vested on September 17, 2003.
- (8) Includes 201,015 shares held directly by Mr. Stahl and 13,401 shares held by his wife, as to which beneficial ownership is disclaimed.
- (9) Includes 11,250 shares which Ms. Stewart may acquire under options which vested in installments of 1,875 shares on each of May 22, 2001, May 22, 2002, July 13, 2002, May 22, 2003, July 13, 2003 and December 17, 2003.
- (10) Includes only shares beneficially held by persons who were our directors and executive officers as of December 31, 2003, including Mr. Shapiro, who retired effective as of such date.

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## SELECTED HISTORICAL AND UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL DATA

The selected historical financial data of the Company for each of the years in the five-year period ended December 31, 2003 has been derived from our audited consolidated financial statements. The pro forma Statement of Operations Data for the year ended December 31, 2003 give pro forma effect to the consummation of the Debt Reduction Transactions as if such transactions had been consummated on January 1, 2003. The pro forma Balance Sheet data as of December 31, 2003 give pro forma effect to the consummation of the Debt Reduction Transactions as if such transactions had been consummated on December 31, 2003. The pro forma adjustments are based upon available information and certain assumptions that our management believes are reasonable. The pro forma financial data do not purport to represent our results of operations or our financial position that actually would have occurred had such transactions been consummated on the aforesaid dates.

You should also read "Management's Discussion and Analysis of Financial Condition and Results of Operations," the consolidated financial statements and related notes and the report of our independent auditors included in the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2003, included in this information



**Other Data:**

Net cash used for operating activities	\$ (166.4)	\$ (112.3)	\$ (86.5)	\$ (84.0)	\$ (81.8)
Net cash (used for) provided by investing activities	(23.3)	(14.2)	87.2	322.1	(40.7)
Net cash provided by (used for) financing activities	151.1	110.3	46.3	(203.7)	117.5
Ratio of earnings to fixed charges(h)	—	—	—	—	—
Capital expenditures	\$ 28.6	\$ 16.0	\$ 15.1	\$ 19.0	\$ 42.3
Purchase of permanent displays	72.9	66.2	44.0	51.4	66.5
Depreciation and amortization(i)	112.9	118.9	115.1	126.9	126.1

Year Ended December 31,  
2003  
Pro Forma Maximum(j)    Pro Forma Minimum(k)  
(Dollars in millions, except per share data)  
(Unaudited)

**Pro Forma Statement of Operations Data:**

Operating income	\$ 21.3	\$ 21.3
Interest expense, net	65.9	114.2
Amortization of debt issuance costs	6.7	7.8
Net loss	(47.3)	(96.7)
Basic and diluted net loss per common share		