

REVLON INC /DE/  
Form DEF 14A  
April 28, 2005

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
  - Confidential, for Use of the Commission Only  
(as permitted by Rule 14a-6(e)(2))
  - Definitive Proxy Statement
  - Definitive Additional Materials
  - Soliciting Material Pursuant to Rule 14a-12
- REVLON, INC.

\_\_\_\_\_  
(NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

\_\_\_\_\_  
(NAME OF PERSON(S) FILING PROXY STATEMENT, IF OTHER THAN THE REGISTRANT)

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- (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: \_\_\_\_\_
- (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.: \_\_\_\_\_

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

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REVLON, INC.  
237 PARK AVENUE  
NEW YORK, NEW YORK 10017

April 28, 2005

Dear Stockholder:

You are cordially invited to attend the 2005 Annual Meeting of Stockholders of Revlon, Inc., which will be held at 10:00 a.m., local time, on Friday, June 3, 2005, at Revlon, Inc., The Showroom, 21st Floor, 237 Park Avenue, New York, New York, 10017. The matters to be acted upon at the meeting are described in the attached Notice of Annual Meeting of Stockholders and Proxy Statement. If you plan to attend the 2005 Annual Meeting in person, you will need to bring a form of picture identification. If you are a registered stockholder and plan to attend the 2005 Annual Meeting in person, please also check the appropriate box on your proxy card indicating so.

While stockholders may exercise their right to vote their shares in person, we recognize that many stockholders may not be able to attend the Annual Meeting. Accordingly, we have enclosed a proxy that will enable you to vote your shares on the matters to be considered at the Annual Meeting even if you are unable or choose not to attend. If you desire to vote in accordance with management's recommendations, you need only sign, date and return the proxy in the enclosed postage-paid envelope to record your vote. Otherwise, please mark the proxy to indicate your vote; date and sign the proxy; and return it in the enclosed postage-paid envelope. In either case, you should return the proxy as soon as conveniently possible. This will not restrict your right to attend the 2005 Annual Meeting and vote your shares in person.

Sincerely yours,  
Jack L. Stahl  
President and Chief Executive Officer

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REVLON, INC.  
237 PARK AVENUE  
NEW YORK, NEW YORK 10017

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of  
Revlon, Inc.

Notice is hereby given that the 2005 Annual Meeting of Stockholders of Revlon, Inc., a Delaware corporation (the "Company"), will be held at 10:00 a.m., local time, on Friday, June 3, 2005, at Revlon, Inc., The Showroom, 21st Floor, 237 Park Avenue, New York, New York, 10017, for the following purposes:

1. To elect the following persons as members of the Board of Directors of the Company to serve until the next Annual Meeting and until such directors' successors are elected and shall have been qualified: Ronald O. Perelman, Alan S. Bernikow, Paul J. Bohan, Donald G. Drapkin, Meyer Feldberg, Howard Gittis, Edward J. Landau, Linda Gosden Robinson, Jack L. Stahl and Kenneth L. Wolfe.
2. To consider and approve the adoption of the Revlon Executive Bonus Plan.
3. To ratify the selection of KPMG LLP as the Company's independent registered public accounting firm for 2005.
4. To transact such other business as may properly come before the Annual Meeting.

A proxy statement describing the matters to be considered at the 2005 Annual Meeting is attached to this notice. Only stockholders of record at the close of business on April 6, 2005 are entitled to notice of, and to vote at, the 2005 Annual Meeting and at any adjournments thereof. For at least 10 days prior to the 2005 Annual Meeting, a list of stockholders entitled to vote at the 2005 Annual Meeting will be available for inspection during normal business hours at the offices of the Company's Secretary at 237 Park Avenue, 14th Floor, New York, New York, 10017, and such list also will be available at the 2005 Annual Meeting to be held at Revlon, Inc., The Showroom, 21st Floor, 237 Park Avenue, New York, New York, 10017.

To ensure that your vote will be counted, please complete, date, sign and return the enclosed proxy card promptly in the enclosed postage-paid envelope, whether or not you plan to attend the 2005 Annual Meeting. If you plan to attend the 2005 Annual Meeting in person, you will need to bring a form of picture identification. If you are a registered stockholder and plan to attend the 2005 Annual Meeting in person, please also check the appropriate box on your proxy card indicating so. Thank you.

By Order of the Board of Directors  
Robert K. Kretzman  
Executive Vice President,  
Chief Legal Officer and Secretary

April 28, 2005

PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED PROXY CARD AND RETURN IT IN THE ENCLOSED POSTAGE-PAID ENVELOPE. THIS WILL ENSURE THAT YOUR SHARES ARE VOTED IN ACCORDANCE WITH YOUR WISHES.

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REVLON, INC.

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PROXY STATEMENT  
Annual Meeting of Stockholders  
To be Held June 3, 2005

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This Proxy Statement is being furnished by and on behalf of the Board of Directors of Revlon, Inc. (the "Company") in connection with the solicitation of proxies to be voted at the 2005 Annual Meeting of Stockholders (the "2005 Annual Meeting") to be held at 10:00 a.m., local time, on Friday, June 3, 2005, at Revlon, Inc., The Showroom, 21st Floor, 237 Park Avenue, New York, New York, 10017, and at any adjournments thereof. This Proxy Statement and the enclosed proxy card, Notice of Annual Meeting of Stockholders and Annual Report for the year ended December 31, 2004 are first being sent to stockholders on or about April 28, 2005. The Annual Report does not form any part of the material for the solicitation of proxies.

At the 2005 Annual Meeting, stockholders will be asked to (1) elect the following persons as directors of the Company until the Company's next Annual Meeting and until such directors' successors are elected and shall have been qualified: Ronald O. Perelman, Alan S. Bernikow, Paul J. Bohan, Donald G. Drapkin, Meyer Feldberg, Howard Gittis, Edward J. Landau, Linda Gosden Robinson, Jack L. Stahl and Kenneth L. Wolfe; (2) consider and approve the adoption of the Revlon Executive Bonus Plan; (3) ratify the selection of KPMG LLP as the Company's independent registered public accounting firm for 2005; and (4) take such other action as may properly come before the 2005 Annual Meeting or any adjournments thereof.

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

#### Solicitation and Voting of Proxies; Revocation

All proxies properly executed and received by the Company, unless such proxies are previously revoked at any time before they are voted, will be voted on all matters presented at the 2005 Annual Meeting in accordance with the instructions given by the person executing such proxy or, in the absence of such instructions, will be voted (1) **FOR** the election to the Board of Directors of each of the 10 nominees identified in this Proxy Statement; (2) **FOR** approval of the Revlon Executive Bonus Plan; and (3) **FOR** the ratification of the selection of KPMG LLP as the Company's independent registered public accounting firm for 2005. The Company has no knowledge of any other matters to be brought before the meeting. The deadline for receipt by the Secretary of the Company of stockholder proposals for inclusion in the proxy materials for presentation at the 2005 Annual Meeting was December 31, 2004. The Company did not receive any stockholder proposals to be included in these proxy materials. Additionally, pursuant to the Company's By-laws, in order for business to be properly brought before the 2005 Annual Meeting (other than stockholder proposals included in the proxy statement pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and business specified in the proxy material), notice of such business must have been received by the Company between March 6, 2005 and April 5, 2005 and such notice must include, among other things, (i) information regarding the proposed business to be brought before such meeting; (ii) the identity of the stockholder proposing the business; and (iii) the class of shares of the Company which are owned beneficially or of record by such stockholder. The Company has not received notification of any such matters. However, if any other matters are properly presented before the 2005 Annual Meeting for action, in the absence of other instructions, it is intended that the persons named in the enclosed proxy and acting thereunder will vote in accordance with their best judgment on such matters.

The submission of a signed proxy will not affect a stockholder's right to attend, or to vote in person at, the 2005 Annual Meeting. Stockholders who execute a proxy may revoke it at any time before it is voted by filing a written revocation with the Secretary of the Company at 237 Park Avenue, 14th Floor, New York, New York, 10017, Attention: Secretary, by executing a proxy bearing a later date or by

attending the 2005 Annual Meeting and voting in person. If you plan to attend the 2005 Annual Meeting in person, you will need to bring a form of picture identification. If you are a registered stockholder and plan to attend the 2005 Annual Meeting in person, please also check the appropriate box on your proxy card indicating so.

**The Accompanying Form of Proxy is Being Solicited on Behalf of the Board of Directors.** Solicitation of proxies may be made by mail and also may be made by personal interview, telephone and facsimile transmission and by directors, officers and employees of the Company without special compensation therefor. The Company expects to reimburse banks, brokers and other persons for their reasonable out-of-pocket expenses incurred in handling proxy materials for beneficial owners.

#### Record Date; Voting Rights

Only holders of record of shares of the Company's Class A common stock, par value \$0.01 per share ("Class A Common Stock"), and Class B common stock, par value \$0.01 per share ("Class B Common Stock" and, together with the Class A Common Stock, the "Common Stock"), at the close of business on April 6, 2005 (the "Record Date") will be entitled to notice of and to vote at the 2005 Annual Meeting or any adjournments thereof. On the Record Date, there were issued and outstanding (i) 338,867,944 shares of the Company's Class A Common Stock, each of which is entitled to one vote, and (ii) 31,250,000 shares of the Company's Class B Common Stock, each of which is entitled to 10 votes. Of that total, (a) 190,110,641 shares of the Company's Class A Common Stock and (b) all of the shares of the Company's Class B Common Stock are beneficially owned directly and indirectly by Ronald O. Perelman, Chairman of the Company's Board of Directors, through MacAndrews & Forbes Holdings Inc. (formerly known as Mafco Holdings Inc., "MacAndrews & Forbes Holdings" and, together with its affiliates (other than the Company or its subsidiaries), "MacAndrews & Forbes"), of which Mr. Perelman is the sole stockholder. The shares identified in subclauses (a) and (b) above as beneficially owned directly and indirectly by MacAndrews & Forbes represent approximately 77.2% of the combined voting power of the outstanding shares of the Company's Common Stock that are entitled to vote at the 2005 Annual Meeting. The presence in person or by duly executed proxy of the holders of a majority in total number of votes of the issued and outstanding shares of Common Stock entitled to vote at the 2005 Annual Meeting is necessary to constitute a quorum in order to transact business. Abstentions and broker non-votes (i.e., shares held by a broker which are not voted because the broker has not received voting instructions from the beneficial owner of the shares and either lacks or declines to exercise the authority to vote the shares in its discretion) represented by submitted proxies will be included in the calculation of the number of shares present at the 2005 Annual Meeting for the purposes of determining a quorum. MacAndrews & Forbes has informed the Company that it will vote (1) **FOR** the election to the Board of Directors of each of the 10 nominees identified in this Proxy Statement; (2) **FOR** approval of the Revlon Executive Bonus Plan; and (3) **FOR** the ratification of the selection of KPMG LLP as the Company's independent registered public accounting firm for 2005. Accordingly, the affirmative vote of MacAndrews & Forbes is sufficient, without the concurring vote of any other stockholder of the Company, to approve and adopt Proposals No. 1, No. 2 and No. 3 to be considered at the 2005 Annual Meeting.

If shares of Class A Common Stock are held as of the Record Date for the account of participants under the Revlon Employees' Savings, Investment and Profit Sharing Plan (the "401(k) Plan"), Mercer Trust Company, the trustee for the 401(k) Plan, will vote those shares pursuant to the instructions given by the 401(k) Plan participants on their respective proxy cards. If the trustee does not otherwise receive voting instructions for shares held on account of a 401(k) Plan participant, the trustee, at the instruction of the Investment Committee of the 401(k) Plan, will vote any such unvoted shares (1) **FOR** the election to the Board of Directors of each of the 10 nominees identified in this Proxy Statement; (2) **FOR** approval of the Revlon Executive Bonus Plan; and (3) **FOR** ratification of the selection of KPMG LLP as the Company's independent registered public accounting firm for 2005. 401(k) Plan participants must deliver their proxy cards to the trustee in accordance with the instructions included with such card by May 25, 2005 to allow the trustee time to receive such voting instructions and vote on behalf of participants in the 401(k) Plan.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The Board of Directors of the Company, pursuant to the By-laws of the Company, has fixed the number of directors at 10 effective as of the date of the 2005 Annual Meeting. The directors nominated for election will be elected at the 2005 Annual Meeting to serve until the next succeeding Annual Meeting of the Company and until their successors are elected and shall have been qualified. All of the nominees are currently members of the Board of Directors. All nominees, if elected, are expected to serve until the next succeeding Annual Meeting. With respect to Proposal No. 1, all proxies properly executed and received by the Company, unless such proxies are revoked, will be voted in accordance with the instructions given by the person executing such proxy or, in the absence of such instructions, will be voted **FOR** the election to the Board of Directors of each of the 10 nominees identified in this Proxy Statement.

The Board of Directors has been informed that all of the nominees are willing to serve as directors, but if any of them should decline or be unable to serve, the Board of Directors may, unless the Board by resolution provides for a lesser number of directors, designate substitute nominees, in which event the individuals named in the enclosed proxy will vote for the election of such substitute nominee or nominees. The Board of Directors has no reason to believe that any nominee will be unable or unwilling to serve.

VOTE REQUIRED AND BOARD OF DIRECTORS' RECOMMENDATION

The election to the Board of Directors of each of the 10 nominees identified in this Proxy Statement will require the affirmative vote of a plurality of the votes cast by the holders of shares of Common Stock present in person or represented by proxy at the 2005 Annual Meeting and entitled to vote. A plurality means more votes than those cast for opposing candidates, if any. In tabulating the vote, abstentions and broker non-votes, if any, will be disregarded and have no effect on the outcome of the vote. MacAndrews & Forbes has informed the Company that it will vote **FOR** the election to the Board of Directors of each of the 10 nominees identified in this Proxy Statement. Accordingly, the affirmative vote of MacAndrews & Forbes is sufficient, without the concurring vote of any other stockholder of the Company, to effect the election of each of the nominees.

The Board of Directors unanimously recommends that stockholders vote FOR the election to the Board of Directors of each of the 10 nominees identified below.

Nominees for Election as Directors

The name, age (as of December 31, 2004), principal occupation for the last five years, selected biographical information and period of service as a director of the Company of each of the nominees for election as a director are set forth below.

**Mr. Perelman (61)** has been Chairman of the Board of Directors of the Company and of the Company's wholly-owned subsidiary, Revlon Consumer Products Corporation ("Products Corporation"), since June 1998 and a Director of the Company and of Products Corporation since their respective formations in 1992. Mr. Perelman has been Chairman of the Board of Managers, Manager and Chief Executive Officer of REV Holdings LLC ("REV Holdings"), which files reports pursuant to the Exchange Act, since December 2002. He was Chief Executive Officer of REV Holdings Inc. (the predecessor of REV Holdings) since 1997 and Chairman of its Board of Directors from 1993 through December 2002. Mr. Perelman has been Chairman of the Board and Chief Executive Officer of MacAndrews & Forbes and various of its affiliates since 1980. Mr. Perelman served as Chairman of the Board of

Directors of Panavision Inc. ("Panavision") until September 2003 and thereafter began service as Co-Chairman. Mr. Perelman is also a Director (or member of the Board of Managers, as applicable) of the following companies which are required to file reports pursuant to the Exchange Act: Allied Security Holdings LLC ("Allied Security"), M & F Worldwide Corp. ("M&F Worldwide"), Panavision and Scientific Games Corporation ("Scientific Games").

**Mr. Stahl (51)** has been President and Chief Executive Officer of the Company and Products Corporation since February 2002 and a Director of the Company and Products Corporation since March

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2002. Mr. Stahl served as President and Chief Operating Officer of The Coca-Cola Company ("Coca-Cola") from February 2000 to March 2001. Prior to that, Mr. Stahl held various senior executive positions at Coca-Cola where he began his career in 1979. Mr. Stahl is also a Director of the Cosmetic, Toiletry, and Fragrance Association, Vice Chairman of the Board of the United Negro College Fund and is a member of the Board of Governors of the Boys & Girls Clubs of America.

**Mr. Bernikow (64)** has been a Director of the Company and Products Corporation since September 2003. Prior to his retirement in May 2003, Mr. Bernikow served as the Deputy Chief Executive Officer of Deloitte & Touche LLP ("D&T") since 1998. Prior to that, Mr. Bernikow held various senior executive positions at D&T and various of its predecessor companies, which he joined in 1966. Mr. Bernikow also serves as a Director and as a member of the Audit Committee of Casual Male Retail Group, Inc. and as a Director and as Chairman of the Audit Committee of Mack-Cali Realty Corporation, each of which are required to file reports pursuant to the Exchange Act.

**Mr. Bohan (59)** has been a Director of the Company since March 2004. Prior to his retirement in February 2001, Mr. Bohan was a Managing Director in a high-yield bond sales group of Salomon Smith Barney, a unit of Citigroup Inc., a global financial services holding company, having joined Salomon Smith Barney in 1980. Mr. Bohan currently serves as a member of the Board of Directors of Arena Brands, Inc. and Haynes International, Inc., which are both privately-held companies, and of the Board of Directors of The New York Police & Fire Widows' & Children's Benefit Fund. In addition, Mr. Bohan serves on the audit committee of The New York Police & Fire Widows' & Children's Benefit Fund.

**Mr. Drapkin (56)** has been a Director of the Company and of Products Corporation since their respective formations in 1992. He has been Vice Chairman of the Board of MacAndrews & Forbes and various of its affiliates since 1987. Mr. Drapkin was a partner in the law firm of Skadden, Arps, Slate, Meagher & Flom LLP for more than five years prior to 1987. Mr. Drapkin is also a Director (or member of the Board of Managers, as applicable) of the following companies which are required to file reports pursuant to the Exchange Act: Allied Security, Anthracite Capital, Inc., Nephros Inc., Playboy Enterprises, Inc. and SIGA Technologies, Inc.

**Professor Feldberg (62)** has been a Director of the Company since February 1997. Professor Feldberg has been the Dean Emeritus and Sanford Bernstein Professor of Leadership and Ethics at Columbia Business School since July 1, 2004, was the Dean of Columbia Business School, New York City, from July 1989 to June 2004 and has been a Senior Advisor with Morgan Stanley since March 2005. Professor Feldberg is also a Director of the following companies which are required to file reports pursuant to the Exchange Act: Federated Department Stores, Inc., PRIMEDIA Inc. and Sappi Limited. In addition, Professor Feldberg is also a director or trustee of certain registered investment companies for which UBS Global Asset Management (U.S.) Inc. (formerly known as Brinson Advisors, Inc.), a wholly-owned subsidiary of UBS AG, or one of its affiliates serves as investment advisor, sub-advisor or manager, and a director of registered investment companies for which UBS Financial Services Inc. or one of its

affiliates serves as investment advisor, administrator or manager. In addition to being a member of the Company's Audit Committee, Professor Feldberg is also an audit committee member of PRIMEDIA Inc.

**Mr. Gittis (70)** has been a Director of the Company since its formation in 1992. Mr. Gittis was a Director of, and served as the Vice Chairman of, Products Corporation from June 2002 through March 2004. Mr. Gittis was Vice Chairman of the Board of Managers and Manager of REV Holdings, which files reports pursuant to the Exchange Act, from December 2002 until March 2004. He was a Director of REV Holdings Inc. (the predecessor of REV Holdings) from its formation in 1993 through December 2002 and Vice Chairman of its Board of Directors from March 1997 through December 2002. He has been Vice Chairman of the Board of MacAndrews & Forbes and various of its affiliates since 1985. Mr. Gittis is Chairman of the Board, President and Chief Executive Officer of M & F Worldwide. Mr. Gittis is also a Director of the following companies which are required to file reports pursuant to the Exchange Act: Jones Apparel Group, Inc., Panavision and Scientific Games.

**Mr. Landau (74)** has been a Director of the Company since June 1996. Prior to his retirement in February 2003, Mr. Landau was Of Counsel at the law firm of Wolf, Block, Schorr and Solis-Cohen LLP ("Wolf, Block") since February 1998, and was a Senior Partner of Lowenthal, Landau, Fischer & Bring,

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P.C., a predecessor to such firm, for more than five years prior to that date. He has been a Director of Products Corporation since June 1992.

**Ms. Robinson (51)** has been a Director of the Company since June 1996. Ms. Robinson has been Chairman of Robinson, Lerer & Montgomery, LLC, a New York City strategic communications consulting firm ("RLM"), since May 1996. Ms. Robinson was Chief Executive Officer of RLM from May 1996 until January 2002. In March 2000, RLM was acquired by Young & Rubicam Inc. ("Y&R") and Ms. Robinson has served as Vice Chairman of Y&R since March 2000. In October 2000, Y&R was acquired by the WPP Group plc ("WPP"). For more than five years prior to May 1996, she was Chairman of the Board and Chief Executive Officer of Robinson Lerer Sawyer Miller Group, or its predecessors. Ms. Robinson also serves as a Director of Black Rock, Inc., which is required to file reports pursuant to the Exchange Act.

**Mr. Wolfe (65)** has been a Director of the Company since March 2004. Mr. Wolfe served as Chairman and Chief Executive Officer of Hershey Foods Corporation ("Hershey") from 1994 until his retirement in December 2001. Mr. Wolfe joined Hershey in 1967 and held various executive positions, including President and Chief Operating Officer, before being appointed its Chairman and Chief Executive Officer. Mr. Wolfe is also a Director and Chairman of the audit committees of the following companies which are required to file reports pursuant to the Exchange Act: Adelpia Communications Corporation and Bausch & Lomb Incorporated. Since January 1, 2005, Mr. Wolfe has served as a member of the Board of Trustees of various mutual funds managed by Fidelity Management & Research Company.

#### Board of Directors and its Committees

The Board of Directors currently has an Audit Committee, a Compensation and Stock Plan Committee (the "Compensation Committee") and a Nominating and Corporate Governance Committee (the "Nominating Committee").



The Company is a "controlled company" (one in which more than 50% of the voting power is held by an individual, a group or another company) within the meaning of the rules of the New York Stock Exchange ("NYSE"), as MacAndrews & Forbes directly and indirectly beneficially owns approximately 59.9% of the Company's outstanding shares of Common Stock, which represent approximately 77.2% of the combined voting power of those outstanding shares. Accordingly, the Company is not required under the NYSE rules to have a majority of independent directors, a nominating and corporate governance committee or a compensation committee (each of which, under the NYSE's rules, would otherwise be required to be comprised entirely of independent directors). While the Company is not required to satisfy such NYSE requirements, the Company believes that a majority of its directors (including Messrs. Bernikow, Bohan, Feldberg, Landau and Wolfe and Ms. Robinson) qualify as independent directors within the meaning of Section 303A.02 of the NYSE Listed Company Manual and under the Board Guidelines for Assessing Director Independence (a copy of which is available on the Company's investor relations website, [www.revloninc.com](http://www.revloninc.com), under the heading "Corporate Governance"), which the Board adopted in accordance with Section 303A.02 of the NYSE Listed Company Manual. Additionally, while not comprised entirely of independent directors, the Company does maintain a Compensation Committee (comprised of Messrs. Gittis (Chairman), Drapkin, Landau and Wolfe), and the Board has determined that two of the four directors on the Compensation Committee (Messrs. Landau and Wolfe) qualify as independent directors within the meaning of Section 303A.02 of the NYSE Listed Company Manual and under the Board Guidelines for Assessing Director Independence. Finally, the Company maintains a Nominating Committee (comprised of Messrs. Feldberg (Chairman), Bernikow and Wolfe) and the Board of Directors has determined that all members of the Nominating Committee qualify as independent directors within the meaning of Section 303A.02 of the NYSE Listed Company Manual and under the Board Guidelines for Assessing Director Independence.

In connection with the Debt Reduction Transactions (as defined below), the Company entered into a Stockholders Agreement (as defined below) with Fidelity Management & Research Co. ("Fidelity"), pursuant to which the Company agreed, among other things, until such time as Fidelity ceases to be the beneficial holder of at least 5% of Revlon, Inc.'s outstanding voting stock, to (i) continue to maintain a majority of independent directors on the Board of Directors (as defined by NYSE listing standards) and

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(ii) establish and maintain the Nominating Committee (See "Certain Relationships and Related Transactions — Debt Reduction Transactions and Related Agreements — Certain Agreements Relating to the Debt Reduction Transactions — Stockholders Agreement").

During 2004, the Board of Directors held ten meetings and acted two times by unanimous written consent, the Audit Committee held nine meetings, the Compensation Committee held eight meetings and the Nominating Committee held five meetings and acted once by unanimous written consent. The Company's Executive Committee, which was disbanded on March 22, 2004, did not hold any meetings and acted once by unanimous written consent during 2004.

#### Audit Committee Report

The Audit Committee of the Company's Board of Directors currently consists of five directors, each of whom the Board of Directors has determined satisfies the independence, financial literacy and experience requirements of the NYSE in effect on the date of the mailing of this Proxy Statement, as well as the applicable NYSE listing standards.

#### Composition of the Audit Committee

The members of the Audit Committee are Messrs. Bernikow, Bohan, Feldberg and Landau (Chairman) and Ms. Robinson. Each of these directors served as a member of the Audit Committee during all of 2004, other than Mr. Bohan who became a member of the Audit Committee in March 2004. Each of Messrs. Bernikow, Bohan, Feldberg and Landau and Ms. Robinson remains a member of the Audit Committee as of the date of this report. The Company has identified Mr. Bernikow as an "audit committee financial expert" under applicable Securities and Exchange Commission ("SEC") rules in the Company's Annual Report on Form 10-K/A for the year ended December 31, 2004.

#### Responsibilities of the Audit Committee

The Audit Committee operates under a written charter which was amended in January 2004 and March 2005 as a result of the applicable new SEC and NYSE rules that became effective during the course of 2004. The current Audit Committee charter is attached as Annex A hereto and is also available on the Company's investor relations website, [www.revloninc.com](http://www.revloninc.com), under the heading "Corporate Governance." Under such charter, the Audit Committee is responsible for preparing this annual Audit Committee Report, which is required under SEC rules to be included in this Proxy Statement, as well as assisting the Company's Board of Directors in fulfilling its oversight responsibilities with respect to:

- (a) the integrity of the financial statements and other financial information provided by the Company to its stockholders and the public;
- (b) the Company's compliance with legal and regulatory requirements;
- (c) the appointment, compensation, retention and oversight of the work of the Company's independent auditors, as well as the independent auditors' qualifications, independence and performance;
- (d) the performance of the Company's internal audit function;
- (e) the implementation and effectiveness of the Company's Code of Business Conduct and the Company's comprehensive compliance and ethics program, including receiving periodic assessments of their effectiveness from the Company's Chief Legal Officer; and
- (f) any other matter required of the Audit Committee pursuant to the NYSE's rules or under applicable law.

In connection with fulfilling their direct responsibility for the appointment, compensation, retention and oversight of the work of the Company's independent registered public accounting firm, the Audit Committee has selected KPMG LLP ("KPMG") as the Company's independent registered public accounting firm for 2005, and recommended that stockholders ratify this selection. The Audit Committee discusses with the auditors their independence from management and reviews the plan, scope and results

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of the audit. The Audit Committee has adopted an Audit Committee Pre-Approval Policy for pre-approving all permissible audit and non-audit services (including, without limitation, any permissible tax services) performed by KPMG for the Company from time to time. Such policy sets specific limits on the types of services and the amounts of fees related thereto. In November 2004, the Audit Committee approved a Pre-Approval Policy for 2005. The 2005 Audit Committee Pre-Approval Policy is attached as Annex B hereto and is also available on the Company's investor relations website, [www.revloninc.com](http://www.revloninc.com), under the heading "Corporate Governance."

The Audit Committee is responsible for meeting annually with the independent auditors to review the independent auditors' annual report describing:

- (a) the independent auditor's internal quality control procedures;
- (b) any material issue raised by the most recent internal quality control review, or peer review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years concerning one or more independent audits carried out by the independent auditor, and any step taken to deal with any such issue; and
- (c) all relationships between the independent auditor and the Company.

The Audit Committee is also responsible for meeting annually with the independent auditors to periodically review with the independent auditors problems or difficulties, if any, encountered during the course of the Company's audit, including any restriction on the scope of work or access to required information, if any, and management's response.

The Audit Committee discusses with management and the independent auditors the Company's annual audited and quarterly unaudited financial statements which are included in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, respectively, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and discusses generally the Company's earnings press releases and the type of financial information and earnings guidance provided to analysts and rating agencies, if any.

With respect to the internal audit function and internal controls, the Audit Committee reviews the composition, functions, staffing, budget and performance of the internal audit group on an annual basis and discusses the Company's risk assessment and risk management guidelines and policies.

#### Reporting Procedures

The Audit Committee has established procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The reporting procedures referred to in subparagraphs (a) and (b) above are described in the Audit Committee's charter, which is attached as Annex A hereto and available on the Company's investor relations website, [www.revloninc.com](http://www.revloninc.com), under the heading "Corporate Governance."

#### Audit Committee Oversight of Financial Reporting and Internal Control Over Financial Reporting

Management is responsible for the Company's financial reporting process, the preparation of consolidated financial statements in accordance with generally accepted accounting principles and for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act.

The Company's management is also responsible for evaluating the effectiveness of the Company's internal control over financial reporting using suitable control criteria, supporting its evaluation with sufficient evidence, including documentation, and presenting a written assessment of the effectiveness of the Company's internal control over financial reporting as of the end of the Company's most recent fiscal

year. Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2004, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (the "COSO Criteria"), and the Company has reported this assessment in its Annual Report on Form 10-K/A for the fiscal year ended December 31, 2004.

The Company's independent registered public accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and issuing a report thereon. The Company's independent registered public accounting firm is also responsible for completing an audit of the Company's internal control over financial reporting and expressing an opinion on management's assessment of the effectiveness of the Company's internal control over financial reporting and an opinion on the effectiveness of the Company's internal control over financial reporting. KPMG, the Company's independent registered public accounting firm, issued a report on management's assessment and the effectiveness of the Company's internal control over financial reporting, which report appears in the Company's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2004.

The Audit Committee's responsibility is, in an oversight role, to monitor, oversee and review these processes. In this context, the Audit Committee has met and held discussions with management, the Company's internal auditors and the independent registered public accounting firm on a regular basis during 2004, including regular executive sessions with the Company's independent registered public accounting firm. The Audit Committee reviewed management's assessment of the Company's internal control over financial reporting as of December 31, 2004, which is included in Item 9A. "Controls and Procedures" of the Company's Annual Report on Form 10-K/A for the fiscal year ended December 31, 2004, as well as KPMG's Reports of Independent Registered Public Accounting Firm (also included in the Company's Annual Report on Form 10-K/A), which relate to KPMG's audits of (i) the consolidated financial statements, (ii) management's assessment of the effectiveness of internal control over financial reporting and (iii) the effectiveness of internal control over financial reporting.

Management represented to the Audit Committee that the Company's audited consolidated financial statements for the fiscal year 2004 were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the audited consolidated financial statements with management and the independent registered public accounting firm.

The Audit Committee discussed with the independent registered public accounting firm those matters required to be discussed by Statement on Auditing Standards No. 61 (Codification of Statements on Auditing Standards, AU Section 380), including information concerning the scope and results of the audit and certain information relating to KPMG's judgments about the quality, and not just the acceptability of the Company's accounting principles. These communications and discussions are intended to assist the Audit Committee in overseeing the financial reporting and disclosure process. The Audit Committee has received the written disclosures and the letter from the Company's independent registered public accounting firm required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) describing all relationships between the independent registered public accounting firm and the Company that might bear on the independent registered public accounting firm's independence consistent with Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees). The Audit Committee has discussed with the independent registered public accounting firm any relationship that may have an impact on that firm's objectivity and independence and satisfied itself as to the independent registered public accounting firm's independence. The Audit Committee also considered whether the provision of permissible non-audit services by the independent registered public accounting firm is compatible with maintaining the independent registered public accounting firm's independence and determined that it was. The Audit Committee also reviewed, among other things, the amount of fees paid to the independent registered public accounting firm for audit and permissible non-audit services (see "Audit Fees" on page 52 of this Proxy Statement).

Based on the Audit Committee's review of and discussions regarding the Company's audited consolidated financial statements and the Company's internal control over financial reporting with management, the Company's internal

auditors and the independent registered public accounting firm and

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the other reviews and discussions with independent registered public accounting firms referred to in the preceding paragraph, subject to the limitations on the Audit Committee's roles and responsibilities described above and in the Audit Committee charter, the Audit Committee recommended to the Board of Directors that the Company's audited consolidated financial statements be included in the Company's Annual Report on Form 10-K/A for the year ended December 31, 2004 for filing with the SEC.

Respectfully submitted,

Audit Committee

Edward J. Landau, Esq., Chairman

Alan S. Bernikow

Paul J. Bohan (appointed to the Audit Committee in March 2004)

Meyer Feldberg

Linda Gosden Robinson

Compensation Committee

While the Company is a "controlled company" and is not required under the NYSE's listing standards to have a compensation committee (which, under the NYSE's listing standards, would otherwise be required to be comprised entirely of independent directors), the Company has a Compensation Committee comprised of four directors, namely Messrs. Drapkin, Gittis (Chairman), Landau and Wolfe, including two directors (Messrs. Landau and Wolfe) who the Company believes qualify as independent directors within the meaning of Section 303A.02 of the NYSE Listed Company Manual and under the Board Guidelines for Assessing Director Independence. The Compensation Committee reviews and approves corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer, evaluates the CEO's performance in light of those goals and objectives and determines, either as a committee or together with the Board of Directors, the CEO's compensation level based on such evaluation, and reviews and approves compensation and incentive arrangements (including performance-based arrangements and bonus awards under the Company's executive bonus plan as it is currently in effect and as it may be amended from time to time, including the Revlon Executive Bonus Plan (the "Executive Bonus Plan")) for the Company's executive officers other than the Chief Executive Officer and such other employees of the Company as the Compensation Committee determines necessary or desirable from time to time. The Compensation Committee also reviews and approves awards ("Awards") pursuant to the Amended and Restated Revlon, Inc. Stock Plan (the "Stock Plan") and administers such plan. Each of the members of the Compensation Committee served as a member of the Compensation Committee during all of 2004 (other than Mr. Wolfe who became a member of the Compensation Committee in March 2004) and each remains a member of the Compensation Committee as of the date of the annual Compensation Committee Report on Executive Compensation included in this Proxy Statement (see "— Compensation Committee Report on Executive Compensation").

Pursuant to the terms of the Company's executive bonus plan as in effect for 2004 and the Revlon Executive Bonus Plan (which has been adopted by the Company's Board of Directors, subject to stockholder approval at the Company's Annual Meeting to be held on June 3, 2005), the Compensation Committee may delegate to an administrator (who must be an employee or officer of the Company) (the "Compensation Administrator") the power and authority to administer the executive bonus plan for employees of the Company, other than the Company's Chief Executive

Officer and other covered employees as defined in Treasury Regulation §1.162-27(c)(2) ("Section 162(m) Officers"), which would include the authority to set business and personal performance objectives, to determine whether such objectives were met, to determine whether bonus awards would be paid out and to determine whether an award should be reduced or eliminated. During 2004, the Compensation Committee approved a specific formula and guidelines that were used by the Company's Chief Executive Officer and Head of Human Resources to determine bonus amounts for eligible employees in respect of 2004 (but not for any Section 162(m) Officers), and in March 2005 the Compensation Committee approved the total amount of bonuses payable in respect of 2004, pursuant to the Company's executive bonus plan as in effect for 2004. In accordance with the 2004 executive bonus plan formula and guidelines approved by the Compensation Committee, participating employees were eligible for a bonus of 50% of the normal target award, based upon the extent of their achievement of specific personal objectives that were linked to the Company's

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business strategy (the Company proposed the 50% bonus program to enhance profitability in 2004). Section 162(m) Officers' awards pursuant to the Company's 2004 executive bonus plan were tied to achievement of specific, objective, performance-based bonus criteria, including market share growth versus the category, gross sales, EBITDA and employee satisfaction as measured by a third party survey.

Section 157(c) of the Delaware General Corporation Law (the "DGCL") provides that the Company's Board of Directors (or the Compensation Committee acting on behalf of the Board) may authorize one or more officers of the Company to designate officers and employees of the Company or of any of its subsidiaries to be issued options or rights under the Stock Plan and to determine the number of options or rights to be issued to such officers and employees. The terms of the Awards, including the exercise price of any options (which may be determined pursuant to a formula, which in the case of the Stock Plan is the closing price of the Class A Common Stock on the NYSE on the grant date), as well as the total number of options or rights that may be awarded by the designated officer, must be set by the Board of Directors or the Compensation Committee acting on behalf of the Board. The designated officer may not, however, designate himself or herself as a recipient of an Award under the Stock Plan; any such Award must be approved by the Board or the Compensation Committee acting on behalf of the Board.

In this regard, in November 2004, to facilitate routine awards of relatively small option grants, the Compensation Committee approved a delegation to the Company's Chief Executive Officer and Head of Human Resources of its authority to authorize option grants under the Stock Plan with respect to an aggregate of 300,000 shares of the Company's Class A Common Stock to new hires, promoted employees and pursuant to other contractual arrangements during the remainder of 2004 and 2005. The grants made pursuant to the delegated authority may only be made in accordance with specific guidelines approved by the Compensation Committee, including that no individual grant made pursuant to the delegated authority shall exceed 30,000 shares.

During 2004, following full consideration and consultation with Mercer Human Resource Consulting, an independent, nationally-recognized compensation consultant ("Mercer"), the Compensation Committee approved Awards of stock options and/or restricted shares to the Chief Executive Officer, certain Named Executive Officers (as defined below), certain members of the Company's Operating Committee, currently comprised of the 12 most senior executives at the Company (including the Named Executive Officers, other than Mr. Greeff who ceased employment with the Company in February 2005), and other key employees. The Compensation Committee expressly approved each of these specific grants of options and restricted shares.

Nominating and Corporate Governance Committee

While the Company is a "controlled company" and is not required under the NYSE's listing standards to have a nominating and corporate governance committee (which, under the NYSE's listing standards, would otherwise be required to be comprised entirely of independent directors), the Company has a Nominating Committee comprised entirely of directors who the Board of Directors has determined qualify as independent directors within the meaning of Section 303A.02 of the NYSE Listed Company Manual and under the Board Guidelines for Assessing Director Independence. The members of the Nominating Committee are Messrs. Bernikow, Feldberg (Chairman) and Wolfe. The functions of the Nominating Committee include the following:

- identifying individuals qualified to become Board members;
- selecting or recommending to the Board proposed nominees for Board membership;
- recommending to the Board directors to serve on each of the Board's standing committees;
- evaluating the Board's performance;
- evaluating the CEO's and senior management's performance;
- ensuring that succession planning takes place for the Chief Executive Officer and other senior management positions; and
- periodically reviewing the Board's Corporate Governance Guidelines and recommending changes, if any.

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The Nominating Committee's charter was originally adopted by the Board of Directors in March 2004. The Nominating Committee's charter is available on the Company's investor relations website, [www.revloninc.com](http://www.revloninc.com), under the heading "Corporate Governance."

The Nominating Committee identifies individuals qualified to become members of the Board when any vacancy occurs on the Board by reason of disqualification, resignation, retirement, death or an increase in the size of the Board, and selects or recommends that the Board select director nominees for each annual meeting of stockholders and director nominees to fill vacancies on the Board that may occur between annual meetings of stockholders. The Nominating Committee will also consider director candidates recommended by stockholders. The process by which the Nominating Committee evaluates candidates submitted by stockholders does not differ from the process it follows for evaluating other nominees, except that the Nominating Committee may also take into consideration the number of shares held by the recommending stockholder, the length of time that such shares have been held and the number of candidates submitted by each stockholder or group of stockholders over the course of time. Stockholders desiring to submit candidates for director must submit their recommendation in writing (certified mail – return receipt requested) to Robert K. Kretzman, Executive Vice President, Chief Legal Officer and Secretary at Revlon, Inc., 237 Park Avenue, New York, New York, 10017. The Nominating Committee will accept recommendations of director candidates throughout the year; however, in order for a recommended director candidate to be considered by the Nominating Committee for nomination to stand for election at an upcoming annual meeting of stockholders, the recommendation must be received by the Corporate Secretary not less than 120 days prior to the anniversary date of the Company's most recent annual meeting of stockholders. To have a candidate considered by the Nominating Committee, a stockholder must, subject to further requests for information from the Nominating Committee, initially provide the following information:

- the name and address of the stockholder, evidence of such stockholder's ownership of the Company's Common Stock, including the number of shares owned and the length of time of ownership, and a statement as to the number of director candidates such stockholder has submitted to the Nominating Committee during the period that such stockholder has owned

shares of the Company's Common Stock, including the names of any candidates previously submitted by such stockholder;

- the name of the candidate;
- the candidate's resume or a listing of his or her qualifications to be a director of the Company;
- any other information regarding the candidate that would be required to be disclosed in a proxy statement filed with the SEC if the candidate were nominated for election to the Board; and
- the candidate's consent to be named as a director if selected by the Nominating Committee and nominated by the Board.

In evaluating nominees for director, the Nominating Committee is guided by, among other things, the principles for Board membership expressed in the Company's Corporate Governance Guidelines, which are available on the Company's investor relations website, [www.revloninc.com](http://www.revloninc.com), under the heading "Corporate Governance." The Nominating Committee does not set specific, minimum qualifications that nominees must meet but rather, in identifying and considering candidates for nomination to the Board, the Nominating Committee considers, in addition to the requirements set out in the Company's Corporate Governance Guidelines and the Nominating Committee's charter, the quality of the candidate's experience, the needs of the Company and the range of talent and experience represented on the Board. In its assessment of each potential candidate, the Nominating Committee will consider the nominee's reputation, judgment, accomplishments in present and prior positions, independence, knowledge and experience that may be relevant to the Company, and such other factors as the Nominating Committee determines are pertinent in light of the current needs of the Board. The Nominating Committee identifies potential nominees from various sources such as officers, directors and stockholders and from time to time retains the services of third party consultants to assist it in identifying and evaluating nominees.

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#### Non-Management Executive Sessions

The Company's Corporate Governance Guidelines provide that the Company's Board of Directors will regularly meet in executive session without any member of the Company's management being present. The Company's independent directors will also meet in at least one non-management executive session per year attended only by independent directors. The presiding director at such non-management executive sessions of the Board is determined in accordance with the applicable provisions of the Company's By-Laws, such that the Chairman of the Board of Directors or, in his absence, a director chosen by a majority of the directors present at the non-management executive sessions, will preside at such meetings. The Board of Directors met regularly in executive session during 2004.

#### Compensation of Directors

Directors who currently are not receiving compensation as officers or employees of the Company or any of its affiliates ("Non-Employee Directors") are paid an annual retainer fee of \$35,000, payable in quarterly installments, and a fee of \$1,000 for each meeting of the Board of Directors or any committee thereof that they attend. In May 2004, the Compensation Committee, after due consideration and consultation with Mercer, approved a compensation structure for the Company's Non-Employee Directors pursuant to which, in addition to annual retainer fees and meeting fees, annual Awards may be made to such directors. Under the program, the Compensation Committee will determine a maximum face value of the annual option grant each year for each director (which face value amount cannot exceed \$100,000 in any given year and was set at \$75,000 for each of 2004 and 2005), and the face value amount is divided by the closing price on the NYSE of the Company's Class A Common Stock on the date of the grant to determine the number of options to be granted to the director. On May 10, 2004, the Compensation Committee



granted each of the Non-Employee Directors options to purchase 22,060 shares of the Company's Class A Common Stock, which options consist of non-qualified options having a term of seven years, become exercisable as to 25% of the Award on December 31, 2004 and thereafter become cumulatively exercisable in additional 25% increments on each subsequent December 31st, and which have an exercise price equal to \$3.40, the per share closing market price on the NYSE of the Company's Class A Common Stock on the grant date. On March 7, 2005, the Compensation Committee granted each of the Non-Employee Directors options to purchase 29,412 shares of the Company's Class A Common Stock, which options consist of non-qualified options having a term of seven years, become exercisable as to 25% of the Award on March 7, 2006 and thereafter become cumulatively exercisable in additional 25% increments on each subsequent March 7th, and which have an exercise price equal to \$2.55, the per share closing market price on the NYSE of the Company's Class A Common Stock on the grant date.

In recognition of their increased responsibilities, members of the Audit Committee are paid an annual Audit Committee retainer fee of \$10,000, in addition to the annual retainer fee for Board membership, and a per meeting fee of \$1,500 for each meeting of the Audit Committee that they attend.

Messrs. Bernikow and Landau are also non-employee members of the Board of Directors of Products Corporation, the Company's wholly-owned subsidiary, for which they are paid an annual retainer fee of \$25,000 per annum and a meeting fee of \$1,000 for each meeting of the Board of Directors of Products Corporation that they attend.

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## EXECUTIVE OFFICERS

The following table sets forth each of the executive officers of the Company as of December 31, 2004, except for Mr. Kretzman who became an executive officer effective in March 2005: