

REVLON

Delivering The Promise of Beauty

Annual Report 2004



Contents

Letter To the share holder

A Closer Look at 2004

Financial Performance

Statement of Income

Corporate and Investor Information

Products

Marketing

New Product Development

Board of Directors



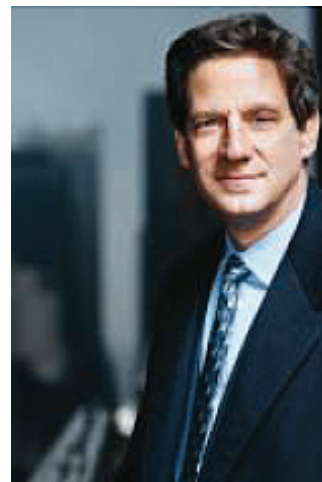
JACK L. STAHL

President and Chief Executive Officer

DEAR SHAREHOLDERS:

Our Company accomplished a great deal in 2004.

We built on the significant progress we made in 2003 to build our brands, strengthen our retail partnerships and improve the Revlon organization. We also made dramatic progress in improving our new product development process, strengthening our capital structure, and embarking on the implementation of our Destination Model — a series of strategic initiatives and productivity programs designed to dramatically improve our profit margins over the next several years.



In addition, we aggressively managed the business during the year and delivered the operating profit commitments we laid out to the investment community for 2004. So, as we look back on a very eventful year, we are pleased with what we've accomplished, and we are excited about the significant opportunities that lie ahead.

Specific highlights of our Company's progress in 2004 include:

- The achievement of a 7% operating income margin and Adjusted EBITDA¹ of \$193 million, including \$6 million in restructuring expenses;
 - A dramatic reduction in debt and interest expense, stemming from our successful debt-for-equity exchange offers and subsequent refinancings;
 - The implementation and early success of our Destination Model;
 - The development of breakthrough advertising with the potential to transform the traditional approach to media in the mass market channel;
 - The fourth quarter launch of our first wave of new products borne from our new, cross-functional new product development process; and
 - The enhancement to our comprehensive corporate governance standards.
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Building on the capital structure improvements made in 2004, earlier this year we consummated a notes offering to refinance two shorter-term maturities of debt and reduce our exposure to floating rate debt. These transactions further strengthen our balance sheet and represent another building block in our goal to achieve long-term profitable growth and value creation.

OUTLOOK FOR THE FUTURE

In closing, I can say with confidence that Revlon is a much stronger Company today than at any time in recent history. We have put in place many important building blocks and, while we still have much work to do, we are well on our way to achieving our objective of long-term profitable growth.

I am grateful to Revlon employees for all of their contributions and to all of our stakeholders for their support on Revlon's success journey.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack", with a long, sweeping underline that extends to the left and then curves back up to the right.

Jack L. Stahl
President and Chief Executive Officer
April 2005

(1) Adjusted EBITDA is a non-GAAP financial measure that the Company defines as net earnings before interest, taxes, depreciation, amortization, gains/losses on foreign currency transactions, gains/losses on the sale of assets, gains/losses on the early extinguishment of debt, and miscellaneous expenses.

A Closer Look at 2004

This past year was a significant one for Revlon on a number of critical dimensions. color cosmetics business—which you will recall represents some two-thirds of our new advertising and ready its first wave of new products from our new, development process, but we also delivered significantly improved operating improved capital structure. The following pages provide a brief discussion of several during the year and the importance this progress represents to our future.

New Capital Structure and Enhanced Corporate Governance



A dramatic achievement of 2004 was the improvement we made to our capital structure. We indicated during 2003 that improving our capital structure would take on increasing focus in 2004. Early in the year, we consummated debt-for-equity exchange offers that converted over \$800 million of debt into equity and significantly reduced our annual interest expense. But we didn't stop there. In mid-year, we extended the maturities on a portion of our debt through a series of refinancing transactions, which also had the benefit of further reducing our annual interest expense. More recently, in March of 2005, we took action to build on this progress and further strengthened our capital structure through a notes offering that both extended the maturities of our debt that would have otherwise matured in 2006 and reduced our exposure to floating rate debt. And . . . we're not done yet. We are committed to launching an equity offering by March 2006 and to use the proceeds of the offering to reduce debt. This is just one more example of our ongoing focus on strengthening our capital structure over time.

On the corporate governance front, the Company and our Board of Directors have made the continued strengthening of our governance standards an important area of focus over the past couple of years. We continue to maintain a majority of independent directors on our Board and, over the past year, our comprehensive Corporate Governance Program was further enhanced, including the formation of an independent Nominating and Corporate Governance Committee. During the year, we welcomed to our Board Kenneth Wolfe, retired Chairman and CEO of Hershey Foods Corporation, and Paul Bohan, retired Managing Director of Salomon Smith Barney, a unit of Citigroup Inc. These two distinguished gentlemen will be invaluable to our Company as we move forward.

Financial Performance and Destination Model



Key Data	2003	2004	Change
Net Sales	\$1,299	\$1,297	—
Operating Income	\$21	\$89	+324%
% of Net Sales	1.6%	6.9%	+5.3 pts.
Net Earnings	(\$154)	(\$143)*	+7%
Diluted Earnings Per Share	(\$2.47)	(\$0.47)*	+81%
# Shares Outstanding	62,327,726	301,053,334	+383%

* Includes charges of \$91m (\$0.30 per diluted share) in 2004 for the loss on the early extinguishment of debt.

While we recognize that we still have a lot to do, we are proud of the progress we made in 2004 to strengthen our financial performance. We dramatically improved our operating results, delivering significant cost savings stemming from the initial implementation of our Destination Model. Our Destination Model is a long-term profit model that details the opportunities we believe exist to increase our operating profit margins by approximately eight to ten margin points within a five-year period of time beginning in 2003. Our focus in 2004 was on increasing our efficiency and effectiveness in our promotional process, reducing our global manufacturing and supply chain costs and reducing our manufacturing cost structure. We made progress in each of these three areas during the year, and we expect to continue to implement these and other productivity programs and initiatives in 2005 and beyond and to reach our Destination Model profitability level over the next several years.

Our International operations achieved another very strong year in 2004. Our business in the Asia Pacific region continued to lead this performance, on the strength of continued growth momentum in the key markets of Australia and South Africa. Our business in Latin America also turned in a solid performance this past year. During 2004, we began to implement a strategic initiative to optimize our international supply chain, with our first area of focus being Europe. We made very good progress during this past year and expect to continue to reap the benefits of this important initiative as we move forward.

Statement of Income



Year Ended December 31,

2004	2003 (d)	2002 (d)	2001	2000
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(dollars in millions, except per share amounts)

Net sales	\$1,297.2	\$1,299.3	\$1,119.4	\$1,277.6	\$1,409.4
Gross profit (b)	811.9	798.2	615.7	733.4	835.1
Selling, general and administrative expenses	717.6	770.9	717.0	679.2	765.1
Restructuring costs and other, net (c)	5.8	6.0	13.6	38.1	54.1
Operating income (loss)	88.5	21.3	(114.9)	16.1	15.9
Interest expense	130.8	174.5	159.0	140.5	144.5
Loss on early extinguishment of debt	90.7(f)	—	—	3.6	—
Loss from continuing operations	(142.5)	(153.8)	(286.5)	(153.7)	(129.7)
Basic and diluted loss from continuing operations per common share	\$ (0.47)	\$ (2.47)	\$ (5.36)	\$ (2.87)	\$ (2.43)
Weighted average number of common shares outstanding (in millions): (e)					
Basic and diluted	301.1	62.3	53.5	53.5	53.4

December 31,

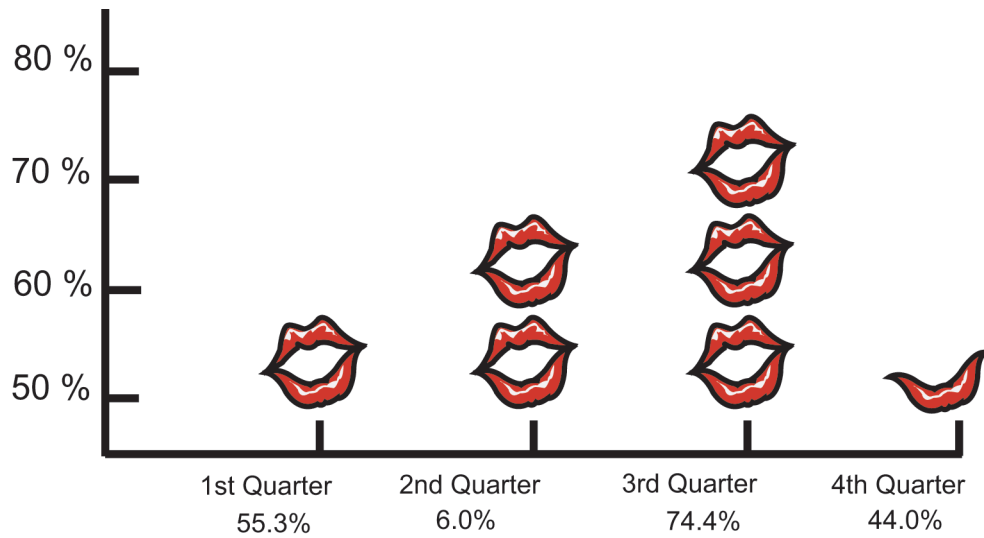
2004	2003	2002	2001	2000
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(dollars in millions)

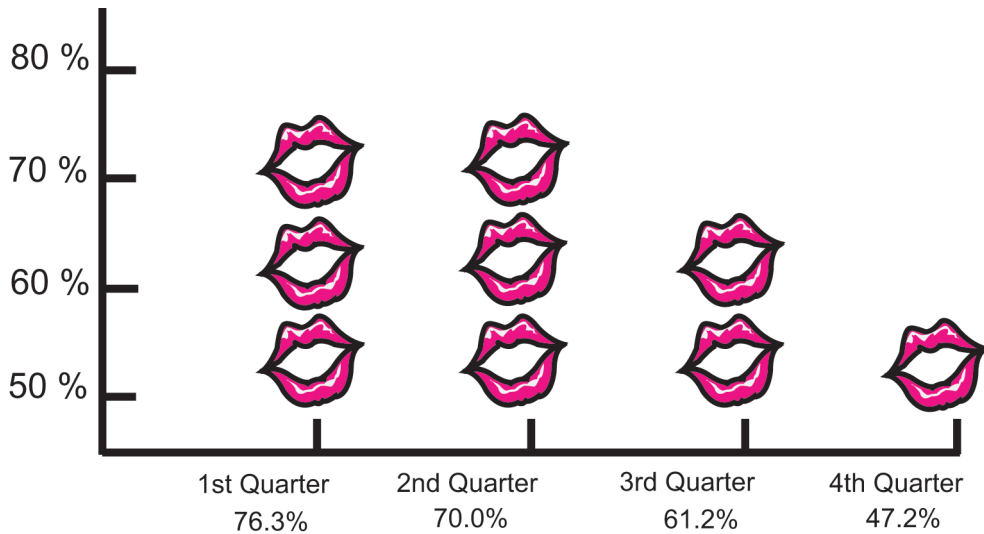
Balance Sheet Data (a):

Total assets.	\$ 1,000.5	\$ 892.2	\$ 933.7	\$ 997.6	\$ 1,101.8
Total indebtedness	1,355.3	1,897.5	1,775.1	1,661.1	1,593.8
Total stockholders' deficiency	(1,019.9)	(1,725.6)	(1,638.5)	(1,282.1)	(1,106.7)

2004 Quarterly Stock Percentage



2003 Quarterly Stock Percentage



• The following graphs show the company's high quarterly stock percentages of Revlon's Inc.'s class A common Stock on the NYSE stock market for the 2003 and 2004 year.

Corporate and Investor Information

The Company's Annual Report on Form 10-K/A filed with the Securities and Exchange Commission is available without charge upon written request to:

Investor Relations

Revlon, Inc.

237 Park Avenue

New York, New York 10017

Such Report is also available on the Company's website, www.revloninc.com, as well as the SEC's website at www.sec.gov.

Investor Relations Contact

212-527-5230

Media Contact

212-527-5727

Consumer Information Center

1-800-4-Revlon

Visit our Web Site at

www.revlon.com

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Nearly Naked.....

Products

The Company manufactures and markets a variety of products worldwide. The following table sets forth the Company's principal brands and certain selected products. Cosmetics — Revlon: The Company sells a broad range of cosmetics and skin care products under its flagship Revlon brand designed to fulfill specifically-identified consumer needs, principally priced in the upper range of the mass-market distribution channel, including lip makeup, nail color and nail care products, eye and face makeup and skin care products such as lotions, cleansers, creams, toners and moisturizers. Many of the Company's products incorporate patented, patent-pending or proprietary.

The Company markets several different lines of Revlon lip makeup (which address different segments of the lip makeup category). The Company's ColorStay lipcolor uses patented transfer-resistant technology that provides long wear; ColorStay Overtime Lipcolor patented lip technology builds on the strengths of the ColorStay franchise by offering long-wearing benefits in a new product form, which enhances comfort and shine. Super Lustrous lipstick is the Company's flagship wax-based lipcolor, which has been further improved in 2005 with the addition of Liqui-Silk technology. In 2004, the Company

introduced Super Lustrous Lipgloss, providing a non-sticky, high-gloss shine that coordinates with Super Lustrous shades. The Company's nail color and nail care lines include enamels, cuticle preparations and enamel removers. The Company's flagship Revlon nail enamel uses a patented formula that provides consumers with improved wear, application, shine and gloss in a toluene-free, formaldehyde-free and phthalate-free formula. The Company also sells Cutex nail polish remover and nail care products in certain countries outside the U.S. In 2003, the Company launched ColorStay Always On nail enamel, which offers 10-day superior color and wear in an exclusive 2-step system.



Marketing



The Company markets extensive consumer product lines at a range of retail prices primarily through the mass market distribution channel and outside the U.S. also markets select premium lines through demonstrator-assisted channels. The Company uses print and television advertising and point-of-sale merchandising, including displays and samples. The Company's marketing emphasizes a uniform global image and product for its portfolio of core brands, including Revlon, ColorStay, Revlon Age Defying, Almay, Charlie and Mitchum. The Company coordinates advertising campaigns with in-store promotional and other marketing activities.

The Company develops jointly with retailers carefully tailored advertising, point-of-purchase and other focused marketing programs. The Company uses network and spot television advertising, national cable advertising and print advertising in major general interest, women's fashion and women's service magazines, as well as coupons and other trial incentives. In 2004, the Company expanded its media reach utilizing "non-traditional" vehicles such as outdoor, newspapers and movie theaters to supplement the media mix.

The Company also uses cooperative advertising programs with some retailers, supported by Company-paid or Company-subsidized demonstrators, and coordinated in-store promotions and displays. These displays include "Revlon Reports," which highlight seasonal and other fashion and color trends, describe the Company's products that address those trends and can include coupons, rebate offers and other promotional material to encourage consumers to try the Company's products. Other marketing materials designed to introduce the Company's newest products to consumers and encourage trial and purchase in-store include trial-size products and couponing. Additionally, the Company maintains separate websites, www.revlon.com and www.almay.com devoted to the Revlon and Almay brands, respectively. Each of these websites feature current product and promotional information for the Revlon and Almay brands, respectively, and are updated regularly to stay current with the Company's new product launches and other advertising and promotional campaigns.

New Product Development

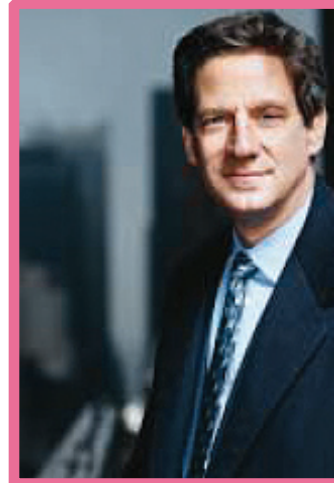


The Company believes that it is an industry leader in the development of innovative and technologically-advanced consumer products. The Company's marketing and research and development groups identify consumer needs and shifts in consumer preferences in order to develop new products, tailor line extensions and promotions and redesign or reformulate existing products to satisfy such needs or preferences. The Company's research and development group comprises departments specialized in the technologies critical to the Company's various product categories, as well as an advanced technology department that promotes inter-departmental, cross-functional research on a wide range of technologies to develop new and innovative products. In connection with the implementation of the stabilization and growth phase of the Company's plan, the Company has developed and is implementing a new cross-functional product development process intended to optimize the Company's ability to bring to market its new product offerings and to ensure that the Company has products in key trend categories. The Company operates an extensive cosmetics research and development facility in Edison, New Jersey. The scientists at the Edison facility are responsible for all of the Company's new product research worldwide, performing research for new products, ideas, concepts and packaging. The research and development group at the Edison facility also performs extensive safety and quality tests on the Company's products, including toxicology, microbiology and package testing. Additionally, quality control testing is performed at each manufacturing facility. As of December 31, 2004, the Company employed approximately 180 people in its research and development activities, including specialists in pharmacology, toxicology, chemistry, microbiology, engineering, biology, dermatology and quality control. In 2004, 2003 and 2002, the Company spent approximately \$24.0, \$25.4 and \$23.3, respectively, on research and development activities.

Board of Directors



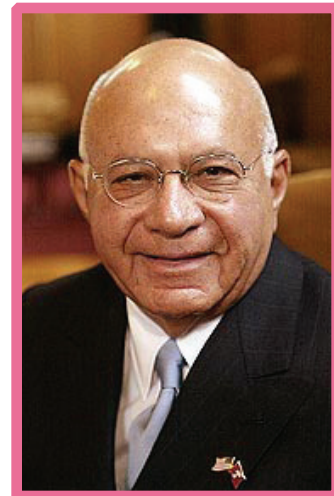
Ronald O. Perelman



Jack L. Stahl



Kenneth L. Wolfe

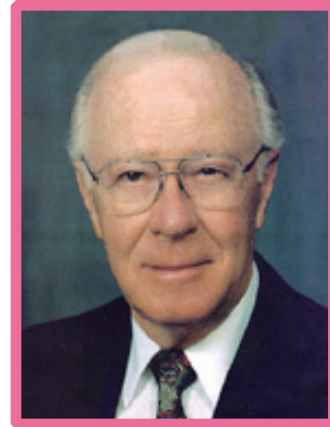


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Board of Directors



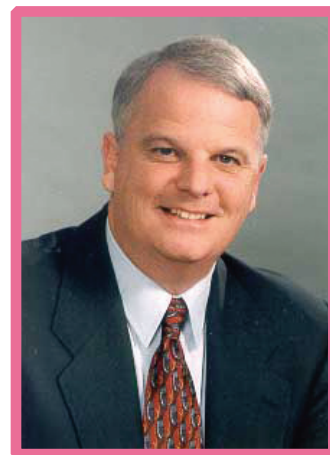
Linda Gosden Robinson



Paul J. Bohan



Edward J. Landau



Alan S. Bernikow



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