REVLON INC /DE/
Form 10-K
February 26, 2016

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

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FORM 10-K

(Mark One)

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from__________________ to _______________

Commission File Number: 1-11178
REVLON, INC.
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Delaware<br>(State or other jurisdiction of incorporation or organization) | 13-3662955<br>(I.R.S. Employer Identification No.) |
| One New York Plaza, New York, New York<br>(Address of principal executive offices) | 10004<br>(Zip Code) |

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

Securities registered pursuant to Section 12(b) or 12(g) of the Act:

| Title of each class | Name of each exchange on which registered |
|---|---|
| Class A Common Stock | New York Stock Exchange |

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

| Large accelerated filer ¨ | Accelerated filer x | Non-accelerated filer ¨<br>(Do not check if a smaller reporting company) | Smaller reporting company ¨ |
|---|---|---|---|

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ¨ No x

The aggregate market value of the registrant's Class A Common Stock held by non-affiliates (using the New York Stock Exchange closing price as of June 30, 2015, the last business day of the registrant's most recently completed second fiscal quarter) was approximately $432,111,207.

As of December 31, 2015, 52,463,484 shares of Class A Common Stock were outstanding. At such date, 40,669,640 shares of Class A Common Stock were beneficially owned by MacAndrews & Forbes Incorporated and certain of its affiliates.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Revlon, Inc.’s definitive Proxy Statement to be delivered to stockholders in connection with its Annual Stockholders' Meeting to be held on or about June 9, 2016 are incorporated by reference into Part III of this Form 10-K.

REVLON, INC. AND SUBSIDIARIES
Form 10-K
For the Year Ended December 31, 2015
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## PART I - FINANCIAL INFORMATION

### Item 1. Business

### Background

Revlon, Inc. (and together with its subsidiaries, the "Company") conducts its business exclusively through its direct wholly-owned operating subsidiary, Revlon Consumer Products Corporation ("Products Corporation") and its subsidiaries. Revlon, Inc. is an indirect majority-owned subsidiary of MacAndrews & Forbes Incorporated (together with certain of its affiliates other than the Company, "MacAndrews & Forbes"), a corporation wholly-owned by Ronald O. Perelman.

The Company was founded over 80 years ago by Charles Revson, who revolutionized the cosmetics industry by introducing nail enamels matched to lipsticks in fashion colors. Today, the Company continues Revson's legacy by producing and marketing innovative products that address consumers' wants and needs for beauty and personal care products.

The Company currently operates in three segments: the consumer division (“Consumer”); the professional division (“Professional”); and Other. The Professional segment consists entirely of the business acquired pursuant to Products Corporation's October 9, 2013 acquisition of The Colomer Group Participations, S.L., a Spanish company now known as Beautyge Participations, S.L. ("Colomer," the "Colomer Acquisition" and the "Colomer Acquisition Date," respectively) The Other segment includes the business acquired pursuant to the Company's April 2015 acquisition of the CBBeauty Group and certain of its related entities (collectively "CBB" and, such transaction, the "CBB Acquisition").

The Company manufactures, markets and sells worldwide an extensive array of beauty and personal care products, including color cosmetics, hair color, hair care and hair treatments, as well as beauty tools, men's grooming products, anti-perspirant deodorants, fragrances, skincare and other beauty care products. The Company believes that its global brand name recognition, product quality, R&D, new product innovation and marketing experience have enabled it to create leading global consumer and professional brands.

The Company’s Consumer segment is comprised of products that are manufactured, marketed and sold in large volume retailers, chain drug and food stores, chemist shops, hypermarkets, general merchandise stores, the Internet/e-commerce, television shopping, department stores, one-stop shopping beauty retailers, specialty cosmetic stores and perfumeries in the U.S. and internationally under brands such as Revlon, Almay, SinfulColors and Pure Ice in cosmetics; Revlon ColorSilk in women’s hair color; Revlon in beauty tools; and Mitchum in anti-perspirant deodorants. The Consumer segment also includes a skincare line under the Natural Honey brand and hair color line under the Llongueras brand that are sold in large volume retailers and other retailers, primarily in Spain, which were acquired as part of the Colomer Acquisition.

The Company's Professional segment manufactures, markets and sells professional products primarily to hair and nail salons and professional salon distributors in the U.S. and internationally under brands such as Revlon Professional in hair color, hair care and hair treatments; CND in nail polishes and nail enhancements, including CND Shellac and CND Vinylux nail polishes; and American Crew in men’s grooming products. The Professional segment also includes a multi-cultural hair care line consisting of Creme of Nature hair care products, which are sold in both professional salons and in large volume retailers and other retailers, primarily in the U.S.

The Other segment includes the operating results of the CBB business and related purchase accounting for the CBB Acquisition. CBB develops, manufactures, markets and distributes fragrances and other beauty products under various celebrity, lifestyle and fashion brands licensed from third parties, principally through department stores and selective distribution in international territories. The results included within the Other segment are not material to the Company's consolidated results of operations.

### The Company's Strategy for Value Creation

The Company’s vision is to establish Revlon as the quintessential and most innovative beauty company in the world by offering products that make consumers feel attractive and beautiful. We want to inspire our consumers to express themselves boldly and confidently.

The Company’s strategic goal is to optimize the market and financial performance of its portfolio of brands and assets. The business strategies employed by the Company to achieve this goal are:

1. Manage financial drivers for value creation. Gross profit margin expansion, which includes optimizing price, allocating sales allowances to maximize our return on trade spending and reducing costs across our global supply chain. In addition, we are focused on eliminating non-value added general and administrative costs in order to fund reinvestment to facilitate growth.
2. Grow profitability through intensive innovation and geographical expansion. Creating fewer, bigger and better innovations across our brands that are relevant, unique, impactful, distinctive and ownable. We are also focused on

pursuing organic growth opportunities within our existing brand portfolio and among our existing retailers, and pursuing opportunities to expand our geographical presence.

3. Improve cash flow. Improving our cash flows through, among other things, continued effective management of our working capital and by focusing on appropriate return on capital spending.
4. People. Attracting, developing and supporting employees who fit into our innovative culture and inspire the creative drive that represents the foundation of our vision and execution of our strategy.

Recent Transactions

2015 Efficiency Program

In September 2015, the Company initiated restructuring actions to drive certain organizational efficiencies across the Company's Consumer and Professional segments (the "2015 Efficiency Program"). These actions are designed to reduce general and administrative expenses within the Consumer and Professional segments, and are expected to be completed by 2017. The Company recognized $9.5 million of restructuring and related charges during 2015 for the 2015 Efficiency Program and expects to recognize total restructuring and related charges of $10.1 million by the end of 2017. By implementing the 2015 Efficiency Program, the Company expects to achieve annualized cost reductions of approximately $10.0 million to $15.0 million by the end of 2018, of which approximately $3.0 million benefited the Company's 2015 results. For further discussion of the 2015 Efficiency Program, see Note 3, "Restructuring Charges - 2015 Efficiency Program" to the Consolidated Financial Statements in this Form 10-K.

Acquisition of CBBeauty Group

On April 21, 2015 (the "CBB Acquisition Date"), the Company completed the CBB Acquisition for total cash consideration of $48.6 million. CBB develops, manufactures, markets and distributes fragrances and other beauty products under various celebrity, lifestyle and fashion brands licensed from third parties, principally through department stores and selective distribution in international territories. CBB is expected to provide the Company with a platform to develop the Company's presence in the fragrance category. On the CBB Acquisition Date, the Company used cash on hand to pay 70% of the total cash consideration, or $34.6 million. The remaining $14.0 million of the total cash consideration is payable in equal installments over 4 years from the CBB Acquisition Date, subject to the selling shareholders' compliance with certain service conditions. These remaining installments are being recorded as a component of SG&A expenses ratably over the 4-year installment period. The results of operations of the CBB business were included in the Company’s Consolidated Financial Statements commencing on the CBB Acquisition Date. See Note 2, "Business Combinations," to the Consolidated Financial Statements in this Form 10-K for further details on the CBB Acquisition.

Debt Transactions

In March 2015, Products Corporation prepaid $24.6 million of term loan indebtedness, representing 50% of its 2014 “excess cash flow" in accordance with the terms of its amended term loan agreement, which facility is comprised of: (i) the term loan due November 19, 2017, in the original aggregate principal amount of $675.0 million, which had $660.6 million in aggregate principal balance outstanding as of December 31, 2015 (the "2011 Term Loan"); and (ii) the term loan due October 8, 2019 in the original aggregate principal amount of $700 million, which had $672.5 million in aggregate principal balance outstanding as of December 31, 2015 (the "Acquisition Term Loan") (together, the "Amended Term Loan Agreement"). The prepayment was applied on a ratable basis between the principal amounts outstanding under the 2011 Term Loan and the Acquisition Term Loan. The amount of the prepayment that was applied to the 2011 Term Loan reduced the principal amount outstanding by $12.1 million to $662.9 million (as all amortization payments under the 2011 Term Loan had been paid). The $12.5 million applied to the Acquisition Term Loan reduced Products Corporation's future regularly scheduled quarterly amortization payments under the Acquisition Term Loan on a ratable basis from $1.8 million prior to the prepayment to $1.7 million after giving effect to the prepayment and through its maturity on October 8, 2019. See Note 11, "Long-Term Debt," to the Consolidated Financial Statements in this Form 10-K for further details.

See Part II, Item 7 - "Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition, Liquidity and Capital Resources – Long-Term Debt Instruments" for further discussion of the above debt transaction, including discussion of Products Corporation's "excess cash flow" payment to be made in 2016 in respect of 2015.

2014 Integration Program

The Company's integration initiatives in connection with the Colomer Acquisition have included actions to integrate Colomer's operations into the Company's business, as well as additional restructuring actions to reduce costs across the Company's businesses (all such actions, together the "Integration Program"). The Integration Program was designed to deliver cost reductions throughout the combined organization by generating synergies and operating efficiencies within the Company's global supply chain,

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consolidating offices and back office support, as well as actions designed to reduce selling, general and administrative expenses. The Integration Program was substantially completed as of December 31, 2015.

While recognizing total restructuring charges, capital expenditures and related non-restructuring costs under the Integration Program of approximately $45.0 million in the aggregate through 2015, the Company achieved annualized cost reductions of approximately $35.0 million. For further discussion of the Colomer Acquisition and the Integration Program, see Note 2, "Business Combinations" and Note 3, "Restructuring Charges - Integration Program" to the Consolidated Financial Statements in this Form 10-K.

Products

Revlon, Inc. conducts business exclusively through Products Corporation. The Company manufactures and sells a variety of products worldwide. The following table sets forth the Company's principal brands that are included in its Consumer, Professional and Other segments by product category:

| Segment | COSMETICS | HAIR | MEN'S GROOMING | BEAUTY TOOLS | FRAGRANCE | ANTI-PERSPIRANT DEODORANTS | SKINCARE / BODYCARE |
|---|---|---|---|---|---|---|---|
| Consumer | Revlon | Revlon ColorSilk | | Revlon | Charlie | Mitchum | Gatineau |
| | Almay | Llongueras* | | | Jean Naté | | Natural Honey |
| | SinfulColors Pure Ice | | | | | | |
| Professional | CND | Revlon Professional Intercosmo Orofluido UniqOne Creme of Nature | American Crew d:fi | | | | |
| Other | | | | | Burberry** Rihanna** | | |

*Licensed from a third party
**Distributed brand

Consumer Segment:

The Company’s Consumer segment includes cosmetics, hair color and hair care, beauty tools, anti-perspirant deodorants, fragrances and skincare products sold in approximately 130 countries in large volume retailers, chain drug and food stores, chemist shops, hypermarkets, general merchandise stores, the Internet/e-commerce, television shopping, department stores, one-stop shopping beauty retailers, specialty cosmetics stores and perfumeries in the U.S. and internationally.

Cosmetics - The Company manufactures and markets a broad range of cosmetics, including face, lip, eye and nail products. Certain of the Company’s products incorporate patented, patent-pending or proprietary technology. See “New Product Development and Research and Development.”

- Revlon: The Company sells a broad range of cosmetics under its flagship Revlon brand, which are designed to fulfill consumer wants and needs and are principally priced in the upper range for large volume retailers. The Revlon brand is comprised of face makeup, including foundation, powder, blush and concealers; lip makeup, including lipstick, lip gloss and lip liner; eye makeup, including mascaras, eyeliners, eye shadows and brow products; and nail color and nail care lines. Revlon products include innovative formulas and attractive colors that appeal to a wide range of

consumers. The following are the key franchises within the Revlon brand:

Revlon ColorStay offers consumers a full range of products with long-wearing technology;

Revlon PhotoReady products that are offered in face and eye makeup and are designed with innovative photochromatic pigments that bend and reflect light to give a flawless, airbrushed appearance in any light;

Revlon Age Defying, which consists of face makeup for women in the over-35 age bracket, with ingredients to help reduce the appearance of fine lines and wrinkles;

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Revlon Super Lustrous, which is the Company's flagship wax-based lipcolor and is offered in a wide variety of shades of lipstick and lip gloss; and

Revlon Mascara, which consists of a collection of five mascaras, each with a distinct lash benefit including lash definition, length, volume, magnified volume and length, and a high impact all-in-one formula.

- Almay: The Company’s Almay brand consists of hypo-allergenic, dermatologist-tested, fragrance-free cosmetics and skincare products. The Almay brand is comprised of face makeup, including foundation, pressed powder, primer and concealer; eye makeup, including eye shadows, mascaras and eyeliners; lip makeup; and makeup removers. Key franchises within the Almay brand include Almay Smart Shade in face; Almay Intense i-Color in eye; and Almay Color + Care in lip.
- SinfulColors and Pure Ice: The Company’s SinfulColors and Pure Ice brands consist primarily of value-priced nail enamels, available in many bold, vivid and on-trend colors.

Hair - The Company sells both hair color and hair care products throughout the world to large volume retailers and other retailers, primarily under the Company's Revlon ColorSilk franchise, as well as under the premium priced Llongueras brand in Spain. Revlon ColorSilk products provide radiant, long-lasting color that leaves hair nourished, hydrated and ultra-conditioned.

Beauty tools - The Company sells Revlon beauty tools, which include nail, eye and manicure and pedicure grooming tools, eye lash curlers and a full line of makeup brushes under the Revlon brand name.

Fragrances - The Company sells a selection of moderately-priced fragrances, including perfumes, eau de toilettes, colognes and body sprays. The Company’s portfolio includes fragrances under globally-recognized brand names such as Charlie and Jean Naté.

Anti-perspirant deodorants - The Company sells Mitchum anti-perspirant deodorant products for men and women, with patented ingredients that provide consumers with up to 48 hours of protection.

Skincare - The Company sells skincare products in the U.S. and in global markets under various regional brands, including the Company’s Natural Honey and Gatineau brands.

Professional Segment:

The Company’s Professional segment includes a comprehensive line of products sold to hair and nail salons and professional salon distributors, including hair color, shampoos, conditioners, styling products, nail polishes and nail enhancements. The Professional segment also includes a multi-cultural line sold in both professional salons, large volume retailers and other retailers.

Professional brands -

- Revlon Professional: The Company’s Revlon Professional brand includes hair color, hair care and hair treatment products that are distributed exclusively to professional salons, salon professionals and salon distributors and sold in more than 60 countries. Revlon Professional is synonymous with innovation, fashion and technology to service the most creative salon professionals and their clients. Revlon Professional salon products include Revlonissimo NMT, Nutri Color Creme, Sensor Perm and Revlon Professional Equave.
- American Crew and d:fi: The Company sells men's shampoos, conditioners, gels and other hair care and grooming products for use and sale by professional salons under the American Crew brand name. American Crew is the “Official Supplier to Men” of quality grooming products that provide the ultimate usage experience and enhance a man's personal image. American Crew is the leading salon brand created specifically for men and is sold in more than 30 countries. The Company also sells unisex hair products under the d:fi brand, which is a value-priced full line of cleansing, conditioning and styling products.
- CND: The Company sells nail enhancement systems and nail color and treatment products and services for use by the professional nail salon industry under the CND brand name. CND is the global leader in professional nail, hand and foot care products, and CND-branded products are sold in more than 75 countries. CND nail products include:

CND Shellac brand 14+ day nail color system, which delivers 14+ days of flawless wear, superior color and mirror shine with zero dry-time and no nail damage. The CND Shellac system is a true innovation in chip-free,

extended-wear nail color; and
CND Vinylux weekly polish, a breakthrough nail polish that uses a patent-pending technology and lasts approximately a week. While ordinary polishes become brittle and deteriorate over time, CND Vinylux dries with exposure to natural light to a flawless finish and strengthens its resistance to chips over time.

- The Company also sells professional hair products under brand names such as Orofluido, UniqOne and Intercosmo.

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Multi-cultural hair - The Company sells multi-cultural hair-care products to professional salons, large volume retailers and other retailers, primarily in the U.S. under the Creme of Nature brand.

Other Segment:

The Company’s Other segment primarily includes the distribution of prestige, designer and celebrity fragrances, cosmetics and skincare products, such as Burberry and Rihanna branded products.

Marketing

The Company markets extensive product lines covering a broad range of price points within large volume retailers in the U.S. and within large volume retailers and other retailers internationally.

The Company uses social media and other digital marketing, television, outdoor and print advertising and public relations, as well as point-of-sale merchandising, including displays and samples, coupons and other trial incentives. The Company's marketing is designed to emphasize a uniform global image for its portfolio of core brands. The Company coordinates its marketing and advertising campaigns, such as its Revlon Love Is On campaign, with in-store promotional and other marketing activities. The Company develops, jointly with retailers, customized, tailored point-of-purchase and other focused marketing programs.

The Company also uses cooperative advertising programs, Company-paid or Company-subsidized demonstrators, and coordinated in-store promotions and displays. Other marketing strategies, including trial-size products and couponing, are designed to introduce the Company's newest products to consumers and encourage trial and purchase in-store.

In the Professional segment, the Company also markets products through educational seminars on such products' application methods and consumer benefits. In addition, the Company uses professional trade advertising, social media and other digital marketing, displays and samples to communicate to professionals and consumers the quality and performance characteristics of its products. Additionally, in countries where the Professional segment has operations, the Company's direct sales force provides customers with point of sale communication and merchandising. The Company believes that its presence in professional salons will provide benefits to its consumer products business as it will enable the Company to improve its anticipation of consumer trends in hair color, hair care, nail color, nail care and skin care, as these trends often appear first in salons. The Professional business also provides the Company with broader brand, geographic coverage and retail diversification beyond large volume retailers, among others. The Company also expects the Colomer Acquisition to continue to provide it with opportunities to achieve additional growth by leveraging the combined Company's enhanced innovation capability and know-how.

Additionally, the Company maintains separate websites, www.revlon.com, www.almay.com, www.revloncolorsilk.com, www.revlonprofessional.com, www.americancrew.com, www.cnd.com and www.mitchum.com, devoted to the Revlon, Almay, Revlon ColorSilk, Revlon Professional, American Crew, CND and Mitchum brands, respectively. Each of these websites feature product and promotional information for the brands and are updated regularly to stay current with the Company's new product launches and other marketing, advertising and promotional campaigns.

Research and Development

The Company believes that it is an industry leader in the development of innovative and technologically-advanced cosmetics and beauty products. The Company's marketing and research and development groups identify consumer needs and shifts in consumer preferences in order to develop new products, introduce line extensions and promotions and redesign or reformulate existing products to satisfy consumers' needs and preferences. The Company's research and development group is comprised of departments specialized in the technologies critical to the Company's various product lines. The Company has a rigorous process for the continuous development and evaluation of new product concepts, led by executives in marketing, sales, research and development, and including input from operations, law and finance. This process has created a comprehensive, long-term portfolio strategy that is intended to optimize the Company's ability to regularly bring to market innovative new product offerings and to effectively manage the Company’s product portfolio.

The Company operates an extensive research and development facility in Edison, New Jersey for products within its Consumer segment. The Company has research facilities for its products within the Professional segment in the U.S. (in California and Florida), Spain and Mexico. The scientists at these various facilities are responsible for all of the Company's new product research and development worldwide and performing research for new products, ideas, concepts and packaging. The Company's package development and engineering function is also part of the greater research and development organization and fosters a strong synergy of package and formula development, which is integral to a product's success. The research and development group performs extensive safety and quality testing on the Company's products, including toxicology, microbiology, efficacy and package testing. Additionally, quality control testing is performed at each of the Company's manufacturing facilities.

As of December 31, 2015, the Company employed approximately 200 people in its research and development activities, including specialists in pharmacology, toxicology, chemistry, microbiology, engineering, biology, dermatology and quality control. In 2015, 2014 and 2013, the Company spent $31.2 million, $31.6 million and $26.9 million, respectively, on research and development activities.

Manufacturing and Related Operations and Raw Materials

During 2015, the Company's products were produced at the Company's facilities in the U.S. (North Carolina and Florida), South Africa, Spain, Italy and Mexico, and at third-party facilities around the world.

The Company continually reviews its manufacturing needs against its manufacturing capacities to identify opportunities to reduce costs and to operate more efficiently. The Company purchases raw materials and components throughout the world, and continuously pursues reductions in cost of goods through the global sourcing of raw materials and components from qualified vendors, utilizing its purchasing capacity to optimize cost reductions. The Company's global sourcing strategy for materials and components from qualified vendors is also designed to ensure that the Company maintains a continuous supply of high quality raw materials and components. The Company believes that alternate sources of raw materials and components exist and does not anticipate any significant shortages of, or difficulty in obtaining, such materials. (See Item 1A. "Risk Factors - The Company depends on its Oxford, North Carolina facility for production of a substantial portion of its products within the Consumer segment. Disruptions at this facility, and/or at other Company or third party facilities at which the Company's products are manufactured for both its Consumer and Professional segments, could have a material adverse effect on the Company's business, financial condition and/or results of operations.")

Distribution

The Company's products are sold in approximately 130 countries across six continents. The Company utilizes a dedicated sales force in those countries where the Company maintains operations, and also utilizes sales representatives and independent distributors to serve certain territories and retailers. (See Item 1A. "Risk Factors - The Company may be unable to maintain or increase its sales through the Company's primary retailers, which could have a material adverse effect on the Company's business, financial condition and/or results of operations" and "Competition in the cosmetics, hair and beauty care products business could have a material adverse effect on the Company's business, financial condition and/or results of operations.")

United States. Net sales in the U.S. accounted for approximately 55% of the Company's 2015 net sales, which were made in multiple channels, including retail, Internet/e-commerce and specialty cosmetics stores. The Company also sells a broad range of beauty products to U.S. Government military exchanges and commissaries. The Company licenses its Revlon trademark to select manufacturers for complementary beauty-related products and accessories that the Company believes have the potential to extend the Company's brand names and image. As of December 31, 2015, seven of these licenses were in effect relating to fifteen product categories. Pursuant to these licenses, the Company retains strict control over product design and development, product quality, advertising and the use of its trademarks. These licensing arrangements offer opportunities for the Company to generate revenues and cash flow through royalties and renewal fees, some of which are prepaid from time to time.

In the Consumer segment, the Company's retail merchandisers stock and maintain the Company's point-of-sale wall displays intended to ensure that high-selling SKUs are in stock and to ensure the optimal presentation of the Company's products in retail outlets. The Company's products within its Professional segment are sold primarily through wholesale beauty supply distributors in the U.S.

Outside of the United States. Net sales outside the U.S. accounted for approximately 45% of the Company's 2015 net sales. The three countries outside the U.S. with the highest net sales were Spain, Canada and Australia, which together accounted for approximately 15% of the Company's 2015 net sales. The Company distributes its products within its Consumer segment through large volume retailers, chain drug and food stores, chemist shops, hypermarkets, general merchandise stores, the Internet/e-commerce, television shopping, department stores, one-stop shopping beauty retailers, specialty cosmetics stores and perfumeries. The Company's products within its Professional segment are sold

directly to hair and nail salons by the Company's direct sales force in countries where it has operations and through distributors in other countries outside the U.S. At December 31, 2015, the Company actively sold its products through wholly-owned subsidiaries established in 22 countries outside of the U.S. and through a large number of independent distributors and licensees elsewhere around the world.

Customers

The Company's principal customers for its Consumer segment include large volume retailers and chain drug stores, including such well-known retailers as Walmart, CVS and Target in the U.S., Shoppers DrugMart in Canada, A.S. Watson & Co. retail chains in Asia Pacific and Europe and Walgreens Boots Alliance in the U.S. and the U.K. Walmart and its affiliates worldwide accounted for approximately 18% of the Company's 2015 consolidated net sales. The Company's principal customers for its Professional segment include Beauty Systems Group, Salon Centric and Ulta Salon, Cosmetics & Fragrance, as well as individual hair and nail salons and other distributors to professional salons. As is customary in the industry, none of the Company’s customers is under an

obligation to continue purchasing products from the Company in the future. The Company expects that Walmart and a small number of other customers will, in the aggregate, continue to account for a large portion of the Company's net sales. (See Item 1A. “Risk Factors -“The Company depends on a limited number of customers for a large portion of its net sales and the loss of one or more of these customers could reduce the Company’s net sales and have a material adverse effect on the Company’s business, financial condition and/or results of operations.")

Competition

The Company's cosmetics, hair and beauty care products business categories are highly competitive. The Company competes primarily by:

- developing quality products with innovative performance features, shades, finishes, components and packaging;
- educating consumers and salon professionals about the benefits of the Company’s products;
- anticipating and responding to changing consumer and salon professional demands in a timely manner, including the timing of new product introductions and line extensions;
- offering attractively priced products relative to the product benefits provided;
- maintaining favorable brand recognition;
- generating competitive margins and inventory turns for its customers in both the Consumer and Professional segments by providing relevant products and executing effective pricing, incentive and promotional programs and marketing campaigns;
- ensuring product availability through effective planning and replenishment collaboration with retailers and salons;
- providing strong and effective advertising, marketing, promotion and merchandising support;
- maintaining an effective sales force and distributor network; and
- obtaining and retaining sufficient retail display and floor space, optimal in-store positioning and effective presentation of its products at retail and in salons.

The Company competes in selected product categories against numerous multi-national manufacturers in both the Consumer and Professional segments, as well as with expanding private label and store-owned brands in the Consumer segment. In addition to products sold in large volume retailers, professional salons and demonstrator-assisted retailers, the Company's products also compete with products sold in prestige and department stores, television shopping, door-to-door, specialty stores, one-stop shopping beauty retailers, the Internet/e-commerce, perfumeries and other distribution outlets. The Company's competitors include, among others, L'Oréal S.A., The Procter & Gamble Company, Avon Products, Inc., Coty, Inc., Shiseido Co., Johnson & Johnson, Kao Corp., Henkel AG & Co., Mary Kay Inc., Hand & Nail Harmony, Inc., Oriflame Holding AG, Markwins International Corporation, Sephora (a division of LVMH Moët Henessy Louis Vuitton SE), Elizabeth Arden, Inc., Boots UK Limited and The Estée Lauder Companies Inc. (See Item 1A. “Risk Factors-Competition in the cosmetics, hair and beauty care products business could have a material adverse effect on the Company’s business, financial condition and/or results of operations.")

Patents, Trademarks and Proprietary Technology

The Company considers trademark protection to be very important to its business. The Company’s trademarks are registered in the U.S. and in approximately 150 other countries. Significant trademarks include Revlon, Revlon ColorStay, Revlon PhotoReady, Revlon Super Lustrous, Revlon ColorBurst, Almay, Almay Smart Shade, SinfulColors, Pure Ice, Mitchum, Charlie, Jean Naté, Cutex, Revlon ColorSilk, Revlon Professional, Intercosmo, Orofluido, UniqOne, American Crew, Creme of Nature, CND, CND Shellac, CND Vinylux, Gatineau and Natural Honey. The Company regularly renews its trademark registrations in the ordinary course of business.

The Company utilizes certain proprietary and/or patented technologies in the formulation, packaging or manufacture of a number of the Company’s products, including, among others, Revlon ColorStay cosmetics, Revlon PhotoReady makeup, Revlon Age Defying cosmetics, Almay Smart Shade makeup, Almay Intense i-Color eye makeup, Revlon ColorSilk hair color, Mitchum anti-perspirant deodorants, CND Shellac nail color systems and CND Vinylux nail polishes. The Company considers its proprietary technology and patent protection to be important to its business.

The Company files patents in the ordinary course of business on certain of the Company's new technologies. Utility patents in the U.S. are enforceable for at least 20 years and international patents are enforceable for 20 years. The patents that the Company currently has in place expire at various times between 2016 and 2033 and the Company expects to continue to file patent applications on certain of its technologies in the ordinary course of business in the future.

Government Regulation
The Company is subject to regulation by the Federal Trade Commission (the "FTC") and the Food and Drug Administration (the "FDA") in the U.S., as well as various other federal, state, local and foreign regulatory authorities, including those in the European Union (the "EU"), Canada and other countries in which the Company operates. The Company’s Oxford, North Carolina manufacturing facility is registered with the FDA as a drug manufacturing establishment, permitting the manufacture of cosmetics and other beauty-care products that contain over-the-counter drug ingredients, such as sunscreens, anti-perspirant deodorants and anti-dandruff hair-care products. Compliance with federal, state, local and foreign laws and regulations pertaining to the discharge of materials into the environment, or otherwise relating to the protection of the environment, has not had, and is not anticipated to have, a material effect on the Company's capital expenditures, earnings or competitive position. Regulations in the U.S., the EU, Canada and in other countries in which the Company operates that are designed to protect consumers or the environment have an increasing influence on the Company's product claims, ingredients and packaging. (See “Risk Factors - The Company’s products are subject to federal, state and international regulations that could have a material adverse effect on the Company’s business, financial condition and/or results of operations.”)
Industry Segments, Foreign and Domestic Operations
The Company operates in three operating segments: Consumer; Professional; and Other, which operating segments also comprise the Company's reportable segments. For certain information regarding the Company's segments and foreign and domestic operations, refer to Note 19, “Segment Data and Related Information,” to the Company’s Consolidated Financial Statements in this Form 10-K.
Employees
As of December 31, 2015, the Company employed approximately 5,700 people. As of December 31, 2015, approximately 25% of the Company's employees were covered by collective bargaining agreements. The Company believes that its employee relations are satisfactory.
Available Information
The public may read and copy any materials that the Company files with the SEC, including, without limitation, its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, at the SEC’s Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Information in the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file with the SEC at http://www.sec.gov. The Company’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, proxy statements and amendments to those reports, are also available free of charge on the Company's Internet website at http://www.revloninc.com as soon as reasonably practicable after such reports are electronically filed with or furnished to the SEC.

Item 1A. Risk Factors
In addition to the other information in this report, investors should consider carefully the following risk factors when evaluating the Company’s business.
Revlon, Inc. is a holding company with no business operations of its own and is dependent on its subsidiaries to pay certain expenses and dividends. In addition, shares of the capital stock of Products Corporation, Revlon, Inc.'s wholly-owned operating subsidiary, are pledged by Revlon, Inc. to secure its obligations under the Amended Credit Agreements.
Revlon, Inc. is a holding company with no business operations of its own. Revlon, Inc.’s only material asset is all of the outstanding capital stock of Products Corporation, Revlon, Inc.’s wholly-owned operating subsidiary, through which Revlon, Inc. conducts its business operations. As such, Revlon, Inc.’s net income has historically consisted predominantly of its equity in the net income of Products Corporation, which for 2015, 2014 and 2013 was $62.1 million, $47.3 million and $1.6 million, respectively (which excluded $9.0 million, $9.8 million and $8.1 million,

respectively, in expenses primarily related to Revlon, Inc. being a public holding company). Revlon, Inc. is dependent on the earnings and cash flow of, and dividends and distributions from, Products Corporation to pay Revlon, Inc.'s expenses incidental to being a public holding company and to pay any cash dividend or distribution on its Class A Common Stock in each case that may be authorized by Revlon, Inc.'s Board of Directors.

Products Corporation may not generate sufficient cash flow to pay dividends or distribute funds to Revlon, Inc. because, for example, Products Corporation may not generate sufficient cash or net income; state laws may restrict or prohibit Products Corporation from issuing dividends or making distributions unless Products Corporation has sufficient surplus or net profits, which Products Corporation may not have; or because contractual restrictions, including negative covenants contained in Products Corporation's various debt instruments, may prohibit or limit such dividends or distributions.



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The terms of Products Corporation's Amended Term Loan Agreement, Products Corporation's $175.0 million asset-based, multi-currency revolving credit facility (the "Amended Revolving Credit Facility" and together with the Amended Term Loan Agreement, the "Amended Credit Agreements") and the indenture governing Products Corporation's 5¾% Senior Notes (the "5¾% Senior Notes Indenture") generally restrict Products Corporation from paying dividends or advancing or making distributions to Revlon, Inc., except in limited circumstances (including, without limitation, that Products Corporation is permitted to pay dividends and advances and make distributions to Revlon, Inc. to enable Revlon, Inc., among other things, to pay expenses incidental to being a public holding company, including, among other things, professional fees such as legal, accounting and insurance fees, regulatory fees, such as SEC filing fees, NYSE listing fees and other expenses related to being a public holding company and, subject to certain limitations, to pay dividends, if any, on Revlon, Inc.'s outstanding securities or make distributions in certain circumstances to finance the purchase by Revlon, Inc. of its Class A Common Stock in connection with the delivery of such Class A Common Stock to grantees under the Fourth Amended and Restated Revlon, Inc. Stock Plan). This limitation therefore restricts Revlon, Inc.'s ability to pay dividends on its Class A Common Stock.

All of the shares of the capital stock of Products Corporation held by Revlon, Inc. are pledged to secure Revlon, Inc.'s guarantee of Products Corporation's obligations under its Amended Credit Agreements. A foreclosure upon the shares of Products Corporation's common stock would result in Revlon, Inc. no longer holding its only material asset and would have a material adverse effect on the holders of Revlon, Inc.'s Class A Common Stock and would be a change of control under Products Corporation's other debt instruments. (See also Item 1A. Risk Factors - "Shares of Revlon, Inc. Class A Common Stock and Products Corporation's capital stock are pledged to secure various of Revlon, Inc.'s and/or other of the Company's affiliates' obligations and foreclosure upon these shares or dispositions of shares could result in the acceleration of debt under Products Corporation's Amended Credit Agreements and Products Corporation's 5¾% Senior Notes Indenture and could have other consequences.")

Products Corporation's substantial indebtedness, including the additional Acquisition Term Loan that it used as a source of funds to consummate the Colomer Acquisition, could adversely affect the Company's operations and flexibility and Products Corporation's ability to service its debt.

Products Corporation has a substantial amount of outstanding indebtedness. As of December 31, 2015, the Company's total indebtedness was $1,848.5 million (or $1,845.0 million net of discounts), primarily including (i) $673.7 million aggregate principal amount outstanding under the Acquisition Term Loan that was executed in 2013 in connection with facilitating the consummation of the Colomer Acquisition; (ii) $662.9 million aggregate principal amount outstanding under the 2011 Term Loan; and (iii) $500.0 million in aggregate principal face amount outstanding of Products Corporation's 5¾% Senior Notes. If the Company is unable to maintain sustained profitability and free cash flow in future periods, it could adversely affect the Company's operations and Products Corporation's ability to service its debt and/or comply with the financial and/or operating covenants under its various debt instruments. (See also Item 1A. Risk Factors - "Restrictions and covenants in Products Corporation's debt agreements limit its ability to take certain actions and impose consequences in the event of failure to comply.")

The Company is subject to the risks normally associated with substantial indebtedness, including the risk that the Company's operating revenues will be insufficient to meet required payments of principal and interest, and the risk that Products Corporation will be unable to refinance existing indebtedness when it becomes due or, if it is unable to comply with the financial or operating covenants under its debt instruments, to obtain any necessary consents, waivers or amendments or that the terms of any such refinancing and/or consents, waivers or amendments will be less favorable than the current terms of such indebtedness. Products Corporation's substantial indebtedness could also have the effect of:

- limiting the Company's ability to fund (including by obtaining additional financing) the costs and expenses of the execution of the Company's business strategy (including activities related to continuing the integration of the Colomer business into the Company's business), future working capital, capital expenditures, advertising, promotional and/or marketing expenses, new product development costs, purchases and reconfigurations of wall displays, acquisitions,

acquisition integration costs, investments, restructuring programs and other general corporate requirements;

- requiring the Company to dedicate a substantial portion of its cash flow from operations to payments on Products Corporation’s indebtedness, thereby reducing the availability of the Company’s cash flow for the execution of the Company’s business strategy and for other general corporate purposes;
- placing the Company at a competitive disadvantage compared to its competitors that have less debt;
- exposing the Company to potential events of default (if not cured or waived) under the financial and operating covenants contained in Products Corporation’s debt instruments;
- limiting the Company’s flexibility in responding to changes in its business and the industry in which it operates; and
- making the Company more vulnerable in the event of adverse economic conditions or a downturn in its business.

Although agreements governing Products Corporation’s indebtedness, including the Amended Credit Agreements and the 5¾% Senior Notes Indenture, limit Products Corporation’s ability to borrow additional money, under certain circumstances Products

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Corporation is allowed to borrow a significant amount of additional money, some of which, in certain circumstances and subject to certain limitations, could be secured indebtedness. To the extent that more debt is added to the Company's current debt levels, the risks described above would increase further.

Products Corporation's ability to pay the principal amount of its indebtedness depends on many factors.

The 2011 Term Loan under the Amended Term Loan Facility, with $662.9 million aggregate principal amount outstanding, matures in November 2017, and the Acquisition Term Loan under the Amended Term Loan Facility, with $673.7 million aggregate principal amount outstanding, matures in October 2019. The Amended Revolving Credit Facility matures on the earlier of August 14, 2018 and 90 days prior to the earliest maturity date of any term loans then outstanding under the Amended Term Loan Facility, but not earlier than June 16, 2016. The 5¾% Senior Notes mature in February 2021. Products Corporation currently anticipates that, in order to pay the principal amount of its outstanding indebtedness upon the occurrence of any event of default, or to repurchase its 5¾% Senior Notes if a change of control occurs, or in the event that Products Corporation's cash flows from operations are insufficient to allow it to pay the principal amount of its indebtedness at maturity, the Company may be required to refinance Products Corporation's indebtedness, seek to sell assets or operations, seek to sell additional Revlon, Inc. equity, seek to sell Revlon, Inc. debt securities or Products Corporation debt securities or seek additional capital contributions or loans from MacAndrews & Forbes or from the Company's other affiliates and/or third parties. The Company may be unable to take any of these actions due to a variety of commercial or market factors or constraints in Products Corporation's debt instruments, including, for example, market conditions being unfavorable for an equity or debt issuance, additional capital contributions or loans not being available from affiliates and/or third parties, or that the transactions may not be permitted under the terms of the various debt instruments then in effect, including restrictions on the incurrence of additional debt, incurrence of liens, asset dispositions and/or related party transactions included in such debt instruments. Such actions, if ever taken, may not enable the Company to satisfy its cash requirements or enable Products Corporation to comply with the financial covenants under the Amended Credit Agreements if the actions do not result in sufficient savings or generate a sufficient amount of additional capital, as the case may be. None of the Company's affiliates are required to make any capital contributions, loans or other payments to Products Corporation regarding its obligations on its indebtedness. Products Corporation may not be able to pay the principal amount of its indebtedness using any of the above actions because, under certain circumstances, the 5¾% Senior Notes Indenture, any of Products Corporation's other debt instruments (including the Amended Credit Agreements) or the debt instruments of Products Corporation's subsidiaries then in effect may not permit the Company to take such actions. (See also Item 1A. Risk Factors - "Restrictions and covenants in Products Corporation's debt agreements limit its ability to take certain actions and impose consequences in the event of failure to comply").

The future state of the credit markets, including any volatility and/or tightening of the credit markets and reduction in credit availability, could adversely impact the Company's ability to refinance or replace Products Corporation's outstanding indebtedness at or prior to their respective maturity dates, which could have a material adverse effect on the Company's business, financial condition and/or results of operations.

Restrictions and covenants in Products Corporation's debt agreements limit its ability to take certain actions and impose consequences in the event of failure to comply.

Agreements governing Products Corporation's outstanding indebtedness, including the Amended Credit Agreements and the 5¾% Senior Notes Indenture, contain a number of significant restrictions and covenants that limit Products Corporation's ability (subject in each case to limited exceptions) to, among other things:

- borrow money;
- use assets as security in other borrowings or transactions;
- pay dividends on stock or purchase stock;
- sell assets and use the proceeds from such sales;
- enter into certain transactions with affiliates;
- make certain investments;

- prepay, redeem or repurchase specified indebtedness; and
- permit restrictions on the payment of dividends to Products Corporation by its subsidiaries.

In addition, the Amended Credit Agreements contain financial covenants limiting Products Corporation's first-lien senior secured debt-to-EBITDA ratio (in the case of the Amended Term Loan Agreement) and, under certain circumstances, requiring Products Corporation to maintain a minimum consolidated fixed charge coverage ratio (in the case of the Amended Revolving Credit Agreement). These covenants affect Products Corporation's operating flexibility by, among other things, restricting its

ability to incur expenses and indebtedness that could otherwise be used to fund the costs of executing the Company's business strategy and to grow the Company's business, as well as to fund general corporate purposes.

A breach of the Amended Credit Agreements would permit Products Corporation's lenders to accelerate amounts outstanding under the Amended Credit Agreements, which would in turn constitute an event of default under the 5¾% Senior Notes Indenture, if the amount accelerated under the Amended Credit Agreements exceeds $25.0 million and such default remains uncured for 10 days following notice from the trustee for the 5¾% Senior Notes Indenture (the "Notes Trustee") or from the holders of at least 30% of the outstanding principal amount of the 5¾% Senior Notes (the "Requisite Note Holders"). An event of default under the 5¾% Senior Notes Indenture would permit the Notes Trustee or the Requisite Note Holders to accelerate payment of the principal and accrued, but unpaid, interest on the 5¾% Senior Notes. In addition, holders of Products Corporation's outstanding 5¾% Senior Notes may require Products Corporation to repurchase their respective notes in the event of a change of control under the 5¾% Senior Notes Indenture. Products Corporation may not have sufficient funds at the time of any such breach of any such covenant or change of control to repay, in full or in part, the borrowings under the Amended Credit Agreements or to repay, repurchase or redeem, in full or in part, its outstanding 5¾% Senior Notes.

Events beyond the Company's control could impair the Company's operating performance, which could affect Products Corporation's ability to comply with the terms of Products Corporation's debt instruments. Such events may include decreased consumer spending in response to weak economic conditions or weakness in the consumption of beauty care products; adverse changes in foreign currency exchange rates, foreign currency controls and/or government-mandated pricing controls; decreased sales of the Company's products as a result of increased competitive activities by the Company's competitors and/or decreased performance by third party suppliers; changes in consumer purchasing habits, including with respect to retailer preferences; inventory management by the Company's customers; space reconfigurations or reductions in display space by the Company's customers; changes in pricing, marketing, advertising and/or promotional strategies by the Company's customers; less than anticipated results from the Company's existing or new products or from its advertising, promotional, pricing and/or marketing plans; or if the Company's expenses, including, without limitation, for pension expense under its benefit plans, acquisition-related integration costs, advertising, promotional and/or marketing activities or for sales returns related to any reduction of space by the Company's customers, product discontinuances or otherwise, exceed the Company's anticipated level of expenses.

Under such circumstances, Products Corporation may be unable to comply with the provisions of its debt instruments, including the financial covenants in the Amended Credit Agreements. If Products Corporation is unable to satisfy such covenants or other provisions at any future time, Products Corporation would need to seek an amendment or waiver of such financial covenants or other provisions. The respective lenders under the Amended Credit Agreements may not consent to any amendment or waiver requests that Products Corporation may make in the future, and, if they do consent, they may only do so on terms that are unfavorable to Products Corporation and/or Revlon, Inc.

In the event that Products Corporation is unable to obtain any such waiver or amendment, Products Corporation's inability to meet the financial covenants or other provisions of the Amended Credit Agreements would constitute an event of default under its Amended Credit Agreements, which would permit the bank lenders to accelerate the Amended Credit Agreements and would constitute an event of default under the 5¾% Senior Notes Indenture if the amount accelerated under the Amended Credit Agreements exceeds $25.0 million and such default remains uncured for 10 days following notice from the Notes Trustee or from the Requisite Note Holders. An event of default under the 5¾% Senior Notes Indenture would permit the Notes Trustee or the Requisite Note Holders to accelerate payment of the principal and accrued, but unpaid, interest on the 5¾% Senior Notes.

Products Corporation's assets and/or cash flow and/or that of Products Corporation's subsidiaries may not be sufficient to fully repay borrowings under its outstanding debt instruments, either upon maturity or if accelerated upon an event of default, and if Products Corporation is required to repay, repurchase and/or redeem its outstanding 5¾% Senior Notes or repay the Amended Credit Agreements 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 the Amended Credit Agreements, the lenders could proceed against the collateral securing that indebtedness, subject to certain conditions and limitations as set forth in the third amended and restated intercreditor agreement. As described above, the consequences of complying with the foregoing restrictions, covenants and limitations under Products Corporation's various debt agreements, including the Amended Credit Agreements and the 5¾% Senior Notes Indenture, could have a material adverse effect on the Company's business, financial condition and/or results of operations.

Limits on Products Corporation's borrowing capacity under the Amended Revolving Credit Facility may affect the Company's ability to finance its operations.

As of December 31, 2015, Products Corporation had nil outstanding under the Amended Revolving Credit Facilities (excluding $8.8 million of undrawn outstanding letters of credit). While the Amended Revolving Credit Facility currently provides for up to $175.0 million of commitments, Products Corporation's ability to borrow funds under such facility is limited by a borrowing base determined relative to the value, from time to time, of eligible trade receivables and eligible inventory in the U.S. and the U.K. and eligible real property and equipment in the U.S. In January 2014, certain of Products Corporation’s U.S.-domiciled subsidiaries acquired in the Colomer Acquisition (the “Colomer U.S. Subsidiaries”) became additional guarantors under Products Corporation’s Amended Term Loan Facility and Amended Revolving Credit Facility and the 5¾% Senior Notes Indenture. In January 2015 and May 2015, certain of Products Corporation’s newly-formed U.S.-domiciled subsidiaries in the Professional segment and certain of Products Corporation's newly-formed U.S.-domiciled subsidiaries formed in connection with the CBB Acquisition (collectively, the “New U.S. Subsidiaries”) became additional guarantors under such debt instruments. In connection with becoming guarantors, substantially all of the assets of such subsidiaries were pledged as collateral under Products Corporation’s Amended Term Loan Facility and Amended Revolving Credit Facility, thereby increasing the value of the assets supporting the borrowing base under the Amended Revolving Credit Facility.

If the value of these eligible assets is not sufficient to support the full $175.0 million borrowing base, Products Corporation will not have full access to the Amended Revolving Credit Facility, but rather could have access to a lesser amount determined by the borrowing base. As Products Corporation continues to manage its working capital, this could reduce the borrowing base under the Amended Revolving Credit Facility. Further, if Products Corporation borrows funds under such facility, subsequent changes in the value or eligibility of the assets within the borrowing base could cause Products Corporation to be required to pay down the amounts outstanding under such facility so that there is no amount outstanding in excess of the then-existing borrowing base.

Products Corporation's ability to borrow under the Amended Revolving Credit Facility is also conditioned upon its compliance with other covenants in the Amended Revolving Credit Agreement governing such facility, including a fixed charge coverage ratio that applies when the difference between (1) the borrowing base under such facility and (2) the amounts outstanding under such facility is less than $20.0 million. Because of these limitations, Products Corporation may not always be able to meet its cash requirements with funds borrowed under the Amended Revolving Credit Facility, which could have a material adverse effect on the Company's business, financial condition and/or results of operations.

At December 31, 2015, the aggregate principal amount outstanding under the Acquisition Term Loan and the 2011 Term Loan was $673.7 million and $662.9 million, respectively, with the Company having a liquidity position of $473.6 million, consisting of unrestricted cash and cash equivalents (net of any outstanding checks) of $307.4 million, as well as $166.2 million in available borrowings under the Amended Revolving Credit Facility, based upon the calculated borrowing base less $8.8 million of undrawn outstanding letters of credit and nil then drawn under the Amended Revolving Credit Facility at such date.

The Amended Revolving Credit Facility is syndicated to a group of banks and financial institutions. Each bank is responsible to lend its portion of the $175.0 million commitment if and when Products Corporation seeks to draw under the Amended Revolving Credit Facility. The lenders may assign their commitments to other banks and financial institutions in certain cases without prior notice to Products Corporation. If a lender is unable to meet its lending commitment, then the other lenders under the Amended Revolving Credit Facility have the right, but not the obligation, to lend additional funds to make up for the defaulting lender’s commitment, if any. Products Corporation has never had any of its lenders under the Amended Revolving Credit Facility fail to fulfill their lending commitment. Based on information available to the Company, the Company has no reason to believe that any of the lenders under the Amended Revolving Credit Facility would be unable to fulfill their commitments to lend under the Amended Revolving Credit Facility as of December 31, 2015. However, it is possible that economic conditions and potential

volatility in the financial markets, among other factors, could impact the liquidity and financial condition of certain banks and financial institutions. If one or more lenders under the Amended Revolving Credit Facility were unable to fulfill their commitment to lend, such inability would impact the Company's liquidity and, depending upon the amount involved and the Company's liquidity requirements, could have an adverse effect on the Company's ability to fund its operations, which could have a material adverse effect on the Company's business, financial condition and/or results of operations.

A substantial portion of Products Corporation's indebtedness is subject to floating interest rates.

A substantial portion of Products Corporation's indebtedness is subject to floating interest rates, which makes the Company more vulnerable in the event of adverse economic conditions, increases in prevailing interest rates or a downturn in the Company's business. As of December 31, 2015, $945.2 million of Products Corporation's total indebtedness (or $941.7 million net of discounts, and excluding indebtedness subject to the interest rate swap described below) or approximately 51% of Products Corporation's total indebtedness, was subject to floating interest rates.

Under the Amended Term Loan Agreement, as of December 31, 2015 the $673.7 million in aggregate principal amount outstanding under the Acquisition Term Loan and the $662.9 million in aggregate principal amount outstanding under the 2011

Term Loan bear interest, at Products Corporation's option, at either: (i) the Eurodollar Rate (as defined in the Amended Term Loan Agreement) plus 2.5% and 3.0% per annum, respectively (provided that in no event shall the Eurodollar Rate (which is based upon LIBOR) be less than 0.75% and 1.0% per annum, respectively); or (ii) the Alternate Base Rate (as defined in the Amended Term Loan Agreement) plus 1.5% and 2.0% per annum, respectively, which Alternate Base Rate is based on the greater of Citibank, N.A.’s announced base rate and the U.S. federal funds rate plus 0.5% (provided that in no event shall the Alternative Base Rate be less than 1.75% and 2.0% per annum, respectively).

In November 2013, Products Corporation entered into a forward-starting interest rate swap in a single derivative with a notional amount of $400.0 million in respect of indebtedness under the Acquisition Term Loan for a 3-year period beginning in May 2015 (the "2013 Interest Rate Swap"). Under the terms of the 2013 Interest Rate Swap, Products Corporation pays to the counterparty a quarterly fixed interest rate of 2.0709% on the $400.0 million notional amount, while receiving variable interest rate payments from the counterparty equal to the 3-month U.S. dollar LIBOR, with a LIBOR floor of 1.00% (which effectively fixes the interest rate on such notional amount at 5.0709% over the 3-year term of the 2013 Interest Rate Swap (May 2015 to May 2018)). While Products Corporation may enter into other interest hedging contracts, it may not be able to do so on a cost-effective basis, and any hedging transactions that Products Corporation enters into may not achieve their intended purpose. Accordingly, shifts in interest rates could have a material adverse effect on the Company’s business, financial condition and/or results of operations.

At December 31, 2015, the Eurodollar Rate, LIBOR and the Alternate Base Rate for the Acquisition Term Loan and the 2011 Term Loan were as follows:

| | Eurodollar Rate | LIBOR | Alternate Base Rate |
|---|---|---|---|
| Acquisition Term Loan | 1.00% | 0.54% | 3.50% |
| 2011 Term Loan | 0.75% | 0.43% | 3.50% |

Pursuant to the 2013 Interest Rate Swap, the LIBOR portion of the interest rate on $400.0 million of outstanding indebtedness under the Acquisition Term Loan is effectively fixed at 5.0709% beginning in May 2015 through May 2018. Borrowings under the Amended Revolving Credit Facility (other than loans in foreign currencies) bear interest at a rate equal to, at Products Corporation's option, either (i) the Eurodollar Rate plus the applicable margin set forth in the grid below, or (ii) the Alternate Base Rate (as defined in the Amended Revolving Credit Agreement) plus the applicable margin set forth in the grid below:

| Excess Availability | Alternate Base Rate Loans | Eurodollar Loans, Eurocurrency Loan or Local Rate Loans |
|---|---|---|
| Greater than or equal to $92,000,000 | 0.50% | 1.50% |
| Less than $92,000,000 but greater than or equal to $46,000,000 | 0.75% | 1.75% |
| Less than $46,000,000 | 1.00% | 2.00% |

Local Loans (as defined in the Amended Revolving Credit Agreement) bear interest, if mutually acceptable to Products Corporation and the relevant foreign lenders, at the Local Rate, and otherwise (i) if in foreign currencies or in U.S. Dollars, at the Eurodollar Rate or the Eurocurrency Rate plus the applicable margin set forth in the grid above or (ii) if in U.S. Dollars, at the Alternate Base Rate plus the applicable margin set forth in the grid above.

If any of LIBOR, Euribor, the base rate, the U.S. federal funds rate or such equivalent local foreign currency rate increases, Products Corporation's debt service costs will increase to the extent that Products Corporation has elected such rates for its outstanding loans. Based on the amounts outstanding under the Amended Credit Agreements, and other short-term borrowings (which, in the aggregate, are Products Corporation’s only debt currently subject to floating interest rates) as of December 31, 2015, a 1% increase in LIBOR and Euribor would increase the Company’s annual interest expense by $9.6 million. Increased debt service costs would adversely affect the Company's cash flow and could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Company depends on its Oxford, North Carolina facility for production of a substantial portion of its products within the Consumer segment. Disruptions at this facility and/or at other Company or third party facilities at which the Company's products are manufactured for both its Consumer and Professional segments, could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Company produces a substantial portion of its products at its Oxford, North Carolina facility. Significant unscheduled downtime at this facility, or at other Company facilities and/or third party facilities at which the Company's products are

manufactured, whether due to equipment breakdowns, power failures, natural disasters, weather conditions hampering delivery schedules, intermittent technology disruptions or other disruptions, including those caused by transitioning manufacturing across these facilities, or any other cause could have a material adverse effect on the Company's ability to provide products to its customers, which could have a material adverse effect on the Company's sales, business, financial condition and/or results of operations. Additionally, if product sales exceed the Company's forecasts, internal or third party production capacities and/or the Company's ability to procure sufficient levels of finished goods, raw materials and/or components from third party suppliers, the Company could, from time to time, not have an adequate supply of products to meet customer demands, which could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Company's new product introductions may not be as successful as the Company anticipates, which could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Company has a rigorous process for the continuous development and evaluation of new product concepts, led by executives in marketing, sales, research and development, product development, operations, law and finance. Each new product launch, including those resulting from this new product development process, carries risks, as well as the possibility of unexpected consequences, including:

- the acceptance of the Company's new product launches by, and sales of such new products to, the Company's customers may not be as high as the Company anticipates;
- the Company's marketing, promotional, advertising and/or pricing strategies for its new products may be less effective than planned and may fail to effectively reach the targeted consumer base or engender the desired consumption of the Company's products by consumers;
- the rate of purchases by the Company's consumers may not be as high as the Company anticipates;
- the Company's wall displays to showcase its new products may fail to achieve their intended effects;
- the Company may experience out-of-stocks and/or product returns exceeding its expectations as a result of the Company's new product launches or space reconfigurations or as a result of reductions in retail display space by the Company's customers;
- the Company's net sales may also be impacted by inventory management by its customers or changes in pricing, marketing, advertising and/or promotional strategies by its customers;
- the Company may incur costs exceeding its expectations as a result of the continued development and launch of new products, including, for example, unanticipated levels of advertising, promotional and/or marketing expenses, sales return expenses or other costs related to launching new products;
- the Company may experience a decrease in sales of certain of the Company's existing products as a result of newly-launched products, the impact of which could be exacerbated by shelf space limitations and/or any shelf space loss. (See also Item 1A. Risk Factors -"Competition in the cosmetics, hair and beauty care products business could have a material adverse effect on the Company's business, financial condition and/or results of operations").
- the Company's product pricing strategies for new product launches may not be accepted by its customers and/or its consumers, which may result in the Company's sales being less than it anticipates;
- the Company may experience a decrease in sales of certain of the Company's products as a result of counterfeit products and/or products sold outside of their intended territories; and/or
- any delays or difficulties impacting the Company's ability, or the ability of the Company's suppliers, to timely manufacture, distribute and ship products or raw materials, as the case may be, displays or display walls in connection with launching new products, such as due to inclement weather conditions or other delays or difficulties such as those discussed under Item 1A. Risk Factors - "The Company depends on its Oxford, North Carolina facility for production of a substantial portion of the Company's products within the Consumer segment. Disruptions at this facility and/or at other Company or third party facilities at which the Company's products are manufactured for both its Consumer and Professional segments, could affect the Company's business, financial condition and/or results of operations," could have a material adverse effect on the Company's ability to ship and deliver products to meet its customers' reset

deadlines.

Each of the risks referred to above could delay or impede the Company's ability to achieve its sales objectives, which could have a material adverse effect on the Company's business, financial condition and/or results of operations.

REVLON, INC. AND SUBSIDIARIES

The Company's ability to service its debt and meet its cash requirements depends on many factors, including achieving anticipated levels of revenue and expenses. If such revenue or expense levels prove to be other than as anticipated, the Company may be unable to meet its cash requirements or Products Corporation may be unable to meet the requirements of the financial covenants under the Amended Credit Agreements, which could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Company currently expects that operating revenues, cash on hand, and funds available for borrowing under the Amended Revolving Credit Agreement and other permitted lines of credit will be sufficient to enable the Company to cover its operating expenses for 2016, including cash requirements for the payment of expenses in connection with the execution of the Company's business strategy and its advertising, promotional, pricing and/or marketing plans, purchases of permanent wall displays, capital expenditure requirements, debt service payments and costs, tax payments, pension and post-retirement plan contributions, payments in connection with the Company's restructuring programs, severance not otherwise included in the Company's restructuring programs and debt and/or equity repurchases, if any.

However, if the Company's anticipated level of revenue is not achieved because of, for example, decreased consumer spending in response to weak economic conditions or weakness in the consumption of beauty care products; adverse changes in foreign currency exchange rates, foreign currency controls and/or government-mandated pricing controls; decreased sales of the Company's products as a result of increased competitive activities by the Company's competitors and/or decreased performance by third party suppliers; changes in consumer purchasing habits, including with respect to retailer preferences; inventory management by the Company's customers; space reconfigurations or reductions in display space by the Company's customers; changes in pricing, marketing, advertising and/or promotional strategies by the Company's customers; less than anticipated results from the Company's existing or new products or from its advertising, promotional, pricing and/or marketing plans; or if the Company's expenses, including, without limitation, for pension expense under its benefit plans, for advertising, promotional or marketing activities or for sales returns related to any reduction of space by the Company's customers, product discontinuances or otherwise, exceed the anticipated level of expenses, the Company's current sources of funds may be insufficient to meet its cash requirements. In addition, such developments, if significant, could reduce the Company's revenues and could have a material adverse effect on Products Corporation's ability to comply with certain financial covenants under the Amended Credit Agreements. (See also Item 1A. Risk Factors - "Restrictions and covenants in Products Corporation’s debt agreements limit its ability to take certain actions and impose consequences in the event of failure to comply,” which discusses, among other things, the consequences of noncompliance with Products Corporation's debt covenants).

If the Company's operating revenues, cash on hand and/or funds available for borrowing are insufficient to cover the Company's expenses and/or are insufficient to enable Products Corporation to comply with the financial covenants under the Amended Credit Agreements, the Company could be required to adopt one or more of the alternatives listed below:

- delaying the implementation of or revising certain aspects of the Company's business strategy;
- reducing or delaying purchases of wall displays and/or expenses related to the Company's advertising, promotional and/or marketing activities;
- reducing or delaying capital spending;
- implementing new restructuring programs;
- refinancing Products Corporation's indebtedness;
- selling assets or operations;
- seeking additional capital contributions and/or loans from MacAndrews & Forbes, the Company's other affiliates and/or third parties;
- selling additional Revlon, Inc. equity or debt securities or Products Corporation's debt securities; and/or
- reducing other discretionary spending.

There can be no assurance that the Company would be able to take any of these actions, because of a variety of commercial or market factors or constraints in Products Corporation's debt instruments, including, for example, market conditions being unfavorable for an equity or a debt issuance, additional capital contributions or loans not being available from affiliates and/or third parties, or that the transactions may not be permitted under the terms of Products Corporation's various debt instruments then in effect, such as due to restrictions on the incurrence of debt, incurrence of liens, asset dispositions and/or related party transactions. If the Company is required to take any of these actions, it could have a material adverse effect on its business, financial condition and/or results of operations.
Such actions, if ever taken, may not enable the Company to satisfy its cash requirements or enable Products Corporation to comply with the financial covenants under its Amended Credit Agreements if the actions do not result in sufficient savings or

generate a sufficient amount of additional capital, as the case may be. (See also Item 1A. Risk Factors - “Restrictions and covenants in Products Corporation's debt agreements limit its ability to take certain actions and impose consequences in the event of failure to comply,” which discusses, among other things, the consequences of noncompliance with Products Corporation's debt covenants).

Economic conditions could have a material adverse effect on the Company's business, financial condition and/or results of operations and/or on the financial condition of its customers and suppliers.

Economic conditions in the U.S. and/or other countries where the Company operates have contributed and may continue to contribute to high unemployment levels, lower consumer spending and reduced credit availability. Such economic conditions have impacted and could in the future impact business and consumer confidence. These conditions could have an impact on customer and/or consumer purchases of the Company's products, which could result in a reduction of the Company's net sales, operating income and/or cash flows. Additionally, disruptions in the credit and other financial markets and economic conditions could, among other things, impair the financial condition of one or more of the Company's customers or suppliers, thereby increasing the risk of customer bad debts or non-performance by suppliers. These conditions could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Company depends on a limited number of customers for a large portion of its net sales, and the loss of one or more of these customers could reduce the Company's net sales and have a material adverse effect on the Company's business, financial condition and/or results of operations.

Walmart and its affiliates worldwide accounted for approximately 18%, 16% and 20% of the Company’s worldwide net sales for 2015, 2014 and 2013, respectively. The Company expects that, for future periods, Walmart and a small number of other customers in the Consumer and Professional segments will, in the aggregate, continue to account for a large portion of the Company's net sales. The Company may be affected by changes in the policies and demands of its customers relating to service levels, inventory de-stocking, pricing, marketing, advertising and/or promotional strategies or limitations on access to wall display space. As is customary in the consumer products industry, none of the Company's customers is under any obligation to continue purchasing products from the Company in the future. The loss of Walmart and/or one or more of the Company's other customers that may account for a significant portion of the Company's net sales, or any significant decrease in sales to these customers, including as a result of consolidation among such customers, inventory management by these customers, changes in pricing, marketing, advertising and/or promotional strategies by such customers or space reconfigurations by the Company's customers or any significant decrease in the Company's display space, could reduce the Company's net sales and/or operating income and therefore could have a material adverse effect on the Company's business, financial condition and/or results of operations.

Declines in the financial markets may result in increased pension expense and increased cash contributions to the Company's pension plans.

Declines in the U.S. and global financial markets could result in significant declines in the Company's pension plan assets and result in increased pension expense and cash contributions to the Company's pension plans. Interest rate levels will affect the discount rate used to value the Company's year-end pension benefit obligations. One or more of these factors, individually or taken together, could impact future required cash contributions to the Company's pension plans and pension expense. Any one or more of these conditions could reduce the Company's available liquidity, which could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Company may be unable to maintain or increase its sales through the Company's primary retailers, which could have a material adverse effect on the Company's business, financial condition and/or results of operations.

A decrease in consumer demand in the U.S. and/or internationally for beauty care products, inventory management by the Company's customers, changes in pricing, marketing, advertising and/or promotional strategies by the Company's customers (such as the development and/or continued expansion of private label or their own store-owned brands), a

reduction in display space by the Company's customers and/or a change in consumers' purchasing habits, such as by buying more cosmetics and beauty care products from retailers where the Company does not currently principally compete (such as prestige and department stores), could result in decreased sales of the Company's products, which could have a material adverse effect on the Company's business, financial condition and/or results of operations.

Competition in the cosmetics, hair and beauty care products business could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The cosmetics, hair and beauty care products business is highly competitive. The Company competes primarily by:

- developing quality products with innovative performance features, shades, finishes and packaging;
- educating consumers and salon professionals about the benefits of the Company's products;

- anticipating and responding to changing consumer and salon professional demands in a timely manner, including as to the timing of new product introductions and line extensions;
- offering attractively priced products, relative to the product benefits provided;
- maintaining favorable brand recognition;
- generating competitive margins and inventory turns for the Company’s customers by providing relevant products and executing effective pricing, incentive and promotional programs and marketing and advertising campaigns;
- ensuring product availability through effective planning and replenishment collaboration with the Company's customers;
- providing strong and effective advertising, promotion, marketing and merchandising support;
- maintaining an effective sales force and distribution network; and
- obtaining and retaining sufficient display space, optimal in-store positioning and effective presentation of the Company’s products on-shelf.

An increase in or change in the current level of competition that the Company faces could have a material adverse effect on the Company's business, financial condition and/or results of operations.

In addition to competing with expanding private label and store-owned brands in the Consumer segment, the Company competes against a number of multi-national manufacturers, some of which are larger and have substantially greater resources than the Company, and which may therefore have the ability to spend more aggressively than the Company on advertising, promotions and/or marketing activities and have more flexibility than the Company to respond to changing business and economic conditions. The Company's products also compete with similar products sold through retailers other than those in which the Company principally competes, including prestige and department stores.

Additionally, the Company's major customers periodically assess the allocation of display space among competitors and in the course of doing so could elect to reduce the display space allocated to the Company's products, if, for example, the Company's marketing, promotional, advertising and/or pricing strategies for its new and/or existing products are less effective than planned, fail to effectively reach the targeted consumer base, fail to engender the desired consumption of the Company's products by consumers and/or fail to sustain productive levels of consumption dollar share; and/or the rate of purchases by the Company's consumers are not as high as the Company anticipates.

Within the Company’s Consumer segment, among the factors used by the Company’s major customers in assessing the allocation of display space is a brand’s share of the color cosmetics category. The Company's color cosmetics brands have experienced, over time, year-over-year declines in their share of the color cosmetics category in the U.S. and it is possible that the Company may continue to experience further share declines. Further declines in the Company's share for one or more of its principal brands, including with respect to the Company’s Almay brand, could, among other things, contribute to a loss of display space and/or decreased revenues. Any significant loss of display space could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Company's foreign operations are subject to a variety of social, political and economic risks and have been, and are expected to continue to be, affected by foreign currency exchange fluctuations, foreign currency controls and/or government-mandated pricing controls, which could have a material adverse effect on the Company's business, financial condition and/or results of operations and the value of its foreign assets.

As of December 31, 2015, the Company had operations based in 22 foreign countries and its products were sold in approximately 130 countries. The Company is exposed to risks associated with social, political and economic conditions, including inflation, inherent in operating in foreign countries, including those in Asia (including Japan), Australia, Canada, Eastern Europe (including Russia), Mexico, South Africa and South America (including Venezuela and Argentina), which could have a material adverse effect on the Company's business, financial condition and/or results of operations. Such risks include hyperinflation, foreign currency devaluation, foreign currency controls, government-mandated pricing controls, currency remittance restrictions, changes in tax laws, changes in consumer purchasing habits (including as to retailer preferences), as well as, to a lesser extent, changes in U.S. laws and

regulations relating to foreign trade and investment.

These risks and limitations could affect the ability of the Company's foreign subsidiaries to obtain sufficient capital to conduct their operations in the ordinary course of business. Limitations and the difficulties that certain of the Company's foreign subsidiaries may experience on the free flow of funds to and from these foreign subsidiaries could restrict the Company's ability to respond timely to challenging business conditions or changes in operations, which could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Company's net sales outside of the U.S. for each of 2015, 2014 and 2013 represented approximately 45%, 47% and 44% of the Company's total consolidated net sales, respectively. During 2015, fluctuations in foreign currency exchange rates adversely affected, and they may continue to adversely affect, the Company's results of operations and the value of the Company's foreign

net assets in 2015, which in turn could cause a material adverse effect on the Company's reported net sales and earnings and the comparability of period-to-period results of operations.

Products Corporation enters into foreign currency forward exchange contracts to hedge certain net cash flows denominated in foreign currencies. The foreign currency forward exchange contracts are entered into primarily for the purpose of hedging anticipated inventory purchases and certain intercompany payments denominated in foreign currencies and generally have maturities of less than one year. At December 31, 2015, the notional amount of Products Corporation's foreign currency forward exchange contracts was $76.3 million. These foreign currency forward exchange contracts may not adequately protect the Company against the negative effects of foreign currency fluctuations, which could adversely affect the Company's overall liquidity.

Terrorist attacks, acts of war or military actions and/or other civil unrest may adversely affect the territories in which the Company operates and the Company's business, financial condition and/or results of operations.

On September 11, 2001, the U.S. was the target of terrorist attacks of unprecedented scope. These attacks contributed to major instability in the U.S. and other financial markets and reduced consumer confidence. These terrorist attacks, as well as subsequent terrorist attacks (such as those that have occurred in Paris, France; Benghazi; Libya; Madrid, Spain; and London, England), attempted terrorist attacks, military responses to terrorist attacks, other military actions and/or civil unrest such as that occurring in the Ukraine, Venezuela, Syria, Iraq and surrounding areas, may adversely affect prevailing economic conditions, resulting in work stoppages, reduced consumer spending and/or reduced demand for the Company's products. These developments subject the Company's worldwide operations to increased risks and, depending on their magnitude, could reduce the Company's net sales and therefore could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Company's products are subject to federal, state and international regulations that could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Company is subject to regulation by the FTC and the FDA, in the U.S., as well as various other federal, state, local and foreign regulatory authorities, including those in the EU, Canada and other countries in which the Company operates. The Company's Oxford, North Carolina manufacturing facility is registered with the FDA as a drug manufacturing establishment, permitting the manufacture of cosmetics and other beauty-care products that contain over-the-counter drug ingredients, such as sunscreens, anti-perspirant deodorants and anti-dandruff hair-care products. Regulations in the U.S., the EU, Canada and other countries in which the Company operates that are designed to protect consumers or the environment have an increasing influence on the Company's product claims, ingredients and packaging. To the extent federal, state, local and/or foreign regulatory changes occur in the future, they could require the Company to reformulate or discontinue certain of its products or revise its product packaging or labeling, any of which could result in, among other things, increased costs to the Company, delays in product launches, product returns or recalls and lower net sales, and therefore could have a material adverse effect on the Company's business, financial condition and/or results of operations.

Any violation of the U.S. Foreign Corrupt Practices Act or other similar foreign anti-corruption laws could have a material adverse effect on the Company's business, financial condition and/or results of operations.

A significant portion of the Company’s revenue is derived from operations outside the U.S. and the Company has significant facilities outside the U.S., which exposes the Company to complex foreign and U.S. regulations inherent in conducting international business transactions. The Company is subject to compliance with the U.S. Foreign Corrupt Practices Act (“FCPA”) and other similar foreign anti-corruption laws, which generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business and other types of improper payments. While the Company’s employees and agents are required to comply with these laws and the Company has developed policies and procedures to facilitate compliance with such laws, there is no assurance that the Company’s policies and procedures will prevent all violations of these laws, despite the Company’s long-standing commitment to conducting its business and achieving its objectives by maintaining the highest level of ethical standards and legal compliance. The SEC and the U.S. Department of Justice, and their foreign

counterparts, have increased their enforcement activities with respect to the FCPA and similar foreign anti-corruption laws and any violation of these laws or allegations of such, may result in severe criminal and civil sanctions, as well as other substantial costs and penalties, any of which could have a material adverse effect the Company's business, financial condition and/or results of operations.

The failure of the Company's information technology systems and/or difficulties or delays in implementing new information technology systems could disrupt the Company's business operations which could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The operation of the Company's business depends on the Company's information technology systems. The Company relies on its information technology systems to effectively manage, among other things, the Company's business data, communications, supply chain, inventory management, customer order entry and order fulfillment, processing transactions, summarizing and reporting results of operations, human resources benefits and payroll management, compliance with regulatory, legal and tax requirements and other processes and data necessary to manage the Company's business. The failure of the Company's information

technology systems, including any failure of the Company's current systems and/or as a result of transitioning to additional or replacement information technology systems, as the case may be, to perform as the Company anticipates could disrupt the Company's business and could result in, among other things, transaction errors, processing inefficiencies, loss of data and the loss of sales and customers, which could have a material adverse effect on the Company's business, financial condition and/or results of operations. In addition, the Company's information technology systems may be vulnerable to damage or interruption from circumstances beyond the Company's control, including, without limitation, fire, natural disasters, power outages, systems failure, system conversions, security breaches, cyber-attacks, viruses and/or human error. In any such event, the Company could be required to make a significant investment to fix or replace its information technology systems, and the Company could experience interruptions in its ability to service its customers. Any such damage or interruption could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Company's information technology systems, or those of its third-party service providers, may be accessed by unauthorized users such as cyber criminals as a result of a failure, disruption, cyberattack or other security breach. As techniques used by cyber criminals change frequently, a failure, disruption, cyberattack or other security breach of the Company's information technology systems or infrastructure, or those of its third-party service providers, may go undetected for an extended period and could result in the theft, transfer, unauthorized access to, disclosure, modification, misuse, loss or destruction of Company, employee, representative, customer, vendor and/or other third-party data, including sensitive or confidential data, personal information and/or intellectual property, which could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Company is in the process of implementing a company-wide SAP enterprise resource planning ("ERP") system. The Company's anticipated company-wide implementation of this SAP ERP system may not result in improvements that outweigh its costs and may disrupt the Company's operations. This system implementation subjects the Company to substantial costs, the majority of which are capital expenditures, and inherent risks associated with migrating from the Company's legacy systems. These costs and risks could include, but are not limited to:

- inability to fill customer orders accurately or on a timely basis, or at all;
- inability to process payments to vendors accurately or in a timely manner;
- disruption of the Company's internal control structure;
- inability to fulfill the Company's SEC or other governmental reporting requirements in a timely or accurate manner;
- inability to fulfill federal, state and local tax filing requirements in a timely or accurate manner;
- increased demands on management and staff time to the detriment of other corporate initiatives; and
- significant capital and operating expenditures.

If the Company is unable to successfully plan, design or implement this new SAP ERP system, in whole or in part, or experience unanticipated difficulties or delays in doing so, it could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The illegal distribution and sale by third parties of counterfeit versions of the Company's products or the unauthorized diversion by third parties of the Company's products could have an adverse effect on the Company's revenues and a negative impact on the Company's reputation and business.

Third parties may illegally distribute and sell counterfeit versions of the Company's products. These counterfeit products may be inferior in terms of quality and other characteristics compared to the Company's authentic products and/or the counterfeit products could pose safety risks that the Company's authentic products would not otherwise present to consumers. Consumers could confuse counterfeit products with the Company's authentic products, which could damage or diminish the image, reputation and/or value of the Company's brands and cause consumers to refrain from purchasing the Company's products in the future, which could adversely affect the Company's revenues and have a negative impact on the Company's reputation.

A substantial portion of the products that the Company sells under its Professional segment are sold to professional salon distributors and/or wholesalers. Products sold to these customers are meant to be used exclusively

by salons and individual salon professionals or are sold exclusively to the retail consumers of these salons. Despite the Company's efforts to prevent diversion of such products from these customers, incidents have occurred and continue to occur whereby the Company's products are sold to sales outlets other than the intended salons and salon professionals, such as to general merchandise retailers or unapproved outlets. In some instances, these diverted products may be old, damaged or otherwise adulterated, which could damage or diminish the image, reputation and/or value of the Company's brands. In addition, such diversion may result in lower net sales of the Company's products if consumers choose to purchase diverted products and/or choose to purchase products manufactured or sold by the Company's competitors because of any perceived damage or diminishment to the image, reputation and/or value of the Company's brands.

The Company believes that its trademarks, patents and other intellectual property rights are extremely important to the Company's success and its competitive position. The Company devotes significant resources to registering and protecting its intellectual property rights and maintaining the positive image of its brands. The Company's trademark and patent applications may fail to result in issued registrations or provide the scope of coverage sought. Unplanned increases in legal fees and other costs associated with enforcing and/or defending the Company's trademarks, patents and/or other intellectual property rights could result in higher than expected operating expenses. The Company has been unable to eliminate, and may in the future be unable to eliminate, all counterfeiting activities, unauthorized product diversion and infringement of its trademarks, patents and/or other intellectual property, any of which could adversely affect the Company's revenues and have a negative impact on the Company's reputation.

The Company's success largely depends upon its ability to attract, hire and retain its senior management team, other key employees and a highly skilled and diverse workforce, as well as effectively implement succession planning for its senior management team, and, as such, the Company's inability to do so could adversely affect the Company's business, financial condition and/or results of operations.

The continued execution of the Company's business strategy largely depends on the Company's ability to attract, hire and retain its senior management team, other key employees and a highly skilled and diverse workforce, as well as effectively implement succession planning for its senior management team. Unexpected levels of employee turnover or the Company's failure to maintain an adequate succession plan to effectively transition current management leadership positions and/or the Company's failure to attract, hire and retain its senior management team, other key employees and a highly skilled and diverse workforce could adversely affect the Company's institutional knowledge base and/or competitive advantage. If the Company is unable to attract, hire and/or retain talented and highly qualified senior management, other key employees and/or a highly skilled and diverse workforce, or if the Company is unable to effectively provide for the succession of its senior management team, it could adversely affect the Company's business, financial condition and/or results of operations.

Shares of Revlon, Inc. Class A Common Stock and Products Corporation's capital stock are pledged to secure various of Revlon, Inc.'s and/or other of the Company's affiliates' obligations and foreclosure upon these shares or dispositions of shares could result in the acceleration of debt under Products Corporation's Amended Credit Agreements and Products Corporation's 5¾% Senior Notes Indenture and could have other consequences.

All of Products Corporation's shares of common stock are pledged to secure Revlon, Inc.'s guarantee under the Amended Credit Agreements. MacAndrews & Forbes has advised the Company that it has pledged shares of Revlon, Inc.'s Class A Common Stock to secure certain obligations of MacAndrews & Forbes. Additional shares of Revlon, Inc. and shares of common stock of intermediate holding companies between Revlon, Inc. and MacAndrews & Forbes may from time to time be pledged to secure obligations of MacAndrews & Forbes. A default under any of these obligations that are secured by the pledged shares could cause a foreclosure with respect to such shares of Revlon, Inc.'s Class A Common Stock, Products Corporation's common stock or stock of intermediate holding companies between Revlon, Inc. and MacAndrews & Forbes.

A foreclosure upon any such shares of common stock or dispositions of shares of Revlon, Inc.'s Class A Common Stock, Products Corporation's common stock or stock of intermediate holding companies between Revlon, Inc. and MacAndrews & Forbes that are beneficially owned by MacAndrews & Forbes could, in a sufficient amount, constitute a "change of control" under the Amended Credit Agreements and the 5¾% Senior Notes Indenture. A change of control constitutes an event of default under the Amended Credit Agreements that would permit Products Corporation's lenders to accelerate amounts outstanding under such facilities. In addition, holders of the 5¾% Senior Notes may require Products Corporation to repurchase their respective 5¾% Senior Notes under those circumstances.

Products Corporation may not have sufficient funds at the time of any such change of control to repay in full the borrowings under the Amended Credit Facilities and/or to repurchase or redeem the 5¾% Senior Notes. (See also Item 1A. Risk Factors - "The Company's ability to service its debt and meet its cash requirements depends on many factors, including achieving anticipated levels of revenue and expenses. If such revenue or expense levels prove to be other

than as anticipated, the Company may be unable to meet its cash requirements or Products Corporation may be unable to meet the requirements of the financial covenants under the Amended Credit Agreements which could have a material adverse effect on the Company's business, financial condition and/or results of operations.")

MacAndrews & Forbes has the power to direct and control the Company's business.

MacAndrews & Forbes is wholly-owned by Ronald O. Perelman. Mr. Perelman, through MacAndrews & Forbes, beneficially owned approximately 78% of Revlon, Inc.'s outstanding Class A Common Stock on December 31, 2015. As a result, MacAndrews & Forbes is able to control the election of the entire Board of Directors of Revlon, Inc. and of Products Corporation's Board of Directors (as it is a wholly owned subsidiary of Revlon, Inc.) and controls the vote on all matters submitted to a vote of Revlon, Inc.'s and Products Corporation's stockholders, including the approval of mergers, consolidations, sales of some, substantially all or all of the Company's assets, issuances of capital stock and similar transactions.



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Item 1B. Unresolved Staff Comments
None.

Item 2. Properties
The following table sets forth, as of December 31, 2015, the Company's major manufacturing, research and warehouse/distribution facilities by the segment that each facility primarily operates in, all of which are owned by the Company, except where otherwise noted.

| Location | Segment | Use | Approximate Floor Space Sq. Ft. |
|---|---|---|---|
| Oxford, North Carolina | Consumer | Manufacturing, warehousing, distribution and office [a] | 1,012,000 |
| Jacksonville, Florida | Professional | Manufacturing, warehousing, distribution and office | 725,000 |
| Tarragona, Spain | Professional | Manufacturing, warehousing, distribution and office | 300,000 |
| Mississauga, Canada | Consumer | Warehousing, distribution and office (leased) | 195,000 |
| Queretaro, Mexico | Professional | Manufacturing, warehousing, distribution and office | 128,000 |
| Canberra, Australia | Consumer | Warehousing and distribution | 125,000 |
| Edison, New Jersey | Consumer | Research and office (leased) | 123,000 |
| Rietfontein, South Africa | Consumer | Warehousing, distribution and office (leased) | 120,000 |
| Isando, South Africa | Consumer | Manufacturing, warehousing, distribution and office | 94,000 |
| Stone, United Kingdom | Consumer | Warehousing and distribution (leased) | 92,000 |
| Bologna, Italy | Professional | Manufacturing, warehousing, distribution and office | 80,000 |

[a] Property subject to liens under the Amended Credit Agreements.

In addition to the facilities described above, the Company owns and leases additional facilities in various areas throughout the world, including the lease of the Company's executive offices in New York, New York (approximately 91,000 square feet) and in Cornella, Spain (approximately 107,000 square feet). Management considers the Company's facilities to be well-maintained and satisfactory for the Company's operations, and believes that the Company's facilities and third party contractual supplier arrangements provide sufficient capacity for its current and expected production requirements.

Item 3. Legal Proceedings

The Company is involved in various routine legal proceedings incidental to the ordinary course of its business. The Company believes that the outcome of all pending legal proceedings in the aggregate is not reasonably likely to have a material adverse effect on the Company's business, financial condition and/or its results of operations. However, in light of the uncertainties involved in legal proceedings generally, the ultimate outcome of a particular matter could be material to the Company's operating results for a particular period depending on, among other things, the size of the loss or the nature of the liability imposed and the level of the Company's income for that particular period. (See Note 21, "Commitments and Contingencies" to the Consolidated Financial Statements in this Form 10-K, for further discussion.)
Item 4. Mine and Safety Disclosures
Not applicable.

PART II - OTHER INFORMATION

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Revlon, Inc.’s only class of capital stock outstanding at December 31, 2015 is its Class A Common Stock. MacAndrews & Forbes, which is wholly-owned by Ronald O. Perelman, at December 31, 2015 beneficially owned 40,669,640 shares of Revlon, Inc.’s Class A Common Stock, with a par value of $0.01 per share (the “Class A Common Stock”) (36,108,030 shares of which were beneficially owned by MacAndrews & Forbes and 4,561,610 shares of which were beneficially owned by a family member of Mr. Perelman with respect to which shares MacAndrews & Forbes holds a voting proxy). As a result, at

REVLON, INC. AND SUBSIDIARIES
(all tabular amounts in millions, except share and per share amounts)

December 31, 2015, Mr. Perelman, indirectly through MacAndrews & Forbes, beneficially owned approximately 78% of the issued and outstanding shares of Revlon, Inc.'s Class A Common Stock, which represented approximately 78% of the voting power of Revlon, Inc.'s capital stock. The remaining 11,793,844 shares of Class A Common Stock that were issued and outstanding at December 31, 2015 were owned by the public.
Revlon, Inc.'s Class A Common Stock is listed and traded on the New York Stock Exchange (the "NYSE"). As of December 31, 2015, there were approximately 340 holders of record of Class A Common Stock (which does not include the number of beneficial owners holding indirectly through a broker, bank or other nominee). No cash dividends were declared or paid during 2015 and 2014 by Revlon, Inc. on its Class A Common Stock. The terms of the Amended Credit Agreements and the 5¾% Senior Notes Indenture currently restrict Products Corporation's ability to pay dividends or make distributions to Revlon, Inc., except in limited circumstances, which, in turn, limits Revlon, Inc.'s ability to pay dividends to its shareholders. See "Financial Condition, Liquidity and Capital Resources - Long Term Debt Instruments" and Note 11, "Long-Term Debt" in the Company's Consolidated Financial Statements.
The table below shows the high and low quarterly closing stock prices of Revlon, Inc.'s Class A Common Stock on the NYSE consolidated tape for 2015 and 2014.

| | Year Ended December 31, 2015 | | | |
|---|---|---|---|---|
| | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| High | $41.20 | $41.18 | $37.34 | $32.36 |
| Low | 32.32 | 35.52 | 28.97 | 26.25 |

| | Year Ended December 31, 2014 | | | |
|---|---|---|---|---|
| | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| High | $27.58 | $31.52 | $34.99 | $35.55 |
| Low | 22.54 | 25.40 | 29.75 | 31.04 |

For information on securities authorized for issuance under the Company's equity compensation plans, see "Item 12 - Security Ownership of Certain Beneficial Owners and Related Stockholder Matters."

Item 6. Selected Financial Data
The Consolidated Statements of Operations Data for each of the years in the five-year period ended December 31, 2015 and the Consolidated Balance Sheet Data as of December 31, 2015, 2014, 2013, 2012 and 2011 are derived from the Company's Consolidated Financial Statements, which have been audited by an independent registered public accounting firm. The results of operations related to the CBB Acquisition are included beginning on the CBB Acquisition Date. The results of the operations related to the Colomer Acquisition are included beginning on the Colomer Acquisition Date of October 9, 2013. The results of the operations related to the Pure Ice and SinfulColors acquisitions are included beginning on their respective acquisition dates of July 2, 2012 and March 17, 2011. The Selected Consolidated Financial Data should be read in conjunction with the Company's Consolidated Financial Statements and the Notes to the Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

REVLON, INC. AND SUBSIDIARIES
(all tabular amounts in millions, except share and per share amounts)

| | Year Ended December 31, (in millions, except per share amounts) | | | | |
|---|---|---|---|---|---|
| Statement of Operations Data: | 2015[a] | 2014[b] | 2013[c] | 2012[d] | 2011[e] |
| Net sales | $1,914.3 | $1,941.0 | $1,494.7 | $1,396.4 | $1,347.5 |
| Gross profit | 1,246.5 | 1,272.7 | 949.6 | 902.6 | 866.3 |
| Selling, general and administrative expenses | 1,002.5 | 1,009.5 | 731.7 | 682.6 | 660.2 |
| Acquisition and integration costs | 8.0 | 6.4 | 25.4 | — | — |
| Restructuring charges and other, net | 10.5 | 21.3 | 3.5 | 20.5 | — |
| Goodwill impairment charge | 9.7 | — | — | — | — |
| Operating income | 215.8 | 235.5 | 189.0 | 199.5 | 206.1 |
| Interest expense | 83.3 | 84.4 | 73.8 | 79.1 | 84.9 |
| Interest expense - preferred stock dividend | — | — | 5.0 | 6.5 | 6.4 |
| Amortization of debt issuance costs | 5.7 | 5.5 | 5.2 | 5.3 | 5.3 |
| Loss on early extinguishment of debt, net | — | 2.0 | 29.7 | — | 11.2 |
| Foreign currency losses, net | 15.7 | 25.0 | 3.7 | 2.8 | 4.7 |
| Provision for income taxes | 51.4 | 77.8 | 46.0 | 43.7 | 36.8 |
| Income from continuing operations, net of taxes | 59.3 | 39.6 | 24.6 | 61.2 | 55.2 |
| (Loss) income from discontinued operations, net of taxes | (3.2 ) | 1.3 | (30.4 ) | (10.1 ) | (1.8 ) |
| Net income (loss) | 56.1 | 40.9 | (5.8 ) | 51.1 | 53.4 |
| | | | | | |
| Basic income (loss) per common share: | | | | | |
| Continuing operations | 1.13 | 0.76 | 0.47 | 1.17 | 1.06 |
| Discontinued operations | (0.06 ) | 0.02 | (0.58 ) | (0.19 ) | (0.04 ) |
| Net income (loss) | $1.07 | $0.78 | $(0.11 ) | $0.98 | $1.02 |
| | | | | | |
| Diluted income (loss) per common share: | | | | | |
| Continuing operations | 1.13 | 0.76 | 0.47 | 1.17 | 1.06 |
| Discontinued operations | (0.06 ) | 0.02 | (0.58 ) | (0.19 ) | (0.04 ) |
| Net income (loss) | $1.07 | $0.78 | $(0.11 ) | $0.98 | $1.02 |
| | | | | | |
| Weighted average number of common shares outstanding (in millions)[f]: | | | | | |
| Basic | 52.4 | 52.4 | 52.4 | 52.3 | 52.2 |
| Diluted | 52.6 | 52.4 | 52.4 | 52.4 | 52.3 |

REVLON, INC. AND SUBSIDIARIES
(all tabular amounts in millions, except share and per share amounts)

| | Year Ended December 31, (in millions, except per share amounts) | | | | |
|---|---|---|---|---|---|
| Balance Sheet Data: | 2015[a] | 2014[b] | 2013[c] | 2012[d] | 2011[e] |
| Total current assets | $866.9 | $773.8 | $799.1 | $541.2 | $518.7 |
| Total non-current assets | 1,147.4 | 1,170.3 | 1,217.8 | 695.4 | 638.4 |
| Total assets | $2,014.3 | $1,944.1 | $2,016.9 | $1,236.6 | $1,157.1 |
| | | | | | |
| Total current liabilities[g] | $515.0 | $464.9 | $552.7 | $453.1 | $335.4 |
| Redeemable preferred stock[h] | — | — | — | — | 48.4 |
| Total other non-current liabilities | 2,086.8 | 2,123.3 | 2,060.7 | 1,432.8 | 1,466.2 |
| Total liabilities | $2,601.8 | $2,588.2 | $2,613.4 | $1,885.9 | $1,850.0 |
| | | | | | |
| Total indebtedness | $1,845.0 | $1,870.5 | $1,935.6 | $1,220.7 | $1,227.7 |
| Total stockholders' deficiency | (587.5) | (644.1) | (596.5) | (649.3) | (692.9) |

(a) Comparability of results from continuing operations for 2015 are affected by: (1) a $20.7 million pension lump sum settlement charge related to a one-time lump sum payment option offered to certain former employees (See Note 14, "Savings Plan, Pension and Post-Retirement Benefits" to the Consolidated Financial Statements in this Form 10-K); (2) a decrease in the provision for income taxes primarily driven by a non-cash benefit related to the net reduction of the Company's deferred tax valuation allowance on its net deferred tax assets for certain foreign jurisdictions (See Note 16, "Income Taxes" to the Consolidated Financial Statements in this Form 10-K); (3) $10.5 million in restructuring charges and other, net, primarily related to the 2015 Efficiency Program (See Note 3, “Restructuring Charges” to the Consolidated Financial Statements in this Form 10-K); (4) a $9.7 million non-cash goodwill impairment charge related to goodwill for the Company's Global Color Brands reporting unit (see Note 8, "Goodwill and Intangible Assets, Net" to the Consolidated Financial Statements in this Form 10-K); and (5) $8.0 million of acquisition and integration costs incurred during 2015 primarily related to costs incurred in connection with the 2015 CBB Acquisition and the Integration Program.

(b) Comparability of results from continuing operations for 2014 are affected by: (1) $21.3 million in restructuring charges and other, net, primarily related to the Integration Program (See Note 3, “Restructuring Charges” to the Consolidated Financial Statements in this Form 10-K); (2) $6.4 million of acquisition and integration costs incurred during 2014 (see note (c)(3) below) related to the Colomer Acquisition; and (3) a $6.0 million foreign currency loss recognized in the second quarter of 2014 as a result of the re-measurement of Revlon Venezuela’s monetary assets and liabilities (See Note 1, “Description of Business and Summary of Significant Accounting Policies” to the Consolidated Financial Statements in this Form 10-K).

(c) Comparability of results from continuing operations for 2013 are affected by: (1) a $29.7 million aggregate loss on the early extinguishment of debt primarily in connection with Products Corporation’s issuance in February 2013 of $500.0 million aggregate principal amount of its 5¾% Senior Notes due February 15, 2021, of which Products Corporation used $491.2 million of the net proceeds (net of underwriters' fees) to repay and redeem all of the $330 million outstanding aggregate principal amount of its previous 9¾% Senior Secured Notes due November 2015 (the “9¾% Senior Secured Notes” and such transaction being the “2013 Senior Notes Refinancing”); (2) a $26.4 million gain from insurance proceeds due to the settlement of the Company's claims for business interruption and property losses as a result of the June 2011 fire at the Company's facility in Venezuela; (3) $25.4 million of acquisition and integration costs incurred in 2013 (see note (b)(2) above) related to the Colomer Acquisition; and (4) $21.4 million in restructuring and related charges, of which $20.0 million related to the Company's exit of its direct manufacturing, warehousing and sales business operations in mainland China in 2013 and is reflected in loss from discontinued operations, net of taxes. (See Note 3, “Restructuring Charges” and Note 4, "Discontinued Operations" to the Consolidated Financial Statements in this Form 10-K).

(d) Comparability of results from continuing operations for 2012 are affected by: (1) $24.1 million in restructuring and related charges recorded as a result of the September 2012 Program (See Note 3, "Restructuring Charges" of the

Consolidated Financial Statements in this Form 10-K); (2) an increase in net income driven by a non-cash benefit of $15.8 million related to the reduction of the Company’s deferred tax valuation allowance on its net deferred tax assets for certain jurisdictions in the U.S. at December 31, 2012; and (3) an $8.9 million loss contingency recognized related to previously outstanding litigation associated with the Company’s 2009 Exchange Offer.

(e) Comparability of results from continuing operations for 2011 are affected by: (1) an increase in net income driven by a non-cash benefit of $16.9 million related to the reduction of the Company’s deferred tax valuation allowance on its net deferred tax assets for certain jurisdictions outside the U.S. at December 31, 2011; and (2) an $11.2 million loss on the early extinguishment of debt in connection with the 2011 refinancing of Products Corporation’s 2010 term loan facility and 2010 revolving credit facility.

(f) Represents the weighted average number of common shares outstanding for each respective period presented.

(g) Total current liabilities at December 31, 2013 included $58.4 million related to the Company's Non-Contributed Loan (as hereinafter defined) that was prepaid on May 1, 2014 prior to its scheduled maturity on October 8, 2014.

(h) Total current liabilities at December 31, 2012 included $48.4 million related to the carrying amount of the Revlon, Inc.'s Series A Preferred Stock, which matured and was fully redeemed on October 8, 2013.

REVLON, INC. AND SUBSIDIARIES
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(all tabular amounts in millions, except share and per share amounts)

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is intended to provide a reader of our financial statements with a narrative from the perspective of our management on our financial condition, results of operations, liquidity and certain other factors that may affect our future results. Our MD&A is presented as follows:

- Overview;
- Operating Segments;
- Results of Operations;
- Financial Condition, Liquidity and Capital Resources;
- Disclosures about Contractual Obligations and Commercial Commitments;
- Off-Balance Sheet Transactions (there are none);
- Discussion of Critical Accounting Policies;
- Recently Adopted Accounting Pronouncements;
- Recently Issued Accounting Standards or Updates Not Yet Effective; and
- Inflation.

The Company (as defined below) is providing this overview in accordance with the SEC’s December 2003 interpretive guidance regarding MD&A.

Overview

Overview of the Business

Revlon, Inc. (and together with its subsidiaries, the "Company") conducts its business exclusively through its direct wholly-owned operating subsidiary, Revlon Consumer Products Corporation ("Products Corporation"), and its subsidiaries. Revlon, Inc. is an indirect majority-owned subsidiary of MacAndrews & Forbes Incorporated (together with certain of its affiliates other than the Company, "MacAndrews & Forbes"), a corporation wholly-owned by Ronald O. Perelman.

The Company’s vision is to establish Revlon as the quintessential and most innovative beauty company in the world by offering products that make consumers feel attractive and beautiful. We want to inspire our consumers to express themselves boldly and confidently. The Company operates in three segments: the consumer division (“Consumer”); the professional division (“Professional”); and Other (as described below). The Company manufactures, markets and sells an extensive array of beauty and personal care products worldwide, including color cosmetics, hair color, hair care and hair treatments, beauty tools, men's grooming products, anti-perspirant deodorants, fragrances, skincare and other beauty care products.

For additional information regarding our business, see "Part 1, Item 1 - Business" in this Form 10-K.

Discontinued Operations Presentation

As a result of the Company's decision on December 30, 2013 to exit its direct manufacturing, warehousing and sales business operations in mainland China, effective December 31, 2013, the Company is reporting the results of its former China operations within income (loss) from discontinued operations, net of taxes in the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income. Unless otherwise stated, financial results discussed within "Overview" and "Results of Operations" refer only to continuing operations. See Note 4, "Discontinued Operations" to the Consolidated Financial Statements in this Form 10-K for further discussion.

Overview of Net Sales and Earnings Results

Consolidated net sales in 2015 were $1,914.3 million, a decrease of $26.7 million, or 1.4%, compared to $1,941.0 million in 2014. Excluding the $121.2 million unfavorable impact of foreign currency fluctuations, consolidated net sales increased $94.5 million, or 4.9%, in 2015 compared to 2014, primarily driven by an increase in Consumer segment net sales of $53.9 million, or 3.7%, and the inclusion of $28.4 million of net sales as a result of the CBB Acquisition.

Consolidated income from continuing operations, net of taxes, in 2015 was $59.3 million, compared to consolidated income from continuing operations, net of taxes, of $39.6 million in 2014. The $19.7 million increase in 2015 was primarily due to:

- a $26.4 million decrease in the provision for income taxes in 2015, primarily due to the favorable impact as a result of the net reduction of the Company's deferred tax valuation allowance on the Company's net deferred tax assets for certain foreign jurisdictions;

- $10.5 million in restructuring charges and other, net, in 2015, which primarily includes $9.5 million in restructuring charges recognized in 2015 related to the 2015 Efficiency Program, as compared to $21.3 million of restructuring charges and other, net recognized in 2014, primarily due to the Integration Program;
- $9.3 million of favorable variance in foreign currency (gains) losses, net, as a result of $15.7 million in foreign currency losses, net, recognized during 2015, compared to $25.0 million in foreign currency losses, net, recognized during 2014; and
- a $7.0 million reduction in SG&A expenses, primarily driven by the favorable impact of foreign currency fluctuations, which was partially offset by higher brand support within both the Consumer and Professional segments and increases in general and administrative expenses primarily due to $10.2 million of the 2015 pension lump sum settlement charge that was recorded as a component of SG&A expenses, as well as higher severance costs and incentive compensation;

with the foregoing partially offset by:

- $26.2 million of lower gross profit in 2015 primarily due to a $26.7 million decrease in consolidated net sales, primarily due to the impact of foreign currency fluctuations and the unfavorable impact of a $10.5 million portion of the 2015 pension lump sum settlement charge in 2015 recorded within cost of sales; and
- a $9.7 million non-cash impairment loss on goodwill for the Company's Global Color Brands reporting unit.

These items are discussed in more detail within "Results of Operations" and within "Financial Condition, Liquidity and Capital Resources" below.

## Recent Events

### 2015 Efficiency Program

In September 2015, the Company initiated the 2015 Efficiency Program, consisting of restructuring actions to drive certain organizational efficiencies across the Company's Consumer and Professional segments. These actions are designed to reduce general and administrative expenses within the Consumer and Professional segments, and the Company expects that they will be completed by the end of 2017. The Company recognized $9.5 million of restructuring and related charges in 2015 for the 2015 Efficiency Program, of which $6.0 million related to the Consumer segment and $3.2 million related to the Professional segment, with the remaining charges included within unallocated corporate expenses, and expects to recognize total restructuring and related charges of $10.1 million by the end of 2017. By implementing the 2015 Efficiency Program, the Company expects to achieve annualized cost reductions of approximately $10.0 million to $15.0 million by the end of 2018, with approximately $3.0 million of cost reductions included in 2015 results.

In connection with the restructuring actions initiated in 2015 for the 2015 Efficiency Program, the Company expects to pay cash in an amount of approximately $10.3 million, including $0.2 million for capital expenditures (which capital expenditures are excluded from total restructuring and related charges expected to be recognized for the 2015 Efficiency Program), of which $2.8 million was paid in 2015, $5.8 million is expected to be paid in 2016, and the remaining balance is expected to be paid in 2017.

See Note 3, "Restructuring Charges," to the Consolidated Financial Statements in this Form 10-K for further details.

### Acquisition of CBBeauty Group

On the CBB Acquisition Date, the Company completed the CBB Acquisition for total cash consideration of $48.6 million. CBB develops, manufactures, markets and distributes fragrances and other beauty products under various celebrity, lifestyle and fashion brands licensed from third parties, principally through department stores and selective distribution in international territories. CBB is expected to provide the Company with a platform to develop the Company's presence in the fragrance category. On the CBB Acquisition Date, the Company used cash on hand to pay 70% of the total cash consideration, or $34.6 million. The remaining $14.0 million of the total cash consideration is payable in equal installments over four years from the CBB Acquisition Date, subject to the selling shareholders' compliance with certain service conditions. These remaining installments are being recorded as a component of

SG&A expenses ratably over the four year installment period. The results of operations of the CBB business were included in the Company's Consolidated Financial Statements commencing on the CBB Acquisition Date. See Note 2, "Business Combinations," to the Consolidated Financial Statements in this Form 10-K for further details on the CBB Acquisition.

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MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(all tabular amounts in millions, except share and per share amounts)

Pension Lump Sum Settlement Charge

In the fourth quarter of 2015, the Company offered certain former employees who had vested benefits in the Company’s U.S. qualified defined benefit pension plan (the Revlon Employees’ Retirement Plan) the option of receiving the present value of the participant’s pension benefit in a one-time cash lump sum payment. Based on the participants’ acceptance of that offer, $53.4 million was paid from the plan’s assets to settle $66.9 million of pension liabilities, resulting in a $13.5 million net reduction of the Company’s pension plan liabilities in 2015. In addition, the Company recorded a charge of $20.7 million as a result of the pension lump sum settlement accounting within costs of sales and SG&A expense in 2015. This charge was the result of accelerating a portion of the losses that were deferred in accumulated other comprehensive loss, which are required to be recognized in the period in which the pension plan liabilities were settled. See Note 14, "Savings Plan, Pension and Post-retirement Benefits," to the Consolidated Financial Statements in this Form 10-K for further details on this pension lump sum settlement.

Non-cash Impairment Charge

For purposes of the annual goodwill impairment test, the Company’s Pure Ice nail enamel brand, which was acquired in July 2012, is included within the Company’s Global Color Brands reporting unit. Despite improvements in the net sales of Pure Ice nail enamel in 2015 and the realization of margin improvements through integrating the production of Pure Ice nail enamel within the Company's existing manufacturing processes, the Company continued to experience declines in the promotional activity for the Pure Ice brand at retailers.  As a result, in conjunction with the Company’s annual goodwill impairment test, the Company recorded a $9.7 million non-cash goodwill impairment charge during the fourth quarter of 2015 due to the Company’s expectations regarding the future performance of the Global Color Brands reporting unit in relation to its carrying amount. See Note 8, "Goodwill and Intangible Assets," to the Consolidated Financial Statements in this Form 10-K for further details on this non-cash goodwill impairment charge.

2015 Debt Related Transaction

In March 2015, Products Corporation prepaid $24.6 million of term loan indebtedness, representing 50% of its 2014 "excess cash flow" in accordance with the terms of its Amended Term Loan Agreement. The prepayment was applied on a ratable basis between the principal amounts outstanding under the 2011 Term Loan and the Acquisition Term Loan. The amount of the prepayment that was applied to the 2011 Term Loan reduced the principal amount outstanding by $12.1 million to $662.9 million (as all amortization payments under the 2011 Term Loan had been paid). The $12.5 million applied to the Acquisition Term Loan reduced Products Corporation's future regularly scheduled quarterly amortization payments under the Acquisition Term Loan on a ratable basis from $1.8 million prior to the prepayment to $1.7 million after giving effect to the prepayment and through its maturity on October 8, 2019. See Note 11, "Long-Term Debt," to the Consolidated Financial Statements in this Form 10-K for further details.

Operating Segments

The Company primarily operates in three segments: the Consumer segment, the Professional segment and the Other segment:

- The Consumer segment is comprised of the Company's consumer brands, which primarily include Revlon, Almay, SinfulColors and Pure Ice in color cosmetics; Revlon ColorSilk in women’s hair color; Revlon in beauty tools; and Mitchum in anti-perspirant deodorants. The Company’s principal customers for its consumer products include large volume retailers, chain drug and food stores, chemist shops, hypermarkets, general merchandise stores, the Internet/e-commerce, television shopping, department stores, one-stop shopping beauty retailers, specialty cosmetics stores and perfumeries in the U.S. and internationally. The Consumer segment also includes a skincare line and a hair color line sold to large volume retailers and other retailers, primarily in Spain.
- The Professional segment is comprised primarily of the Company's professional brands, which include Revlon Professional in hair color and hair care; CND-branded products in nail polishes and nail enhancements; and American Crew in men’s grooming products, all of which are sold worldwide to professional salons. The Company’s principal

customers for its professional products include hair and nail salons and distributors to professional salons in the U.S. and internationally. The Professional segment also includes a multi-cultural hair care line consisting of Creme of Nature hair care products sold to professional salons, large volume retailers and other retailers, primarily in the U.S.

- The Other segment primarily includes the operating results of the CBB business and related purchase accounting for the CBB Acquisition. CBB develops, manufactures, markets and distributes fragrances and other beauty products under various celebrity, lifestyle and fashion brands licensed from third parties, principally through department stores and selective distribution in international territories. The results included within the Other segment are not material to the Company's consolidated results of operations.

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(all tabular amounts in millions, except share and per share amounts)

Results of Operations
In the tables below, all amounts are in millions and numbers in parentheses ( ) denote unfavorable variances.
Consolidated Net Sales:
Consolidated net sales in 2015 were $1,914.3 million, a decrease of $26.7 million, or 1.4%, compared to $1,941.0 million in 2014. Excluding the $121.2 million unfavorable impact of foreign currency fluctuations, consolidated net sales increased $94.5 million, or 4.9%, during 2015, primarily driven by an increase in Consumer segment net sales of $53.9 million, or 3.7%, and the inclusion of $28.4 million of net sales as a result of the CBB Acquisition.
Consolidated net sales in 2014 were $1,941.0 million, an increase of $446.3 million, or 29.9% as compared to $1,494.7 million in 2013. Excluding the unfavorable impact of foreign currency fluctuations of $60.1 million, consolidated net sales increased $506.4 million, or 33.9% during 2014, primarily driven by the increase in net sales of $460.9 million as a result of the Colomer Acquisition in October 2013.
See "Segment Results" below for further discussion.

Segment Results:
The Company's management evaluates segment profit, which is defined as income from continuing operations before interest, taxes, depreciation, amortization, stock-based compensation expense, gains/losses on foreign currency fluctuations, gains/losses on the early extinguishment of debt and miscellaneous expenses, for each of the Company's reportable segments. Segment profit also excludes unallocated corporate expenses and the impact of certain items that are not directly attributable to the segments' underlying operating performance, which includes the impact of: (i) restructuring and related charges; (ii) acquisition and integration costs; (iii) goodwill impairment charges; (iv) pension lump sum settlement charge; (v) costs of sales resulting from fair value adjustments to inventory acquired in acquisitions; (vi) deferred compensation related to the CBB Acquisition; (vii) insurance proceeds received in 2013 related to the 2011 fire that destroyed the Company's facility in Venezuela; (viii) insurance proceeds from the recovery of litigation settlements; and (ix) an accrual for estimated clean-up costs related to the Company's facility in Venezuela. Unallocated corporate expenses primarily include general and administrative expenses related to the corporate organization. These expenses are recorded in unallocated corporate expenses as these items are centrally directed and controlled and are not included in internal measures of segment operating performance. During the second quarter of 2015, the Company removed pension-related costs for its U.S. qualified defined benefit pension plans from the measurement of its operating segment results. As a result, $8.2 million and $4.9 million of pension-related costs were reclassified from the measurement of Consumer segment profit and included as a component of unallocated corporate expenses for 2014 and 2013, respectively. The Company does not have any material inter-segment sales. For a reconciliation of segment profit to income from continuing operations before income taxes, see Note 19, "Segment Data and Related Information" to the Consolidated Financial Statements in this Form 10-K.
The following tables provide a comparative summary of the Company's segment results for each of 2015, 2014 and 2013. In the tables below, certain prior year amounts have been reclassified to conform to the current period’s presentation. Consumer segment net sales and segment profit include the results of retail brands acquired in the Colomer Acquisition, which had previously been included in the Professional segment.

| | Net Sales | | | | | | Segment Profit | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Year Ended December 31, | | Change | | XFX Change (a) | | Year Ended December 31, | | Change | | XFX Change (a) | |
| | 2015 | 2014 | $ | % | $ | % | 2015 | 2014 | $ | % | $ | % |
| Consumer | $1,414.8 | $1,438.3 | $(23.5) | (1.6)% | $53.9 | 3.7 % | $360.2 | $339.4 | $20.8 | 6.1 % | $30.0 | 8.8 % |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Professional | 471.1 | 502.7 | (31.6) | (6.3)% | 12.2 | 2.4% | 103.9 | 104.8 | (0.9) | (0.9)% | 2.8 | 2.7% |
| Other | 28.4 | — | 28.4 | N.M. | 28.4 | N.M. | 1.4 | — | 1.4 | N.M. | 1.4 | N.M. |
| Total | $1,914.3 | $1,941.0 | $(26.7) | (1.4)% | $94.5 | 4.9% | $465.5 | $444.2 | $21.3 | 4.8% | $34.2 | 7.7% |

REVLON, INC. AND SUBSIDIARIES
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(all tabular amounts in millions, except share and per share amounts)

| | Net Sales Year Ended December 31, | | Change | | XFX Change [a] | | Segment Profit Year Ended December 31, | | Change | | XFX Change [a] | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2014 | 2013 | $ | % | $ | % | 2014 | 2013 | $ | % | $ | % |
| Consumer | $1,438.3 | $1,394.2 | $44.1 | 3.2 % | $98.3 | 7.1 % | $339.4 | $342.3 | $(2.9 ) | (0.8 )% | $14.2 | 3.3 % |
| Professional | 502.7 | 100.5 | $402.2 | N.M. | 408.1 | N.M. | 104.8 | 5.1 | 99.7 | N.M. | $100.9 | N.M. |
| Other | — | — | $— | — % | — | — % | — | — | — | — % | — | — % |
| Total | $1,941.0 | $1,494.7 | $446.3 | 29.9 % | $506.4 | 33.9 % | $444.2 | $347.4 | $96.8 | 27.9 % | $115.1 | 33.1 % |

[a] XFX excludes the impact of foreign currency fluctuations.

Consumer Segment
Consumer segment net sales in 2015 were $1,414.8 million, a decrease of $23.5 million, or 1.6%, compared to $1,438.3 million in 2014. Excluding the $77.4 million unfavorable impact of foreign currency fluctuations (referred to herein as on an "XFX basis"), total Consumer net sales increased $53.9 million, or 3.7%, in 2015 compared to 2014, primarily driven by higher net sales of Revlon color cosmetics, Mitchum anti-perspirant deodorant products, Revlon ColorSilk hair color and Cutex nail products, partially offset by lower net sales of Almay color cosmetics. Consumer segment net sales were negatively impacted in connection with the Company's exit of its business operations in Venezuela in the second quarter of 2015 and change to a distributor model, as such change resulted in $1.0 million of net sales in Venezuela in 2015, compared to $16.3 million of net sales in Venezuela in 2014. Excluding Venezuela, on an XFX basis, Consumer net sales would have increased by 4.4% in 2015, compared to 2014.
Consumer segment profit in 2015 was $360.2 million, an increase of $20.8 million, or 6.1%, compared to $339.4 million in 2014. Excluding the $9.2 million unfavorable impact of foreign currency fluctuations, Consumer segment profit increased $30.0 million, or 8.8%, in 2015 compared to 2014, primarily driven by higher gross profit as a result of the increases in net sales discussed above, partially offset by $8.7 million of higher brand support expenses for the Company's Consumer brands. In connection with the Company's exit of its business operations in Venezuela in the second quarter of 2015 and change to a distributor model, there was no profit in Venezuela in 2015, compared to $6.6 million of profit in Venezuela in 2014. Excluding Venezuela, on an XFX basis, Consumer segment profit would have increased by 11.1% in 2015, compared to 2014.
Consumer segment net sales in 2014 were $1,438.3 million, an increase of $44.1 million, or 3.2%, compared to $1,394.2 million in 2013. Excluding the $54.2 million unfavorable impact of foreign currency fluctuations, total Consumer net sales increased $98.3 million, or 7.1%, in 2014 compared to 2013, primarily driven by: (i) the inclusion of $52.8 million of increased net sales from Consumer brands acquired in the Colomer Acquisition; (ii) $15.1 million of favorable sales returns reserve adjustments in the U.S. during 2014, as a result of lower expected discontinued products in the future related to the Company's strategy to focus on fewer, bigger and better innovations, partially offset by increased sales returns expense for 2014 sales returns; and (iii) higher net sales of Revlon color cosmetics, Revlon ColorSilk hair color and Mitchum anti-perspirant deodorant products. The increases in Consumer segment net sales in 2014 were partially offset by lower net sales of fragrances, as well as lower net sales of Almay, SinfulColors and Pure Ice color cosmetics.
Consumer segment profit in 2014 was $339.4 million, a decrease of $2.9 million, or 0.8%, compared to $342.3 million in 2013, primarily due to lower gross profit as a result of $33.0 million of higher advertising expense to support the Company's Consumer brands, and approximately $17.0 million of unfavorable foreign currency fluctuations, partially offset by the increase in net sales, including the $15.1 million of favorable sales returns reserve adjustments.
Professional Segment
Professional segment net sales in 2015 were $471.1 million, a decrease of $31.6 million, or 6.3%, compared to $502.7 million in 2014. Excluding the $43.8 million unfavorable impact of foreign currency fluctuations, total Professional

net sales increased $12.2 million in 2015 compared to 2014, primarily as a result of higher net sales of American Crew men's grooming products, Revlon Professional hair products and Creme of Nature hair products, partially offset by lower net sales of CND nail products in the U.S.

Professional segment profit in 2015 was $103.9 million, a decrease of $0.9 million, or 0.9%, compared to $104.8 million in 2014. Excluding the $3.7 million unfavorable impact of foreign currency fluctuations, Professional segment profit increased $2.8 million in 2015 compared to 2014, primarily due to higher net sales, partially offset by $5.1 million of higher brand support

expenses for the Company's Professional brands. In addition, Professional segment profit in 2014 included a favorable adjustment of $3.4 million related to the inventory obsolescence reserve, with no similar adjustment in 2015.
The Company's Professional segment is comprised of most of the operations acquired by the Company in the Colomer Acquisition in October 2013 (with the exception of the retail brands acquired in the Colomer Acquisition, which the Company has included within the Consumer segment, as noted above). As Colomer was acquired in October 2013, there are no full year comparable prior years' net sales or segment profit for the Professional segment to facilitate a comparison of 2014 and 2013 Professional segment results. Therefore, an analysis of net sales and segment profit for the Professional segment in 2014, compared to 2013, is not included in this Form 10-K. Professional net sales were $502.7 million for the full year of 2014 and $100.5 million from the October 2013 Colomer Acquisition Date through the end of 2013. Professional net sales during each period consisted primarily of the net sales of CND products worldwide, including CND Shellac; Revlon Professional products, primarily in Europe; and American Crew products and other professional brands world-wide.
Professional segment profit was $104.8 million for the full year of 2014 and $5.1 million from the October 2013 Colomer Acquisition Date through the end of 2013 and is comprised of the operating results of substantially all of the operations acquired in the Colomer Acquisition.
Geographic Results:
In connection with changes that the organization made to its management reporting structure following the Colomer Acquisition, beginning in 2014, the Company combined its former Latin America and Canada; Asia Pacific; and Europe, Middle East and Africa operating regions into the International region for reporting purposes. The Company has modified its net sales discussion to conform to the manner by which the Company's management reviews the business, and, accordingly, prior year amounts have been restated to conform to this presentation.
The following tables provide a comparative summary of the Company's net sales by region for each of the years ended December 31, 2015, 2014 and 2013:

| | Year Ended December 31, | | Change | | XFX Change [a] | |
|---|---|---|---|---|---|---|
| | 2015 | 2014 | $ | % | $ | % |
| United States | $1,043.7 | $1,021.9 | $21.8 | 2.1 % | $21.8 | 2.1 % |
| International | 870.6 | 919.1 | (48.5) | (5.3)% | 72.7 | 7.9 % |
| Total Net Sales | $1,914.3 | $1,941.0 | $(26.7) | (1.4)% | $94.5 | 4.9 % |

| | Year Ended December 31, | | Change | | XFX Change [a] | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | $ | % | $ | % |
| United States | $1,021.9 | $832.8 | $189.1 | 22.7 % | $189.1 | 22.7 % |
| International | 919.1 | 661.9 | 257.2 | 38.9 % | 317.3 | 47.9 % |
| Total Net Sales | $1,941.0 | $1,494.7 | $446.3 | 29.9 % | $506.4 | 33.9 % |

[a] XFX excludes the impact of foreign currency fluctuations.

United States
In the U.S., net sales in 2015 increased $21.8 million, or 2.1%, to $1,043.7 million, compared to $1,021.9 million in 2014, primarily due to higher Consumer segment net sales of Revlon color cosmetics, Mitchum anti-perspirant deodorant products and Revlon ColorSilk hair color, partially offset by lower net sales of Almay color cosmetics. Net sales in the U.S. decreased in the Professional segment primarily due to lower net sales of CND nail products.
In the U.S., net sales in 2014 increased $189.1 million, or 22.7%, to $1,021.9 million, as compared to $832.8 million in 2013, primarily due to the inclusion of $157.1 million of increased net sales as a result of the Colomer Acquisition. 2014 net sales in the U.S. were also impacted by $15.1 million of favorable sales returns reserve adjustments during

2014, as a result of lower expected discontinued products in the future related to the Company's strategy to focus on fewer, bigger and better innovations, partially offset by increased sales returns expense for 2014 sales returns. In addition, 2014 had higher net sales of Revlon color cosmetics, Revlon ColorSilk hair color and Mitchum anti-perspirant deodorant products, partially offset by lower net sales of Almay, SinfulColors and Pure Ice color cosmetics.

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International

International net sales in 2015 decreased by $48.5 million, or 5.3%, to $870.6 million, as compared to $919.1 million in 2014. Excluding the $121.2 million unfavorable impact of foreign currency fluctuations, International net sales increased by $72.7 million, or 7.9%, in 2015 compared to 2014, primarily due to higher net sales of Revlon color cosmetics in the Consumer segment. International net sales increased in the Professional segment primarily due to higher net sales of American Crew men's grooming products and Revlon Professional hair products. From a geographic perspective, the increase in international net sales was throughout most of the Company’s International region. The Company's exit of its business operations in Venezuela in 2015 negatively impacted International net sales. Excluding Venezuela, on an XFX basis, International net sales would have increased by 9.0% in 2015, compared to 2014.

International net sales in 2014 increased $257.2 million, or 38.9%, to $919.1 million, as compared to $661.9 million in 2013. Excluding the $60.1 million unfavorable impact of foreign currency fluctuations, International net sales increased by $317.3 million, or 47.9%, primarily due to the inclusion of $303.8 million of increased net sales as a result of the Colomer Acquisition. Additionally, 2014 net sales were impacted by higher net sales of Revlon color cosmetics in Venezuela and Japan and Mitchum anti-perspirant deodorant products primarily in the U.K., partially offset by lower net sales of Revlon color cosmetics in certain distributor markets and fragrances in the U.K. and Italy. Results in Venezuela for 2014 benefited from the increased availability of U.S. Dollars to import finished goods for sale, as compared to 2013.

Gross profit:

| | Year Ended December 31, | | | Change | |
|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2015 vs. 2014 | 2014 vs. 2013 |
| Gross profit | $1,246.5 | $1,272.7 | $949.6 | $(26.2) | $323.1 |
| Percentage of net sales | 65.1 % | 65.6 % | 63.5 % | (0.5)% | 2.1 % |

Gross profit decreased as a percentage of net sales by 0.5 percentage points, decreasing by $26.2 million in 2015, as compared to 2014. The drivers of the changes in gross profit in 2015, as compared to 2014, primarily included:

- unfavorable foreign currency fluctuations, which reduced gross profit by $90.0 million and reduced gross profit as a percentage of net sales by 0.5 percentage points;
- the unfavorable impact of a portion of the 2015 pension lump sum settlement charge recorded in the fourth quarter of 2015 within cost of sales in the amount of $10.5 million, which decreased gross profit by as a percentage of net sales by 0.6 percentage points.
- the effects of the favorable sales returns accrual adjustments made in 2015 and 2014, due to lower expected discontinued products in the future related to the Company's strategy to focus on fewer, bigger and better innovations, which 2014 adjustment was $4.1 million more favorable than the 2015 adjustment, and which had no impact on gross profit as a percentage of net sales;

with the foregoing partially offset by:

- favorable volume, which increased gross profit by $67.8 million and increased gross profit as a percentage of net sales by 0.2 percentage points; and
- lower manufacturing and freight costs as a result of supply chain cost reduction initiatives, which increased gross profit by $9.5 million and increased gross profit as a percentage of net sales by 0.5 percentage points.

Gross profit increased by $323.1 million, and as a percentage of net sales gross profit increased by 2.1 percentage points in 2014, as compared to 2013. The drivers of gross profit in 2014, as compared to 2013, primarily included:

- the inclusion of gross profit from the Colomer Acquisition beginning in October 2013, which increased gross profit by $314.8 million and increased gross profit as a percentage of net sales by 1.3 percentage points;
- 

favorable sales mix within the Consumer segment, which increased gross profit by $19.3 million and increased gross profit as a percentage of net sales by 1.0 percentage points;

- favorable volume, which increased gross profit by $15.2 million, with no impact on gross profit as a percentage of net sales; and

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- the favorable impact of sales returns accrual adjustments, net of related inventory write-off charges, due to lower expected discontinued products in the future related to the Company's strategy to focus on fewer, bigger and better innovations, which increased gross profit by $12.1 million and increased gross profit as a percentage of net sales by 0.1 percentage points;

with the foregoing partially offset by:

- unfavorable foreign currency fluctuations, which reduced gross profit by $45.1 million and reduced gross profit as a percentage of net sales by 0.4 percentage points.

SG&A expenses:

| | Year Ended December 31, | | | Change | |
|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2015 vs. 2014 | 2014 vs. 2013 |
| SG&A expenses | $1,002.5 | $1,009.5 | $731.7 | $(7.0) | $277.8 |

SG&A expenses decreased by $7.0 million in 2015 compared to 2014, primarily driven by:

- $72.2 million of favorable impact due to foreign currency fluctuations in 2015;

with the foregoing partially offset by:

- $16.2 million of higher brand support expenses for the Company's brands within the Consumer and Professional segments in 2015; and
- $49.3 million of higher general and administrative expenses in 2015, primarily due to:

(i) $14.7 million of severance costs related to a 2015 initiative to upgrade the Company's people and talent; (ii) $10.2 million of charges related to the 2015 pension lump sum settlement recorded as a component of SG&A expenses; (iii) $9.8 million in expenses related to the 2015 operations of the CBB business acquired in April 2015; and (iv) higher incentive compensation expenses.

In 2014, as compared to 2013, SG&A expenses increased $277.8 million, primarily driven by:

- the inclusion of SG&A expenses as a result of the Colomer Acquisition, beginning in October 2013, which contributed $226.2 million to the increase in SG&A expenses;
- $33.0 million of higher advertising expenses to support the Company's brands within the Consumer segment;
- a $26.4 million gain from insurance proceeds in 2013 due to the settlement of the Company's claim for the loss of inventory from the fire that destroyed the Company's facility in Venezuela, partially offset by an accrual in 2013 of $7.6 million for estimated clean-up costs related to the destroyed facility, which did not recur in 2014;
- $18.3 million of higher general and administrative expenses, primarily due to increased severance related costs, higher incentive and stock-based compensation expense, and higher occupancy costs due to overlapping rents as a result of the Company's relocation of its New York City headquarters during 2014; and
- $4.0 million of higher amortization of permanent wall displays;

with the foregoing partially offset by:

- $24.8 million of favorable impacts due to foreign currency fluctuations.

Acquisition and Integration Costs:

| | Year Ended December 31, | | | Change | |
|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2015 vs. 2014 | 2014 vs. 2013 |
| Acquisition and integration costs | $8.0 | $6.4 | $25.4 | $(1.6) | $(19.0) |

The acquisition and integration costs for 2015, 2014 and 2013 are summarized in the table presented below.

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| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| Acquisition costs | $5.9 | $0.5 | $12.9 |
| Integration costs | 2.1 | 5.9 | 12.5 |
| Total acquisition and integration costs | $8.0 | $6.4 | $25.4 |

Acquisition costs in 2015 primarily included legal and consulting fees related to the CBB Acquisition. Acquisition costs in 2014 and 2013 primarily included legal and consulting fees related to the Colomer Acquisition.
Integration costs consist of non-restructuring costs related to integrating Colomer's operations into the Company's business. Integration costs incurred during 2015 primarily included legal and professional fees. Integration costs incurred during 2014 primarily included employee-related costs related to management changes and audit-related fees related to the Colomer Acquisition. For 2013, integration costs primarily related to an impairment of in-progress capitalized software development costs, as well as employee-related costs due to management changes, in each case related to the Colomer Acquisition.

Restructuring charges and other, net:

| | Year Ended December 31, | | | Change | |
|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2015 vs. 2014 | 2014 vs. 2013 |
| Restructuring charges and other, net | $10.5 | $21.3 | $3.5 | $10.8 | $17.8 |

Restructuring charges and other, net, for 2015 primarily related to $9.5 million of costs incurred in connection with the 2015 Efficiency Program.
During 2014, the Company recorded charges totaling $20.1 million related to restructuring and related actions under the Integration Program, of which $18.9 million was recorded in restructuring charges and other, net, $0.6 million was recorded in cost of sales and $0.6 million was recorded in SG&A expenses.
See Note 3, "Restructuring Charges" to the Consolidated Financial Statements in this Form 10-K for further discussion.

Interest expense:

| | Year Ended December 31, | | | Change | |
|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2015 vs. 2014 | 2014 vs. 2013 |
| Interest expense | $83.3 | $84.4 | $73.8 | $1.1 | $10.6 |

The $1.1 million decrease in interest expense in 2015, compared to 2014, was primarily due to lower average debt outstanding, partially offset by higher weighted average borrowing rates. The lower average debt outstanding was the result of: (i) regularly scheduled quarterly amortization payments made towards the Acquisition Term Loan through December 31, 2015; (ii) the favorable benefit to 2015 as a result of the May 1, 2014 prepayment of the remaining $58.4 million principal amount outstanding under the Non-Contributed Loan; and (iii) the $24.6 million March 2015 excess cash flow prepayment, of which $12.1 million was applied to the principal amount outstanding under the 2011 Term Loan. The remaining $12.5 million of the excess cash flow prepayment that was applied to the Acquisition Term Loan reduced Products Corporation's future regularly scheduled quarterly amortization payments under the Acquisition Term Loan on a ratable basis from $1.8 million prior to such prepayment to $1.7 million after giving effect to such prepayment and through its maturity on October 8, 2019. The higher weighted average borrowing rates were primarily due to the impact of the 2013 Interest Rate Swap going into effect in May 2015.
The $10.6 million increase in interest expense in 2014, as compared to 2013, was primarily due to higher average debt as a result of Products Corporation's Acquisition Term Loan that was used to fund the Colomer Acquisition, partially

offset by lower weighted average borrowing rates.

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Foreign currency losses, net:

| | Year Ended December 31, | | | Change | |
|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2015 vs. 2014 | 2014 vs. 2013 |
| Foreign currency losses, net | $15.7 | $25.0 | $3.7 | $(9.3 ) | $21.3 |

The decrease in foreign currency losses, net, of $9.3 million during 2015, as compared to 2014, was primarily driven by:

- a $6.0 million foreign currency loss recognized in 2014 as a result of the re-measurement of Revlon Venezuela's balance sheet, as compared to a $1.9 million foreign currency loss recognized in 2015;
- a $3.8 million gain in 2015, compared to a $0.5 million gain in 2014, related to the Company's foreign currency forward exchange contracts; and
- the favorable impact of the revaluation of certain U.S. Dollar and foreign currency denominated intercompany payables during 2015, as compared to 2014.

The increase in foreign currency losses, net, of $21.3 million during 2014, as compared to 2013, was primarily driven by:

- the unfavorable impact of the revaluation of certain U.S. Dollar denominated intercompany payables during 2014, as compared to 2013; and
- a $6.0 million foreign currency loss related to the required re-measurement of Revlon Venezuela's balance sheet during the second quarter of 2014.

Provision for income taxes:

| | Year Ended December 31, | | | Change | |
|---|---|---|---|---|---|
| | 2015 | 2014 | 2013 | 2015 vs. 2014 | 2014 vs. 2013 |
| Provision for income taxes | $51.4 | $77.8 | $46.0 | $(26.4 ) | $31.8 |

The provision for income taxes decreased by $26.4 million in 2015, compared to 2014, primarily due to the favorable impact of certain discrete items, including: (i) the net reduction of valuation allowances in certain foreign jurisdictions; (ii) lower pre-tax income in certain jurisdictions for 2015, compared to 2014; (iii) the impact of the favorable resolution of certain tax matters in 2015; and (iv) the impact of certain tax matters in 2014 that did not recur in 2015.

The provision for income taxes increased by $31.8 million in 2014, as compared to 2013, primarily due to: (i) the loss on early extinguishment of debt recognized in 2013; (ii) certain expenses related to the Colomer Acquisition; (iii) the favorable resolution of tax matters in a foreign jurisdiction; (iv) increased pre-tax income; and (v) establishing a valuation allowance against certain deferred tax assets in the Professional segment in 2014 (each of which in the case of (i), (ii) and (iii) favorably affected the provision for income taxes in 2013 and each of which did not recur in 2014), partially offset by the favorable impact of certain discrete items in 2014, including the favorable resolution of tax matters in certain jurisdictions and return-to-provision adjustments.

The Company's effective tax rate for 2015 was higher than the federal statutory rate of 35% due principally to: (i) foreign and U.S. tax effects attributable to operations outside the U.S.; (ii) state and local taxes; and (iii) foreign dividends and earnings taxable in the U.S., partially offset by the net reduction of valuation allowances in certain foreign jurisdictions.

The Company's effective tax rate for 2014 was higher than the federal statutory rate of 35% due principally to: (i) state and local taxes, net of U.S federal income tax benefit; (ii) establishing a valuation allowance against certain deferred tax assets in the Professional segment; (iii) foreign dividends and earnings taxable in the U.S.; and (iv) foreign and U.S. tax effects attributable to operations outside the U.S.

The Company expects that its tax provision and effective tax rate in any individual quarter and year-to-date period will vary and may not be indicative of the Company's tax provision and effective tax rate for the full year.
In assessing the recoverability of its deferred tax assets, management regularly considers whether some portion or all of the deferred tax assets will not be realized based on the recognition threshold and measurement of a tax position. The ultimate realization of deferred tax assets is generally dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future

taxable income and tax planning strategies in making this assessment. See Note 16, "Income Taxes," to the Consolidated Financial Statements in this Form 10-K for further discussion.

Financial Condition, Liquidity and Capital Resources

At December 31, 2015, the Company had a liquidity position of $473.6 million, consisting of cash and cash equivalents (net of any outstanding checks) of $307.4 million, as well as $166.2 million in available borrowings under Products Corporation's $175.0 million Amended Revolving Credit Facility, based upon the borrowing base less $8.8 million of undrawn outstanding letters of credit and no other borrowing outstanding under the Amended Revolving Credit Facility at such date.

The Company's foreign operations held $97.3 million out of the total $307.4 million in cash and cash equivalents (net of any outstanding checks) as of December 31, 2015. The cash held by the Company's foreign operations is primarily used to fund such operations. The Company regularly assesses its cash needs and the available sources of cash to fund these needs. As part of this assessment, the Company determines the amount of foreign earnings, if any, that it intends to repatriate to help fund its domestic cash needs, including for the Company's debt service obligations, and pays applicable U.S. income and foreign withholding taxes, if any, on such earnings to the extent repatriated, and otherwise records a tax liability for the estimated cost of repatriation in a future period. The Company believes that the cash generated by its domestic operations and availability under the Amended Revolving Credit Facility and other permitted lines of credit should be sufficient to meet its domestic liquidity needs for at least the next 12 months. Therefore, the Company currently anticipates that restrictions and/or taxes on repatriation of foreign earnings will not have a material effect on the Company's liquidity during such period.

Changes in Cash Flows

At December 31, 2015, the Company had cash and cash equivalents of $326.9 million, compared with $275.3 million at December 31, 2014. The following table summarizes the Company's cash flows from operating, investing and financing activities in 2015, 2014 and 2013:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| Net cash provided by operating activities | $155.3 | $174.0 | $123.3 |
| Net cash used in investing activities | (83.8) | (52.1) | (639.4) |
| Net cash (used in) provided by financing activities | (12.1) | (75.1) | 649.0 |
| Effect of exchange rate changes on cash and cash equivalents | (7.8) | (15.6) | (5.1) |

Operating Activities

Net cash provided by operating activities was $155.3 million, $174.0 million and $123.3 million for 2015, 2014 and 2013, respectively. The decrease in cash from operating activities in 2015, compared to the 2014, was primarily driven by higher inventory and tax payments, partially offset by less cash used in discontinued operations, as well as lower payments for restructuring and interest in 2015 compared to 2014. The cash provided by operating activities in 2014, compared to 2013, was favorably impacted by cash provided by the operations of the Professional segment as a result of the Colomer Acquisition, partially offset by higher interest payments and unfavorable changes in working capital, including higher tax payments and higher payments for restructuring actions primarily related to both the Integration Program and the restructuring actions that included exiting the Company's direct manufacturing, warehousing and sales business operations in mainland China, as well as implementing other immaterial restructuring actions outside the U.S. that are expected to generate other operating efficiencies (the "December 2013 Program").

See Note 3, "Restructuring Charges" to the Consolidated Financial Statements in this Form 10-K for further discussion related to the Company's restructuring programs.

Net cash provided by operating activities related to discontinued operations, including restructuring payments, was approximately $0.1 million, $27 million and $10 million in 2015, 2014 and 2013, respectively.

Investing Activities

Net cash used in investing activities was $83.8 million, $52.1 million and $639.4 million for 2015, 2014 and 2013, respectively.

Net cash used in investing activities in 2015 included:

- $48.3 million of cash used for capital expenditures; and
- $41.7 million in cash payments, net of cash acquired, primarily for the CBB Acquisition, partially offset by $6.2 million in cash proceeds from the sale of certain immaterial, non-core assets.

Net cash used in investing activities for 2014 included:

- $55.5 million of cash used for capital expenditures, which were partially offset by $3.4 million in proceeds from the sale of property, plant and equipment, primarily related to other immaterial restructuring actions.

Net cash used in investing activities for 2013 included:

- a cash payment of $664.5 million for the Colomer Acquisition, offset by $36.9 million of cash and cash equivalents acquired in such transaction, for a net cash use of $627.6 million; and
- $28.6 million of cash used for capital expenditures;

with the foregoing partially offset by:

- $13.1 million of insurance proceeds received in July 2013 for the Company's property claim related to the June 2011 fire at the Company's facility in Venezuela.

Financing Activities

Net cash (used in) provided by financing activities was $(12.1) million, $(75.1) million and $649.0 million for 2015, 2014 and 2013, respectively.

Net cash used in financing activities for 2015 primarily included:

- a $24.6 million required excess cash flow prepayment made under the Amended Term Loan Facility; and
- $6.8 million of scheduled amortization payments on the Acquisition Term Loan;

with the foregoing partially offset by:

- $23.0 million increase in short-term borrowings and overdraft.

Net cash used in financing activities for 2014 included:

- the repayment in May 2014 of the $58.4 million aggregate principal amount outstanding of the Non-Contributed Loan;
- $7.0 million of scheduled amortization payments on the Acquisition Term Loan;
- $4.7 million decrease in short-term borrowings and overdraft; and
- the payment of $1.8 million of financing costs primarily related to the February 2014 Term Loan Amendment (as hereinafter defined).

Net cash provided by financing activities for 2013 included:

- Cash proceeds received in connection with the Acquisition Term Loan, in the aggregate principal amount of $700.0 million, or $698.3 million, net of discounts; and
- Products Corporation's issuance of the $500.0 million aggregate principal amount of the 5¾% Senior Notes at par;

with the foregoing partially offset by:

- the repayment and redemption of all of the $330.0 million aggregate principal amount outstanding of Products Corporation's previous 9¾% Senior Secured Notes in connection with the 2013 Senior Notes Refinancing;
- the repayment of $113.0 million in principal on the 2011 Term Loan in connection with the consummation of the February 2013 Term Loan Amendments (as hereinafter defined); and
- the payment of $48.8 million of financing costs comprised of: (i) $17.5 million of redemption and tender offer premiums, as well as fees and expenses related to the repayment and redemption of all of the $330.0 million aggregate principal amount outstanding of the 9¾% Senior Secured Notes in connection with the 2013 Senior Notes Refinancing; (ii) $10.2 million of underwriters' fees and other fees in connection with the issuance of the 5¾% Senior Notes in connection with the 2013 Senior Notes Refinancing; (iii) $1.2 million of fees incurred in connection with the February 2013 Term Loan Amendments; (iv) $3.5 million of fees incurred in connection with the August 2013 Term Loan Amendments (as hereinafter defined); (v) $15.9 million of fees incurred in connection with the Incremental Amendment (as hereinafter defined); and (vi) $0.5 million of fees incurred in connection with the 2013 Revolver

Amendments (as hereinafter defined).
Refer to "Long-Term Debt Instruments - 2013 Debt Transactions" below for the definition and further discussion of the debt instruments and related financing activities discussed above.

Long-Term Debt Instruments
(a) Recent Debt Transactions
The Company completed several debt transactions during 2015, 2014 and 2013:
2015 Debt Related Transaction
Amended Term Loan Facility - Excess Cash Flow Payment
In March 2015, Products Corporation prepaid $24.6 million of indebtedness, representing 50% of its 2014 “excess cash flow,” in accordance with the terms of its Amended Term Loan Facility. The prepayment was applied on a ratable basis between the principal amounts outstanding under the 2011 Term Loan and the Acquisition Term Loan. The amount of the prepayment applied to the 2011 Term Loan reduced the principal amount outstanding by $12.1 million to $662.9 million (as all amortization payments under the 2011 Term Loan had been paid). The $12.5 million applied to the Acquisition Term Loan reduced Products Corporation's future regularly scheduled quarterly amortization payments under the Acquisition Term Loan on a ratable basis from $1.8 million prior to the prepayment to $1.7 million after giving effect to the prepayment and through its maturity on October 8, 2019.
2014 Debt Related Transactions
February 2014 Term Loan Amendment
In February 2014, Products Corporation entered into an amendment (the “February 2014 Term Loan Amendment”) to its Amended Term Loan Agreement among Products Corporation, as borrower, a syndicate of lenders and Citicorp USA, Inc. (“CUSA”), as administrative agent and collateral agent.
Pursuant to the February 2014 Term Loan Amendment, the interest rates applicable to Eurodollar Loans under the 2011 Term Loan bear interest at the Eurodollar Rate plus 2.5% per annum, with the Eurodollar Rate not to be less than 0.75% (compared to 3.0% and 1.0%, respectively, prior to the February 2014 Term Loan Amendment), while Alternate Base Rate Loans under the 2011 Term Loan bear interest at the Alternate Base Rate plus 1.5%, with the Alternate Base Rate not to be less than 1.75% (compared to 2.0% in each case prior to the February 2014 Term Loan Amendment) (and as each such term is defined in the Amended Term Loan Agreement).
Products Corporation's Acquisition Term Loan and Amended Revolving Credit Facility were not amended in connection with the February 2014 Term Loan Amendment.
During 2014, the Company incurred approximately $1.1 million of fees and expenses in connection with the February 2014 Term Loan Amendment, which were expensed as incurred, and wrote-off $0.8 million of unamortized debt discount and deferred financing costs as a result of the February 2014 Term Loan Amendment. These amounts, totaling $1.9 million, were recognized within loss on the early extinguishment of debt in the Company’s Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for the year ended December 31, 2014.
Repayment of Non-Contributed Loan
On May 1, 2014, Products Corporation used available cash on hand to optionally prepay in full the remaining $58.4 million principal amount then outstanding under the non-contributed loan portion of the Amended and Restated Senior Subordinated Term Loan Agreement (the "Non-Contributed Loan") that remained owing from Products Corporation to various third parties.  The Non-Contributed Loan would have otherwise matured on October 8, 2014. In connection with such prepayment, the Company wrote-off $0.1 million of deferred financing costs, which were recognized within loss on early extinguishment of debt in the Company's Consolidated Statements of Income (Loss) and Comprehensive (Loss) Income for 2014.
2013 Debt Transactions
Term Loan and Revolving Credit Facility Amendments
(i) February 2013 Term Loan Amendments
In February 2013, Products Corporation consummated amendments (the "February 2013 Term Loan Amendments") to its third amended and restated term loan agreement dated as of May 19, 2011 (as amended, the "2011 Term Loan Agreement," or the “2011 Term Loan Facility” or the "2011 Term Loan") among Products Corporation, as borrower, a syndicate of lenders and CUSA, as administrative agent and collateral agent.

Pursuant to the February 2013 Term Loan Amendments, Products Corporation reduced the total aggregate principal amount outstanding under the 2011 Term Loan at such time from $788.0 million to $675.0 million, using a portion of the proceeds from Products Corporation’s issuance of its 5¾% Senior Notes (see “2013 Senior Notes Refinancing” below), together with cash on hand. The February 2013 Term Loan Amendments also reduced the interest rates on the 2011 Term Loan such that (prior to giving effect to the February 2014 Term Loan Amendment) Eurodollar Loans bore interest at the Eurodollar Rate plus 3.00% per annum, with the Eurodollar Rate not to be less than 1.00% (compared to 3.50% and 1.25%, respectively, prior to the February 2013 Term Loan Amendments), while Alternate Base Rate Loans bore interest at the Alternate Base Rate plus 2.00%, with the Alternate Base Rate not to be less than 2.00% (compared to 2.50% and 2.25%, respectively, prior to the February 2013 Term Loan Amendments) (and as each such term is defined in the 2011 Term Loan Agreement).

Pursuant to the February 2013 Term Loan Amendments, Products Corporation, under certain circumstances, also has the right to request the 2011 Term Loan to be increased by up to the greater of: (i) $300 million; and (ii) an amount such that Products Corporation’s First Lien Secured Leverage Ratio (as defined in the 2011 Term Loan Agreement) does not exceed 3.50:1.00 (compared to $300 million prior to the February 2013 Term Loan Amendments). The lenders are not committed to provide any such increase. Any such increase would be in addition to the Acquisition Term Loan.

(ii) August 2013 Term Loan Amendments

In August 2013, in connection with the Colomer Acquisition, Products Corporation consummated further amendments (the "August 2013 Term Loan Amendments") to its 2011 Term Loan Agreement (as amended by the August 2013 Term Loan Amendments and the Incremental Amendment, the "Amended Term Loan Agreement" or the "Amended Term Loan Facility"), which permitted, among other things: (i) Products Corporation's consummation of the Colomer Acquisition; and (ii) Products Corporation's incurring up to $700 million of term loans which it used as a source of funds to consummate the Colomer Acquisition and to pay related fees and expenses.

(iii) Incremental Amendment

In August 2013, in connection with the Colomer Acquisition, Products Corporation entered into an incremental amendment (the "Incremental Amendment") resulting in the Amended Term Loan Agreement with Citibank, N.A., JPMorgan Chase Bank, N.A., Bank of America, N.A, Credit Suisse AG, Cayman Islands Branch, Wells Fargo Bank, N.A. and Deutsche Bank AG New York Branch (collectively, the "Initial Acquisition Lenders") and CUSA, as administrative agent and collateral agent, pursuant to which the Initial Acquisition Lenders committed to provide up to $700 million of term loans under the Amended Term Loan Agreement (the "Acquisition Term Loan"). The Acquisition Term Loan was issued on October 8, 2013 and Products Corporation used the net proceeds of $698.3 million as a source of funds to consummate the Colomer Acquisition and to pay related fees and expenses.

(iv) Amended Revolving Credit Facility

In August 2013, in connection with the Colomer Acquisition, Products Corporation consummated an amendment (the "August 2013 Revolver Amendment") to its third amended and restated revolving credit agreement dated June 16, 2011 (the "2011 Revolving Credit Agreement") which amended its then $140.0 million asset-backed, multi-currency revolving credit facility (the "2011 Revolving Credit Facility") to permit, among other things: (a) Products Corporation's consummation of the Colomer Acquisition; and (b) Products Corporation's incurring up to $700 million of the Acquisition Term Loan that Products Corporation used as a source of funds to consummate the Colomer Acquisition. Additionally, the August 2013 Revolver Amendment (1) reduced Products Corporation's interest rate spread over the LIBOR rate applicable to Eurodollar Loans under the facility from a range, based on availability, of 2.00% to 2.50%, to a range of 1.50% to 2.00%; (2) reduced the commitment fee on unused availability under the facility from 0.375% to 0.25%; and (3) extended the maturity of the facility, which was previously scheduled to mature in June 2016, to the earlier of (i) August 2018 or (ii) the date that is 90 days prior to the earliest maturity date of any term loans then outstanding under Products Corporation's bank term loan agreements, but not earlier than June 2016.

Additionally, in December 2013, Products Corporation entered into an incremental amendment (the "December 2013 Revolver Amendment" and together with the August 2013 Revolver Amendment, the "2013 Revolver Amendments") to its 2011 Revolving Credit Agreement (as amended by the 2013 Revolver Amendments, the "Amended Revolving Credit Agreement" and the "Amended Revolving Credit Facility"). Under the terms of the December 2013 Revolver Amendment, the lenders' commitment to provide borrowings to Products Corporation and its subsidiary borrowers

under the Amended Revolving Credit Facility was increased from $140.0 million to $175.0 million.

2013 Senior Notes Refinancing

In February 2013, Products Corporation issued $500.0 million aggregate principal amount of 5¾% Senior Notes due February 15, 2021 (the “5¾% Senior Notes”) to investors at par. Products Corporation used $491.2 million of the net proceeds (net of underwriters' fees) from the issuance of the 5¾% Senior Notes to repay and redeem all of the $330.0 million outstanding aggregate principal amount of its 9¾% Senior Secured Notes that were otherwise due November 2015 (the “9¾% Senior Secured Notes"), as well as to pay an aggregate of $28.0 million for the applicable redemption and tender offer premiums, accrued interest and related fees and expenses. Products Corporation used a portion of the remaining proceeds, together with existing cash, to pay approximately $113.0 million of principal on its 2011 Term Loan in conjunction with the February 2013 Term Loan Amendments. Products Corporation used the remaining balance available from the issuance of the 5¾% Senior Notes for general corporate purposes, including, without limitation, debt reduction transactions, such as repaying to Revlon, Inc. at maturity on October 8, 2013 the Contributed Loan (as hereinafter defined), which Revlon, Inc. used to pay the liquidation preference of Revlon, Inc.'s then outstanding Series A Preferred Stock, with a par value of $0.01 per share (the "Series A Preferred Stock") in connection with its mandatory redemption of such stock on such date.

Mandatory Redemption of Series A Preferred Stock

On October 8, 2013, Revlon, Inc. completed the mandatory redemption of its then outstanding 9,336,905 shares of Series A Preferred Stock for $48.6 million in accordance with its certificate of designation. Such redemption amount represented the $5.21 liquidation preference for each of the 9,336,905 shares of Series A Preferred Stock that Revlon, Inc. issued in the voluntary exchange offer consummated in October 2009 (the "2009 Exchange Offer").

(b) Summary of Terms and Covenants

Amended Credit Agreements

The following is a summary description of the Amended Term Loan Facility, which includes the 2011 Term Loan and the Acquisition Term Loan, and the Amended Revolving Credit Facility. Unless otherwise indicated, capitalized terms have the meanings given to them in the Amended Term Loan Agreement and/or the Amended Revolving Credit Agreement (the "Amended Credit Agreements"), as applicable. Investors should refer to the Amended Revolving Credit Agreement and/or the Amended Term Loan Agreement for complete terms and conditions, as these summary descriptions are subject to a number of qualifications and exceptions.

Amended Term Loan Facility

As of December 31, 2015, term loans under the Amended Term Loan Facility bear interest at the following interest rates:

| | Eurodollar Loans | Alternate Base Rate Loans |
|---|---|---|
| 2011 Term Loans | Eurodollar Rate plus 2.50% per annum (with the Eurodollar Rate not to be less than 0.75%) | Alternate Base Rate plus 1.50% (with the Alternate Base Rate not to be less than 1.75%) |
| Acquisition Term Loans | Eurodollar Rate plus 3.00% per annum (with the Eurodollar Rate not to be less than 1.00%) | Alternate Base Rate plus 2.00% (with the Alternate Base Rate not to be less than 2.00%) |

The term loans under the Amended Term Loan Facility are required to be prepaid with:

(i) the net cash proceeds in excess of $10 million for each 12-month period ending on March 31 received during such period from sales of Term Loan First Lien Collateral by Products Corporation or any of its subsidiary guarantors with carryover of unused annual basket amounts up to a maximum of $25 million and with respect to certain specified dispositions up to an additional $25 million in the aggregate (subject to a reinvestment right for 365 days, or 545 days if the Company has within such 365-day period entered into a legally binding commitment to invest such funds);

(ii) the net proceeds from the issuance by Products Corporation or any of its subsidiaries of certain additional debt; and

(iii) 50% of Products Corporation’s annual “excess cash flow” (as defined under the Amended Term Loan Agreement), which payments commenced with respect to Products Corporation's excess cash flow for the 2014 fiscal year; such payments are required to be made within the first 100 days after the applicable year end.

Pursuant to the August 2013 Term Loan Amendments, the Amended Term Loan Facility contains a financial covenant limiting Products Corporation's first lien senior secured leverage ratio (the ratio of Products Corporation's senior secured debt that has a lien on the collateral which secures the Amended Term Loan Facility that is not junior or subordinated to the liens securing the Amended Term Loan Facility (excluding debt outstanding under the Amended Revolving Credit Facility) to EBITDA, as each such term is defined in the Amended Term Loan Facility), to no more than 4.25 to 1.0 for each period of four consecutive fiscal quarters ending during the period from June 30, 2011 to the maturity date of the Amended Term Loan Facility.

Products Corporation, under certain circumstances, also has the right to request the Amended Term Loan Facility to be increased by up to the greater of (i) $300 million and (ii) an amount such that Products Corporation's First Lien Secured Leverage Ratio (as defined in the Amended Term Loan Agreement) does not exceed 3.50:1.00 (compared to $300 million prior to the February 2013 Term Loan Amendments). The lenders are not committed to provide any such increase. Any such increase would be in addition to the Acquisition Term Loan that was issued in October 2013 and used as a source of funds to consummate the Colomer Acquisition and to pay related fees and expenses.

The 2011 Term Loan outstanding under the Amended Term Loan Facility matures on November 19, 2017. The Acquisition Term Loan under the Amended Term Loan Facility has the same terms as the 2011 Term Loan, except that: (i) it matures on the sixth anniversary of the closing of the Acquisition Term Loan (or October 8, 2019); and (ii) it amortizes on March 31, June 30, September 30 and December 31 of each year, in an amount equal to 0.25% of the aggregate principal amount of such Acquisition Term Loan.

As of December 31, 2015, Products Corporation is required to prepay, on or before 100 days following the last day of its fiscal year (i.e., by April 9, 2016), $23.2 million of indebtedness under the Amended Term Loan Facility, representing 50% of its 2015 "excess cash flow" (as defined under the Amended Term Loan Agreement). The prepayment will be applied on a ratable basis between the principal amounts outstanding under the 2011 Term Loan and the Acquisition Term Loan. The amount of the prepayment to be applied to the 2011 Term Loan will be used to reduce the aggregate principal amount outstanding (as all amortization payments under the 2011 Term Loan have been paid), while the amount to be applied to the Acquisition Term Loan will be used to reduce Products Corporation's future annual amortization payments (which are payable in equal quarterly installments) on a ratable basis from $6.9 million prior to the prepayment to $6.8 million after giving effect to the prepayment and through its maturity on October 8, 2019.

Amended Revolving Credit Facility

Availability under the Amended Revolving Credit Facility varies based on a borrowing base that is determined by the value of eligible trade receivables and eligible inventory in the U.S. and the U.K. and eligible real property and equipment in the U.S. from time to time.

In January 2014, the Colomer U.S. Subsidiaries became additional guarantors under Products Corporation's Amended Term Loan Facility and Amended Revolving Credit Facility and the 5¾% Senior Notes Indenture. In January and May 2015, the New U.S. Subsidiaries became additional guarantors under such debt instruments. In connection with becoming guarantors, substantially all of the assets of such subsidiaries were pledged as collateral under Products Corporation's Amended Term Loan Facility and Amended Revolving Credit Facility, thereby increasing the value of the assets supporting the borrowing base under the Amended Revolving Credit Facility.

If the value of the eligible assets is not sufficient to support the $175.0 million borrowing base under the Amended Revolving Credit Facility, Products Corporation will not have full access to the Amended Revolving Credit Facility. Products Corporation's ability to borrow under the Amended Revolving Credit Facility is also conditioned upon the satisfaction of certain conditions precedent and Products Corporation's compliance with other covenants in the Amended Revolving Credit Agreement.

In each case subject to borrowing base availability, the Amended Revolving Credit Facility is available to:

(i) Products Corporation in revolving credit loans denominated in U.S. Dollars;

(ii) Products Corporation in swing line loans denominated in U.S. Dollars up to $30.0 million;

(iii) Products Corporation in standby and commercial letters of credit denominated in U.S. Dollars and other currencies up to $60.0 million; and

(iv) 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.

As a result of the August 2013 Revolver Amendment, under the Amended Revolving Credit Facility, borrowings (other than loans in foreign currencies) bear interest, if made as Eurodollar Loans, at the Eurodollar Rate plus the applicable margin set forth in the grid below and, if made as Alternate Base Rate Loans, at the Alternate Base Rate plus the applicable margin set forth in the grid below.

| Excess Availability | Alternate Base Rate Loans | Eurodollar Loans, Eurocurrency Loan or Local Rate Loans |
|---|---|---|
| Greater than or equal to $92,000,000 | 0.50% | 1.50% |
| Less than $92,000,000 but greater than or equal to $46,000,000 | 0.75% | 1.75% |
| Less than $46,000,000 | 1.00% | 2.00% |

Local Loans (as defined in the Amended Revolving Credit Agreement) bear interest, if mutually acceptable to Products Corporation and the relevant foreign lenders, at the Local Rate, and otherwise (i) if in foreign currencies or in U.S. Dollars at the Eurodollar Rate or the Eurocurrency Rate plus the applicable margin set forth in the grid above or (ii) if in U.S. Dollars at the Alternate Base Rate plus the applicable margin set forth in the grid above.
Prior to the termination date of the Amended Revolving Credit Facility, revolving loans are required to be prepaid (without any permanent reduction in commitment) with:
(i) the net cash proceeds from sales of Revolving Credit First Lien Collateral by Products Corporation or any of Products Corporation’s subsidiary guarantors (other than dispositions in the ordinary course of business and certain other exceptions); and
(ii) the net proceeds from the issuance by Products Corporation or any of its subsidiaries of certain additional debt, to the extent there remains any such proceeds after satisfying Products Corporation’s repayment obligations under the Amended Term Loan Facility.
As a result of the August 2013 Revolver Amendment, Products Corporation pays to the lenders under the Amended Revolving Credit Facility a commitment fee of 0.25% of the average daily unused portion of the Amended Revolving Credit Facility, which fee is payable quarterly in arrears. Under the Amended Revolving Credit Facility, Products Corporation also 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 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 the product of (a) the Applicable Margin for revolving credit loans that are Eurodollar Rate loans (adjusted for the term that the letter of credit is outstanding) and (b) the aggregate undrawn face amount of 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 letters of credit, which fee is a portion of the Applicable Margin.
As a result of the August 2013 Revolver Amendment, under certain circumstances, Products Corporation has the right to request that the Amended Revolving Credit Facility be increased by up to $100.0 million. The lenders are not committed to provide any such increase.
Under certain circumstances, if and when the difference between (i) the borrowing base under the Amended Revolving Credit Facility and (ii) the amounts outstanding under the Amended Revolving Credit Facility is less than $20.0 million for a period of two consecutive days or more, and until such difference is equal to or greater than $20.0 million for a period of 30 consecutive business days, the Amended Revolving Credit Facility requires Products Corporation to maintain a consolidated fixed charge coverage ratio (the ratio of EBITDA minus Capital Expenditures to Cash Interest Expense for such period) of a minimum of 1.0 to 1.0.
The Amended Revolving Credit Facility matures on the earlier of August 14, 2018 and the date that is 90 days prior to the earliest maturity date of any term loans then outstanding under the Amended Term Loan Facility, but not earlier than June 16, 2016.
Covenants and Defaults Applicable to the Amended Term Loan Facility and the Amended Revolving Credit Facility
The Amended Credit Agreements contain various restrictive covenants prohibiting Products Corporation and its subsidiaries from:
(i) incurring additional indebtedness or guarantees, with certain exceptions;

(ii) making dividend and other payments or loans to Revlon, Inc. or other affiliates, with certain exceptions, including among others:
(a) exceptions permitting Products Corporation to pay dividends or make other payments to Revlon, Inc. to enable it to, among other things, pay expenses incidental to being a public holding company, including, among other things, professional fees such as legal, accounting and insurance fees, regulatory fees, such as SEC filing fees and NYSE listing fees, and other expenses related to being a public holding company;
(b) subject to certain circumstances, to finance the purchase by Revlon, Inc. of its Class A Common Stock in connection with the delivery of such Class A Common Stock to grantees under the Fourth Amended and Restated Revlon, Inc. Stock Plan and/or the payment of withholding taxes in connection with the vesting of restricted stock awards under such plan;
(c) subject to certain limitations, to pay dividends or make other payments to finance the purchase, redemption or other retirement for value by Revlon, Inc. of stock or other equity interests or equivalents in Revlon, Inc. held by any current or former director, employee or consultant in his or her capacity as such; and
(d) subject to certain limitations, to make other restricted payments to Products Corporation’s affiliates in an amount up to $10 million per year (plus $10 million for each calendar year commencing with 2011), other restricted payments in an aggregate amount not to exceed $35 million and certain other restricted payments, including without limitation those based upon certain financial tests;
(iii) creating liens or other encumbrances on Products Corporation’s or its subsidiaries’ assets or revenues, granting negative pledges or selling or transferring any of Products Corporation’s or its subsidiaries’ assets, all subject to certain limited exceptions;
(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 exceptions;
(vi) making investments, subject to certain exceptions; and
(vii) entering into transactions with Products Corporation’s affiliates involving aggregate payments or consideration in excess of $10 million other than upon terms that are not materially less favorable when taken as a whole to Products Corporation or its subsidiaries as terms that would be obtainable at the time for a comparable transaction or series of similar transactions in arm’s length dealings with an unrelated third person and where such payments or consideration exceed $20 million, unless such transaction has been approved by all of Products Corporation’s independent directors, subject to certain exceptions.
The events of default under each of the Amended Term Loan Agreement and the Amended Revolving Credit Agreement include customary events of default for such types of agreements. For a description of the events of defaults, see Note 11, "Long-Term Debt" to the Consolidated Financial Statements in this Form 10-K. If Products Corporation is in default under the senior secured leverage ratio under the Amended Term Loan Facility or the consolidated fixed charge coverage ratio under the Amended Revolving Credit Agreement, Products Corporation may cure such default by issuing certain equity securities to, or receiving capital contributions from, Revlon, Inc. and applying such cash which is deemed to increase EBITDA for the purpose of calculating the applicable ratio. Products Corporation may exercise this cure right two times in any four-quarter period.
Products Corporation was in compliance with all applicable covenants under the Amended Term Loan Agreement and the Amended Revolving Credit Facility as of December 31, 2015. At December 31, 2015, the aggregate principal amounts outstanding under the Acquisition Term Loan and the 2011 Term Loan were $673.7 million and $662.9 million, respectively, and availability under the $175.0 million Amended Revolving Credit Facility, based upon the calculated borrowing base less $8.8 million of outstanding undrawn letters of credit and nil then drawn on the Amended Revolving Credit Facility, was $166.2 million. There were no borrowings under the Amended Revolving Credit Facility during 2015.
5¾% Senior Notes
In February 2013, Products Corporation completed its offering (the "2013 Senior Notes Refinancing"), pursuant to an exemption from registration under the Securities Act of 1933 (as amended, the "Securities Act"), of $500.0 million aggregate principal amount of the 5¾% Senior Notes. The 5¾% Senior Notes are unsecured and were issued under the 5¾% Senior Notes Indenture to investors at par. The 5¾% Senior Notes mature on February 15, 2021. Interest on the 5¾% Senior Notes accrues at 5¾% per annum, paid every six months on February 15th and August 15th. The 5¾%

Senior Notes were issued pursuant to the 5¾% Senior Notes Indenture, dated as of February 8, 2013 (the "Notes Closing Date"), by and among Products Corporation, Products Corporation's domestic subsidiaries (the "Guarantors"), which also currently guarantee Products Corporation's Amended Term Loan Facility and Amended Revolving Credit Facility, and U.S. Bank National Association, as trustee. The Guarantors issued guarantees (the "Guarantees") of Products Corporation's obligations under the 5¾% Senior Notes and the 5¾% Senior Notes Indenture on a joint and several, senior unsecured basis. The Colomer U.S. Subsidiaries became additional guarantors in January 2014 and the New U.S. Subsidiaries became additional guarantors in January and May 2015, in each case under Products Corporation's Amended Term Loan Facility and Amended Revolving Credit Facility and the 5¾% Senior Notes Indenture.
In December 2013, Products Corporation consummated an offer to exchange the original 5¾% Senior Notes for $500 million of new 5¾% Senior Notes, which have substantially the same terms as the original 5¾% Senior Notes, except that they are registered under the Securities Act (such registered new notes being the "5¾% Senior Notes").
Products Corporation used a portion of the $491.2 million of net proceeds from the issuance of the 5¾% Senior Notes (net of underwriters' fees) to repay and redeem all of the $330.0 million outstanding aggregate principal amount of its 9¾% Senior Secured Notes, as well as to pay $8.6 million of accrued interest. Products Corporation incurred an aggregate of $19.4 million of fees for the applicable redemption and tender offer premiums, related fees and expenses in connection with redemption and repayment of the 9¾% Senior Secured Notes and other fees and expenses in connection with the issuance of the 5¾% Senior Notes. Products Corporation used a portion of the remaining proceeds from the issuance of the 5¾% Senior Notes, together with existing cash, to pay approximately $113.0 million of principal on its 2011 Term Loan in conjunction with the February 2013 Term Loan Amendments. Products Corporation used the remaining balance available from the issuance of the 5¾% Senior Notes for general corporate purposes, including, without limitation, debt reduction transactions, such as repaying to Revlon, Inc. at maturity on October 8, 2013 the Contributed Loan, which Revlon, Inc. used to pay the liquidation preference of Revlon, Inc.'s then outstanding Series A Preferred Stock in connection with its mandatory redemption on such date.
Ranking
The 5¾% Senior Notes are Products Corporation's unsubordinated, unsecured obligations and rank senior in right of payment to any future subordinated obligations of Products Corporation and rank pari passu in right of payment with all existing and future senior debt of Products Corporation. Similarly, each Guarantee is the relevant Guarantor's joint and several, unsubordinated and unsecured obligation and ranks senior in right of payment to any future subordinated obligations of such Guarantor and ranks pari passu in right of payment with all existing and future senior debt of such Guarantor. The Guarantees were issued on a joint and several basis.
The 5¾% Senior Notes and the Guarantees rank effectively junior to Products Corporation's Amended Term Loan Facility and Amended Revolving Credit Facility, which are secured, as well as indebtedness and preferred stock of Products Corporation's foreign and immaterial subsidiaries (the "Non-Guarantor Subsidiaries"), none of which guarantee the 5¾% Senior Notes.
Optional Redemption
On and after February 15, 2016, the 5¾% Senior Notes may be redeemed at Products Corporation's option, at any time as a whole, or from time to time in part, at the following redemption prices (expressed as percentages of principal amount), plus accrued interest to the date of redemption, if redeemed during the 12-month period beginning on February 15th of the years indicated below:

| Year | Percentage | |
|---|---|---|
| 2016 | 104.313 | % |
| 2017 | 102.875 | % |
| 2018 | 101.438 | % |
| 2019 and thereafter | 100.000 | % |

Products Corporation may redeem the 5¾% Senior Notes at its option at any time or from time to time prior to February 15, 2016, as a whole or in part, at a redemption price per 5¾% Senior Note equal to the sum of: (1) the then outstanding principal amount thereof; plus (2) accrued and unpaid interest (if any) to the date of redemption; and plus (3) the applicable premium based on the applicable treasury rate plus 75 basis points.
Prior to February 15, 2016, Products Corporation may, from time to time, redeem up to 35% of the aggregate principal amount of the 5¾% Senior Notes and any additional notes with, and to the extent Products Corporation actually

receives, the net proceeds of one or more equity offerings from time to time, at 105.75%of the principal amount thereof, plus accrued interest to the date of redemption.
Change of Control
Upon the occurrence of specified change of control events, Products Corporation is required to make an offer to purchase all of the 5¾% Senior Notes at a purchase price of 101% of the outstanding principal amount of the 5¾% Senior Notes as of the date of any such repurchase, plus accrued and unpaid interest to the date of repurchase.
Certain Covenants
The 5¾% Senior Notes Indenture limits Products Corporation’s and the Guarantors’ ability, and the ability of certain other subsidiaries, to:
- incur or guarantee additional indebtedness (“Limitation on Debt”);
- pay dividends, make repayments on indebtedness that is subordinated in right of payment to the 5¾% Senior Notes and make other “restricted payments” (“Limitation on Restricted Payments”);
- make certain investments;
- create liens on their assets to secure debt;
- enter into transactions with affiliates;
- merge, consolidate or amalgamate with another company (“Successor Company”);
- transfer and sell assets (“Limitation on Asset Sales”); and
- permit restrictions on the payment of dividends by Products Corporation’s subsidiaries (“Limitation on Dividends from Subsidiaries”).

These covenants are subject to important qualifications and exceptions. The 5¾% Senior Notes Indenture also contains customary affirmative covenants and events of default.
In addition, if during any period of time the 5¾% Senior Notes receive investment grade ratings from both Standard & Poor’s and Moody’s Investors Services, Inc. and no default or event of default has occurred and is continuing under the 5¾% Senior Notes Indenture, Products Corporation and its subsidiaries will not be subject to the covenants on Limitation on Debt, Limitation on Restricted Payments, Limitation on Asset Sales, Limitation on Dividends from Subsidiaries and certain provisions of the Successor Company covenant.
Covenants
Products Corporation was in compliance with all applicable covenants under its 5¾% Senior Notes Indenture as of December 31, 2015 and 2014.

Spanish Government Loan
In connection with the Colomer Acquisition, the Company acquired the Colomer Group's euro-denominated loan payable to the Spanish government (the "Spanish Government Loan"), which loan had $0.6 million aggregate principal amount outstanding as of December 31, 2015 (based on foreign exchange rates in effect as of such date). The Spanish Government Loan does not bear interest and is payable in 10 equal installments on June 30th of each year beginning in 2016 through 2025.

Impact of Foreign Currency Translation – Venezuela
Revlon Venezuela's net sales are de minimis, representing approximately 1% of the Company’s consolidated net sales for each 2015, 2014 and 2013. At December 31, 2015 and December 31, 2014, Revlon Venezuela's assets represented approximately 1% of the Company’s total assets, respectively.
Venezuela - Highly-Inflationary Economy: Effective January 1, 2010, Venezuela was designated as a highly inflationary economy under U.S. GAAP. As a result, beginning January 1, 2010, the U.S. Dollar is the functional currency for the Company’s subsidiary in Venezuela (“Revlon Venezuela”). As Venezuela is designated as highly inflationary, foreign currency translation adjustments of Revlon Venezuela’s balance sheet have been reflected in the Company's earnings.
Venezuela - Currency Restrictions: Foreign currency restrictions enacted by the Venezuelan government since 2003 have become more restrictive and have impacted Revlon Venezuela’s ability to obtain U.S. Dollars in exchange for Venezuelan Bolivars ("Bolivars") at the official foreign exchange rates from the Venezuelan government and its foreign exchange commission, the Comisión de Administracion de Divisas (“CADIVI”). In May 2010, the Venezuelan government took control over the previously freely-traded foreign currency exchange market and, in June 2010,

replaced it with a new foreign currency exchange system, the Sistema de Transacciones en Moneda Extranjera ("SITME"). In the second quarter of 2011, the Company began using a SITME rate of 5.5 Bolivars per U.S. Dollar (the "SITME Rate") to translate Revlon Venezuela's financial statements, as this was the rate at which the Company accessed U.S. Dollars in the SITME market during this period. Through December 31, 2012, the Company continued using the SITME Rate to translate Revlon Venezuela's financial statements.
Venezuela - 2013 Foreign Currency Devaluation: In February 2013, the Venezuelan government announced the devaluation of Bolivars relative to the U.S. Dollar, changing the official exchange rate to 6.3 Bolivars per U.S. Dollar (the "Official Rate"). The Venezuelan government also announced that the SITME foreign currency market administered by Venezuela's central bank would be eliminated, and as a result, the Company began using the Official Rate to translate Revlon Venezuela's financial statements beginning in 2013. To reflect the impact of the foreign currency devaluation, the Company recorded a one-time foreign currency loss of $0.6 million in earnings in the first quarter of 2013 as a result of the required re-measurement of Revlon Venezuela's monetary assets and liabilities.
Venezuela - 2014 Foreign Currency Devaluation: In January 2014, the Venezuela government announced that the CADIVI would be replaced by the government-operated National Center of Foreign Commerce (the "CENCOEX"), and indicated that the Sistema Complementario de Administración de Divisas ("SICAD") market would continue to be offered as an alternative foreign currency exchange. Additionally, a parallel foreign currency exchange system, SICAD II, started functioning in March 2014 and allowed companies to apply for the purchase of foreign currency and foreign currency denominated securities for any legal use or purpose. Throughout 2014, the Company exchanged Bolivars for U.S. Dollars to the extent permitted through the various foreign currency markets available based on its ability to participate in those markets. Prior to June 30, 2014, the Company utilized the Official Rate and following a consideration of the Company's specific facts and circumstances, which included its legal ability and intent to participate in the SICAD II exchange market to import finished goods into Venezuela, the Company determined that it was appropriate to utilize the SICAD II rate of 53 Bolivars per U.S. Dollar (the "SICAD II Rate") to translate Revlon Venezuela's financial statements beginning on June 30, 2014. As a result, the Company recorded a foreign currency loss of $6.0 million in the second quarter of 2014 related to the required re-measurement of Revlon Venezuela's monetary assets and liabilities. For 2014, the change to the SICAD II Rate of 53 Bolivars per U.S. Dollar, as compared to the Official Rate of 6.3 Bolivars per U.S. Dollar, had the impact of reducing the Company's consolidated net sales by $16.2 million and reducing the Company's consolidated operating income by $8.4 million.

Venezuela - 2015 Foreign Currency Devaluation: In February 2015, the Venezuela government introduced a new foreign currency exchange platform, the Marginal Currency System ("SIMADI"), which created a third new mechanism to exchange Bolivars for U.S. Dollars through private brokers. SIMADI replaced the SICAD II system and started operating on February 12, 2015. As a result, the Company considered its specific facts and circumstances in order to determine the appropriate rate of exchange to translate Revlon Venezuela's financial statements. Through December 31, 2015, the Company has not participated in the SIMADI exchange market; however, given the elimination of the SICAD II system, the Company determined that it was appropriate to use the SIMADI rate of 193 Bolivars per U.S. Dollar (the "SIMADI Rate") to translate Revlon Venezuela's balance sheet beginning on March 31, 2015.
As a result of the change from the SICAD II Rate to the SIMADI Rate on March 31, 2015, the Company was required to re-measure all of Revlon Venezuela's monetary assets and liabilities at the SIMADI Rate. Using the SIMADI Rate, the Company recorded a foreign currency loss of $1.9 million in the first quarter of 2015 as a result of the required re-measurement of Revlon Venezuela's balance sheet. During the second quarter of 2015, the Company exited its business operations in Venezuela and changed to a distributor model. Current or additional governmental restrictions, worsening import authorization controls, price and profit controls or labor unrest in Venezuela could impact the Company's ability to sell to the distributor in Venezuela.
Sources and Uses
The Company's principal sources of funds are expected to be operating revenues, cash on hand and funds available for borrowing under the Amended Revolving Credit Facility and other permitted lines of credit. The Amended Credit Agreements, and the 5¾% Senior Notes Indenture contain certain provisions that by their terms limit Products Corporation and its subsidiaries' ability to, among other things, incur additional debt.

The Company's principal uses of funds are expected to be the payment of operating expenses, including expenses in connection with the continued execution of the Company's business strategy; purchases of permanent wall displays; capital expenditure requirements; debt service payments and costs; cash tax payments; pension and other post-retirement benefit plan contributions; payments in connection with the Company's restructuring programs; business and/or brand acquisitions (including, without limitation, through licensing transactions), if any; severance not otherwise included in the Company's restructuring programs; debt and/or equity repurchases, if any; costs related to litigation; and payments in connection with discontinuing non-core business lines and/or exiting certain territories.

The Company's cash contributions to its pension and post-retirement benefit plans in 2015 were $18.1 million. The Company expects cash contributions to its pension and post-retirement benefit plans to be approximately $20 million in the aggregate for 2016. The Company's cash taxes paid in 2015 were $25.4 million. The Company expects to pay cash taxes of approximately $55 million in the aggregate for 2016. The Company's purchases of permanent wall displays and capital expenditures in 2015 were $47.4 million and $48.3 million, respectively. The Company expects purchases of permanent wall displays and capital expenditures to be approximately $50.0 million and $55.0 million, respectively, in the aggregate for 2016. See also Note 2, "Business Combinations," for discussion regarding the utilization of funds related to the Company's April 2015 CBB Acquisition.

The Company has undertaken, and continues to assess, refine and implement, a number of programs to efficiently manage its working capital, including, among other things, initiatives intended to optimize inventory levels over time; centralized procurement to secure discounts and efficiencies; prudent management of trade receivables and accounts payable; and controls on general and administrative spending. In the ordinary course of business, the Company's source or use of cash from operating activities may vary on a quarterly basis as a result of a number of factors, including the timing of working capital flows.

Continuing to execute the Company's business strategy could include taking advantage of additional opportunities to reposition, repackage or reformulate one or more brands or product lines, launching additional new products, acquiring businesses or brands (including, without limitation, through licensing transactions), divesting or discontinuing non-core business lines (which may include exiting certain territories), further refining the Company's approach to retail merchandising and/or taking further actions to optimize its manufacturing, sourcing and organizational size and structure, including optimizing the Colomer Acquisition and CBB Acquisition. Any of these actions, the intended purpose of which would be to create value through improving the Company's financial performance, could result in the Company making investments and/or recognizing charges related to executing against such opportunities. Any such activities may be funded with cash on hand, funds available under the Amended Revolving Credit Facility and/or other permitted additional sources of capital, which actions could increase the Company's total debt.

The Company may also, from time to time, seek to retire or purchase its outstanding debt obligations and/or equity in open market purchases, in privately negotiated transactions or otherwise and may seek to refinance some or all of its indebtedness based upon market conditions. Any retirement or purchase of debt and/or equity may be funded with operating cash flows of the business or other sources and will depend upon prevailing market conditions, liquidity requirements, contractual restrictions and other factors, and the amounts involved may be material.

The Company expects that operating revenues, cash on hand and funds available for borrowing under the Amended Revolving Credit Facility and other permitted lines of credit will be sufficient to enable the Company to pay its operating expenses for 2016, including expenses in connection with the execution of the Company's business strategy, purchases of permanent wall displays, capital expenditure requirements, debt service payments and costs, cash tax payments, pension and other post-retirement plan contributions, payments in connection with the Company's restructuring programs, business and/or brand acquisitions (including, without limitation, through licensing transactions), if any, severance not otherwise included in the Company's restructuring programs, debt and/or equity repurchases, if any, costs related to litigation and/or discontinuing non-core business lines and/or exiting certain territories.

There can be no assurance that available funds will be sufficient to meet the Company's cash requirements on a consolidated basis. If the Company's anticipated level of revenues is not achieved because of, among other things, decreased consumer spending in response to weak economic conditions or weakness in the consumption of beauty care products in one or more of the Consumer, Professional and/or Other segments; adverse changes in foreign currency exchange rates, foreign currency controls and/or government-mandated pricing controls; decreased sales of

the Company’s products as a result of increased competitive activities by the Company’s competitors and/or decreased performance by third party suppliers; changes in consumer purchasing habits, including with respect to retailer preferences and/or among professional salons; inventory management by the Company's customers; space reconfigurations or reductions in display space by the Company's customers; changes in pricing, marketing, advertising and/or promotional strategies by the Company's customers; or less than anticipated results from the Company’s existing or new products or from its advertising, promotional, pricing and/or marketing plans; or if the Company’s expenses, including, without limitation, for restructuring costs, acquisition and integration costs , costs related to litigation, advertising, promotional and marketing activities or for sales returns related to any reduction of space by the Company's customers, product discontinuances or otherwise, exceed the anticipated level of expenses, the Company’s current sources of funds may be insufficient to meet the Company’s cash requirements.
Any such developments, if significant, could reduce the Company’s revenues and operating income and could adversely affect Products Corporation’s ability to comply with certain financial covenants under the Amended Credit Agreements and in such event the Company could be required to take measures, including, among other things, reducing discretionary spending. (See Item 1A. "Risk Factors - The Company's ability to service its debt and meet its cash requirements depends on many factors, including achieving anticipated levels of revenue and expenses. If such revenue or expense levels prove to be other than as anticipated, the Company may be unable to meet its cash requirements or Products Corporation may be unable to meet the requirements of the financial covenants under the Amended Credit Agreements, which could have a material adverse effect on the Company's business, financial condition and/or results of operations" and certain other risk factors discussing certain risks associated with the company's business and indebtedness).

Derivative Financial Instruments

Foreign Currency Forward Exchange Contracts

Products Corporation enters into FX Contracts and option contracts from time to time to hedge certain net cash flows denominated in currencies other than the local currencies of the Company’s foreign and domestic operations. The FX Contracts are entered into primarily for the purpose of hedging anticipated inventory purchases and certain intercompany payments denominated in currencies other than the local currencies of the Company’s foreign and domestic operations and generally have maturities of less than one year. At December 31, 2015, the FX Contracts outstanding had a notional amount of $76.3 million and a net asset fair value of $1.4 million.

Interest Rate Swap Transaction

In November 2013, Products Corporation executed a forward-starting floating-to-fixed interest rate swap transaction with a 1.00% floor, based on a notional amount of $400 million in respect of indebtedness under the Acquisition Term Loan over a period of three years (the "2013 Interest Rate Swap"). The Company designated the 2013 Interest Rate Swap as a cash flow hedge of the variability of the forecasted three-month LIBOR interest rate payments related to the $400 million notional amount under Products Corporation's Acquisition Term Loan over the three-year term of the 2013 Interest Rate Swap. Commencing in May 2015, Products Corporation receives from the counterparty a floating interest rate based on the higher of three-month U.S. Dollar LIBOR or 1.00%, while paying a fixed interest rate payment to the counterparty equal to 2.0709% (which effectively fixes the interest rate on such notional amount at 5.0709% over the three-year term of the 2013 Interest Rate Swap). For the year ended December 31, 2015, the 2013 Interest Rate Swap was deemed effective and therefore the changes in fair value related to the 2013 Interest Rate Swap have been recorded in Other Comprehensive (Loss) Income in the Consolidated Financial Statements. The fair value of the Company's 2013 Interest Rate Swap at December 31, 2015 and December 31, 2014 was a liability of $6.5 million and $3.5 million, respectively.

Credit Risk

Exposure to credit risk in the event of nonperformance by any of the counterparties is limited to the gross fair value of the derivative instruments in asset positions, which totaled $2.0 million and $0.2 million as of December 31, 2015 and December 31, 2014, respectively. The Company attempts to minimize exposure to credit risk by generally entering into derivative contracts with counterparties that have investment-grade credit ratings and are major financial institutions. The Company also periodically monitors any changes in the credit ratings of its counterparties. Given the current credit standing of the counterparties to the Company's derivative instruments, the Company believes the risk of

loss arising from any non-performance by any of the counterparties under these derivative instruments is remote.



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REVLON, INC. AND SUBSIDIARIES
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(all tabular amounts in millions, except share and per share amounts)

Disclosures about Contractual Obligations and Commercial Commitments

The following table aggregates all contractual obligations and commercial commitments that affect the Company's financial condition and liquidity position as of December 31, 2015:

| | Payments Due by Period (dollars in millions) | | | | |
|---|---|---|---|---|---|
| Contractual Obligations | Total | Less than 1 year | 1-3 years | 4-5 years | After 5 years |
| Long-term debt, including current portion [(a)] | $1,833.7 | $30.0 | $662.8 | $640.8 | $500.1 |
| Interest on long-term debt [(b)] | 306.4 | 82.8 | 135.3 | 73.9 | 14.4 |
| Capital lease obligations | 5.4 | 3.1 | 2.0 | 0.3 | — |
| Operating leases [(c)] | 127.1 | 22.6 | 32.1 | 20.5 | 51.9 |
| Purchase obligations [(d)] | 96.0 | 89.5 | 2.9 | 1.8 | 1.8 |
| Other long-term obligations [(e)] | 74.2 | 55.7 | 16.3 | 1.2 | 1.0 |
| Total contractual obligations | $2,442.8 | $283.7 | $851.4 | $738.5 | $569.2 |

(a) Consists primarily of (i) the $662.9 million aggregate principal amount outstanding under the 2011 Term Loan as of December 31, 2015; (ii) the $673.7 million aggregate principal amount outstanding under the Acquisition Term Loan as of December 31, 2015; and (iii) the $500.0 million aggregate principal amount outstanding under the 5¾% Senior Notes as of December 31, 2015.

(b) Consists of interest through the respective maturity dates on the outstanding debt discussed in (a) above; based on interest rates under such debt agreements as of December 31, 2015.

(c) Included in the obligations for operating leases as of December 31, 2015 is the lease for the Company's headquarters in New York City, which includes minimum lease payments in the aggregate of approximately $70 million over the 15-year term.

(d) Consists of purchase commitments for finished goods, raw materials, components and services pursuant to enforceable and legally binding obligations which include all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transactions.

(e) Consists primarily of media and advertising contracts, pension funding obligations (amount due within one year only, as subsequent pension funding obligation amounts cannot be reasonably estimated since the return on pension assets in future periods, as well as future pension assumptions, are not known), software licensing agreements and obligations related to third-party warehousing and distribution services. Such amounts exclude employment agreements, severance and other immaterial contractual commitments, which severance and other contractual commitments related to restructuring activities are discussed in Note 3, “Restructuring Charges,” to the Consolidated Financial Statements in this Form 10-K.

Off-Balance Sheet Transactions

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

Discussion of Critical Accounting Policies

In the ordinary course of its business, the Company has made a number of estimates and assumptions relating to the reporting of results of operations and financial condition in the preparation of its financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"). Actual results could differ significantly from those estimates and assumptions. The Company believes that the following discussion addresses the Company's most critical accounting policies, which are those that are most important to the portrayal of the Company's financial condition and results of operations and require management's most difficult, subjective and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

Allowance for Doubtful Accounts:
The allowance for doubtful accounts is determined based on historical experience and ongoing evaluations of the Company's receivables and evaluations of the risks of payment. The allowance for doubtful accounts is recorded against trade receivable balances when they are deemed uncollectible. Recoveries of trade receivables previously reserved are recorded in the consolidated statements of income and comprehensive income when received.
Sales Returns:
The Company allows customers, primarily within its Consumer segment, to return their unsold products when they meet certain company-established criteria as outlined in the Company's trade terms. The Company regularly reviews and revises, when deemed necessary, the Company's estimates of sales returns based primarily upon historical product returns experience, planned product discontinuances and promotional sales, which would permit customers to return products based upon the Company's trade terms. The Company records estimated sales returns as a reduction to sales and cost of sales, and an increase in accrued liabilities and inventories.
Returned products, which are recorded as inventories, are valued based upon the amount that the Company expects to realize upon their subsequent disposition. The physical condition and marketability of the returned products are the major factors the Company considers in estimating realizable value. Cost of sales includes the cost of refurbishment of returned products. Actual returns, as well as realized values on returned products, may differ significantly, either favorably or unfavorably, from the Company's estimates if factors such as product discontinuances, customer inventory levels or competitive conditions differ from the Company's estimates and expectations and, in the case of actual product returns, if economic conditions differ significantly from the Company's estimates and expectations.
Trade Support Costs:
In order to support the retail trade, the Company has various performance-based arrangements with retailers to reimburse them for all or a portion of their promotional activities related to the Company's products. The Company regularly reviews and revises, when deemed necessary, estimates of costs to the Company for these promotions based on estimates of what has been incurred by the retailers. Actual costs incurred by the Company may differ significantly if factors such as the level and success of the retailers' programs, as well as retailer participation levels, differ from the Company's estimates and expectations.
Inventories:
Inventories are stated at the lower of cost or market value. Cost is based on standard cost and production variances, which approximates actual cost on the first-in, first-out method. Cost components include direct materials, direct labor and direct overhead, as well as in-bound freight. The Company records adjustments to the value of inventory based upon its forecasted plans to sell its inventories, as well as planned discontinuances. The physical condition (e.g., age and quality) of the inventories is also considered in establishing its valuation. These adjustments are estimates, which could vary significantly, either favorably or unfavorably, from the amounts that the Company may ultimately realize upon the disposition of inventories if future economic conditions, customer inventory levels, product discontinuances, sales return levels or competitive conditions differ from the Company's estimates and expectations.
Pension Benefits:
The Company sponsors both funded and unfunded pension and other retirement plans in various forms covering employees who meet the applicable eligibility requirements. The Company uses several statistical and other factors in an attempt to estimate future events in calculating the liability and net periodic benefit income/cost related to these plans. These factors include assumptions about the discount rate, expected long-term return on plan assets and rate of future compensation increases as determined annually by the Company, within certain guidelines, which assumptions would be subject to revisions if significant events occur during the year. The Company uses December 31st as its measurement date for defined benefit pension plan obligations and plan assets.
As of December 31, 2015, the Company adopted an alternative approach to calculating the service and interest components of net periodic benefit cost for pension and other post-retirement benefits, the "full yield curve" approach.

Under this method, the discount rate assumption was built through the application of specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows for each of the Company's pension and other retirement plans. Prior to December 31, 2015, the Company estimated the service and interest cost components utilizing a single weighted average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. This change does not affect the measurement of the Company's total benefit obligations, as the change in service and interest costs is exactly offset in the actuarial loss (gain) recognized for each year. The Company made this change to provide a more precise measurement of service and interest costs by improving the correlation between projected benefit cash flows to the corresponding spot yield curve rates. The change has been accounted for as a change in accounting estimate that is inseparable from a change in accounting principle, and accordingly, has been accounted for prospectively.

The Company utilized a 4.15% weighted average discount rate in 2015 for the Company's U.S. defined benefit pension plans, compared to a 3.89% weighted average discount rate in 2014. The Company utilized a 3.68% weighted average discount rate for the Company's international defined benefit pension plans in 2015, compared to a 3.74% weighted average discount rate selected in 2014. The discount rates are used to measure the benefit obligations at the measurement date and the net periodic benefit income/cost for the subsequent calendar year and are reset annually using data available at the measurement date. The changes in the discount rates used for 2015 were primarily due to observed increases in long-term interest yields on high-quality corporate bonds from 2014. At December 31, 2015, the increase in the discount rates from December 31, 2014 had the effect of decreasing the Company's projected pension benefit obligation by approximately $15 million.

In selecting its expected long-term rate of return on its plan assets, the Company considers a number of factors, including, without limitation, recent and historical performance of plan assets, the plan portfolios' asset allocations over a variety of time periods compared with third-party studies, the performance of the capital markets in recent years and other factors, as well as advice from various third parties, such as the plans' advisors, investment managers and actuaries. While the Company considered both the recent performance and the historical performance of plan assets, the Company's assumptions are based primarily on its estimates of long-term, prospective rates of return. The difference between actual and expected return on plan assets is reported as a component of accumulated other comprehensive income. Those gains or losses that are subject to amortization over future periods will be recognized as a component of the net periodic benefit cost in such future periods. For the Company's U.S. defined benefit pension plans, the expected long-term rate of return on the pension plan assets used was 7.50% for 2015 and 7.75% for 2014. The weighted average expected long-term rate of return used for the Company's international plans was 6.00% for both 2015 and 2014. For 2015, the Company's pension plans assets realized a loss of $13.9 million, as compared with expected return on assets of $40.3 million. The resulting net deferred loss of $54.2 million, when combined with gains and losses from previous years, will be amortized over periods ranging from approximately 10 to 30 years. The actual return on plan assets was below expectations, primarily due to lower returns in developed equity markets and bond yields.

The table below reflects the Company's estimates of the possible effects that changes in the discount rates and expected long-term rates of return would have had on its 2015 net periodic benefit costs and its projected benefit obligation at December 31, 2015 for the Company's principal defined benefit pension plans, with all other assumptions remaining constant:

| | Effect of 25 basis points increase | | Effect of 25 basis points decrease | |
|---|---|---|---|---|
| | Net periodic benefit costs | Projected pension benefit obligation | Net periodic benefit costs | Projected pension benefit obligation |
| Discount rate | $(0.2) | $(16.2) | $(0.4) | $16.8 |
| Expected long-term rate of return | (1.7) | — | 1.1 | — |

The rate of future compensation increases is another assumption used by the Company's third party actuarial consultants for pension accounting. The rate of future compensation increases used for the Company's projected pension benefit obligation in 2015 was 3.50%, as compared to 3.00% in 2014 for the U.S. defined benefit pension plans. Such increase was not applied to the Revlon Employees' Retirement Plan and the Revlon Pension Equalization Plan, as the rate of future compensation increases is no longer relevant to such plans due to plan amendments which effectively froze these plans as of December 31, 2009.

In addition, the Company's actuarial consultants also use other factors such as withdrawal and mortality rates. The actuarial assumptions used by the Company may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants, among other

things. Differences from these assumptions could significantly impact the actual amount of net periodic benefit cost and liability recorded by the Company.

To determine the fiscal 2016 net periodic benefit income/cost, the Company is using the "full yield curve approach" described above to separately calculate discount rates for each of the service and interest components. The following table represents the weighted average discount rates used in calculating each component of service and interest costs for the Company's U.S. and international defined benefit pension plans:

| | U.S. Plans | | International Plans | |
|---|---|---|---|---|
| Interest cost on projected benefit obligation | 3.31 | % | 3.18 | % |
| Service cost | 4.80 | % | 3.15 | % |
| Interest cost on service cost | 4.32 | % | 2.81 | % |

For 2016, the Company is using long-term rates of return on pension plan assets of 7.00% and 6.00% for its U.S. and international defined benefit pension plans, respectively. The Company expects that the impact in 2016 of the change in calculating the service and interest components of net periodic benefit cost for pension and other post-retirement benefits following the adoption of the full yield curve approach as discussed above will result in net periodic benefit income of approximately $5.1 million for 2016. The Company expects that the impact of the changes in discount rates and the return on plan assets in 2016 will result in net periodic benefit expense of $3.4 million for 2016, compared to $1.9 million of net periodic benefit income in 2015.

Goodwill and Acquired Intangible Assets:

In determining the fair values of net assets acquired, including trade names, customer relationships and other intangible assets, and resulting goodwill related to the Company's business acquisitions, the Company considers, among other factors, the analyses of historical financial performance and an estimate of the future performance of the acquired business. The fair values of the acquired intangible assets are primarily calculated using a discounted cash flow approach.

Determining fair value requires significant estimates and assumptions based on an evaluation of a number of factors, such as marketplace participants, product life cycles, consumer awareness, brand history and future expansion expectations. There are significant judgments inherent in a discounted cash flow approach, including, the selection of appropriate discount rates, hypothetical royalty rates, contributory asset capital charges, estimating the amount and timing of estimated future cash flows and identification of appropriate terminal growth rate assumptions. The discount rates used in discounted cash flow analyses are intended to reflect the risk inherent in the projected future cash flows generated by the respective acquired intangible assets.

Determining an acquired intangible asset's useful life requires management judgment and is based on an evaluation of a number of factors, including the expected use of the asset, consumer awareness, trade name history and future expansion expectations, as well as any contractual provisions that could limit or extend an asset's useful life. The Company believes that an acquired trade name has an indefinite life if it has a history of strong revenue and cash flow performance, and the Company has the intent and ability to support the trade name with marketplace spending for the foreseeable future. If this indefinite-lived criteria is not met, acquired trade names are amortized over their expected useful lives, which generally range from five to 20 years.

Goodwill totaled $469.7 million and $464.1 million as of December 31, 2015 and 2014, respectively. As of December 31, 2015, the goodwill of $210.1 million, $240.7 million and $18.9 million related to the Consumer, Professional and Other segments, respectively. Indefinite-lived intangibles totaled $95.0 million and $101.3 million as of December 31, 2015 and 2014, respectively.

Goodwill and indefinite-lived intangible assets are not amortized, but rather are reviewed annually for impairment using September 30th carrying values, or when there is evidence that events or changes in circumstances indicate that the current carrying amounts may not be recovered. If the carrying amount exceeds its fair value, an impairment loss is recognized in an amount equal to any such excess. Goodwill is tested for impairment at the reporting unit level. The Company establishes its reporting units based on its current reporting structure, product characteristics and management. Within the Consumer segment, the Company has identified two reporting units: (i) "Global Color Brands," which include the SinfulColors and Pure Ice nail enamel brands; and (ii) "Revlon, Almay and Other," which includes the remainder of the Company's Consumer brands and does not include brands of the Company's Other reportable segment. The Company's other reporting units are consistent with the reportable segments identified in Note 18, “Segment Data and Related Information.” For purposes of testing goodwill for impairment, goodwill has been allocated to each reporting unit to the extent that goodwill relates to each reporting unit.

For 2015, the Company utilized the two-step process as prescribed by ASC 350, Intangibles - Goodwill and Other, in order to identify potential impairment for each of its reporting units. In the first step of this test, the Company compared the fair value of each of the Company's reporting units, determined based upon discounted estimated future

cash flows, to the respective carrying amount, including goodwill. Where the fair value of such reporting unit exceeded the carrying amount, no further work was required and no impairment loss was recognized. The results of the step one test indicated that impairment indicators may have existed for the Company's Global Color Brands reporting unit as a result of the observed decline in sales of the Pure Ice nail enamel brand, primarily driven by the effects of declines in the promotional activity for the Pure Ice brand at retailers, and accordingly, the Company performed step two of the goodwill impairment test for this reporting unit.

In the second step, the Company measured the potential impairment by comparing the implied fair value of the Global Color Brands reporting unit's goodwill with the carrying amount of the goodwill at September 30, 2015. The implied fair value of goodwill was determined in the same manner as the amount of goodwill recognized in a business combination, where the estimated fair value of the reporting unit was allocated to all the assets and liabilities of that reporting unit (including both recognized and unrecognized intangible assets) as if the reporting unit had been acquired in a business combination and the estimated fair value of the reporting unit was the purchase price paid. When the carrying amount of the reporting unit's goodwill is greater than the implied fair value of that reporting unit's goodwill, an impairment loss is recognized within operations. The Company determined the fair value of the Global Color Brands reporting unit using discounted estimated future cash flows. The weighted average cost of capital in testing the Global Color Brands reporting unit for impairment was 13.0% with a perpetual growth rate of 2.0%. As a result of this annual impairment test, the Company recognized a $9.7 million non-cash goodwill impairment charge related to

the Global Color Brands reporting unit in the fourth quarter of 2015. Following the recognition of the non-cash goodwill impairment charge, the Global Color Brands reporting unit has remaining goodwill in the amount of $25.6 million at December 31, 2015.

As of the date of the latest impairment test, the fair values of the (i) Revlon, Almay and Other; (ii) Professional; and (iii) Other reporting units exceeded their carrying values by approximately $2.5 billion, $310.7 million and $2.2 million, respectively. The Company did not record any impairment of identified intangible assets for the year ended December 31, 2015.

For 2014 and 2013, the Company performed a qualitative assessment to determine whether it would be necessary to perform the two-step goodwill impairment test and to assess the Company's indefinite lived intangible assets for indicators of impairment, and determined that it was more likely than not that the fair value of each of the Company's reporting units and indefinite-lived intangible assets exceeded their carrying amounts. The Company did not record any impairment of goodwill or identifiable intangible assets during the years ended December 31, 2014 or 2013.

See Note 2, “Business Combinations” and Note 8, “Goodwill and Intangible Assets, Net” for further discussion of the Company's goodwill and intangible assets.

Income Taxes:

The Company records income taxes based on amounts payable with respect to the current year and includes the effect of deferred taxes. The effective tax rate reflects statutory tax rates, tax-planning opportunities that may be available in various jurisdictions in which the Company operates, and the Company's estimate of the ultimate outcome of various tax audits and issues. Determining the Company's effective tax rate and evaluating tax positions requires significant judgment.

The Company recognizes deferred tax assets and liabilities for the future impact of differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases, as well as for operating loss and tax credit carryforwards. The Company measures deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which management expects that the Company will recover or settle those differences. The realization of the deferred tax assets is primarily dependent on forecasted future taxable income. The Company has established valuation allowances for deferred tax assets when management has determined that it is more likely than not that the Company will realize a tax benefit. Any reduction in estimated forecasted future taxable income may require the Company to record valuation allowances against deferred tax assets on which a valuation allowance was not previously established. See “Management's Discussion and Analysis of Financial Condition and Results of Operations - Provision for income taxes,” for further discussion.

The Company recognizes a tax position in its financial statements when it is more likely than not that the position will be sustained upon examination, based on the merits of such position. The Company recognizes liabilities for unrecognized tax positions in the U.S. and other tax jurisdictions based on an estimate of whether and the extent to which additional taxes will be due. If payment of these amounts is ultimately not required, the reversal of the liabilities would result in additional tax benefits recognized in the period in which the Company determines that the liabilities are no longer required. If the estimate of tax liabilities is ultimately less than the final assessment, this will result in a further charge to expense. The Company recognizes interest and penalties related to income tax matters in income tax expense.

The Company provides for U.S. federal income taxes and foreign withholding taxes on foreign subsidiaries' cumulative undistributed earnings when it is not the Company's intent to indefinitely reinvest such earnings overseas. No provision is made for U.S. income taxes where the Company's plan is to indefinitely reinvest such undistributed earnings from the Company's foreign operations in its overseas operations. If these future foreign earnings are repatriated to the U.S., or if the Company determines that such foreign earnings will be remitted to the U.S. in the foreseeable future, additional U.S. tax provisions may be required.

Recently Adopted Accounting Pronouncements

In April 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity," which changes the requirements for reporting discontinued operations under Accounting Standards Codification Topic 205. Under ASU No. 2014-08, a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has, or will have, a major effect on an entity’s operations and financial results. The standard states that a strategic shift could include a disposal of: (i) a major geographical area of operations; (ii) a major line of business; (iii) a major equity method investment; or (iv) other major parts of an entity. ASU No. 2014-08 no longer precludes presentation as a discontinued operation if: (i) there are operations and cash flows of the component that have not been eliminated from the reporting entity’s ongoing operations; or (ii) there is significant continuing involvement with a component after its disposal. Additional disclosures about discontinued operations will also be required. The guidance is effective for annual periods beginning on or after December 15, 2014, and is to be applied prospectively to new disposals and new classifications of disposal groups as held for sale after the effective date. The Company adopted ASU No. 2014-08 on a prospective basis beginning on January 1, 2015, and such adoption did not have an impact on the Company's results of operations, financial condition or financial statement disclosures.

Recently Issued Accounting Standards or Updates Not Yet Effective
In November 2015, the FASB issued ASU No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes," which requires deferred income tax assets and liabilities to be classified as noncurrent within a company's balance sheet. Currently, the Company is required to separate deferred income tax assets and liabilities into current and noncurrent amounts on its classified balance sheet, and this update will simplify the presentation by requiring a single, noncurrent amount. The guidance is effective for annual periods beginning after December 15, 2016, with early adoption permitted. The Company adopted ASU No. 2015-17 beginning on January 1, 2016 and the adoption of the new guidance is not expected to have a material impact on the Company’s results of operations, financial condition and/or financial statement disclosures.
In September 2015, the FASB issued ASU No. 2015-16, "Business Combinations (Topic 805): Simplifying the Accounting for Measurement Period Adjustments," which eliminates the current requirement for an acquirer in a business combination to account for measurement-period adjustments retrospectively. Instead, acquirers must recognize measurement-period adjustments during the period in which they determine the amounts, including the effect on earnings of any amounts they would have recorded in previous periods if the accounting had been completed at the acquisition date. The guidance is effective for annual periods beginning after December 15, 2015. The Company adopted ASU No. 2015-16 beginning on January 1, 2016 and the adoption of the new guidance is not expected to have a material impact on the Company’s results of operations, financial condition and/or financial statement disclosures.
In July 2015, the FASB issued ASU No. 2015-11, "Inventory (Topic 330): Simplifying the Measurement of Inventory," which simplifies the subsequent measurement of inventories by requiring inventory to be measured at the lower of cost or net realizable value, rather than at the lower of cost or market. Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The guidance is effective for annual periods beginning after December 15, 2016, with early adoption permitted. The Company expects to adopt ASU No. 2015-11 beginning on January 1, 2017. The Company is evaluating the impact that the new guidance will have on the Company’s results of operations, financial condition and financial statement disclosures.
In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs," which requires debt issuance costs to be presented in the financial statements as a deduction from the corresponding debt liability, consistent with the presentation of debt discounts. The guidance is effective for annual periods beginning after December 15, 2015, with early adoption permitted, and is to be applied retrospectively. The Company adopted ASU No. 2015-03 beginning on January 1, 2016 and the adoption of the new guidance is not expected to have a material impact on the Company’s results of operations, financial condition and/or financial statement disclosures.
In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers," which supersedes the revenue recognition requirements in the ASC Topic 605, Revenue Recognition, and most industry-specific guidance throughout the Industry Topics of the Codification. The core principle of ASU No. 2014-09 is for companies to recognize revenue from the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. ASU No. 2014-09 also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The guidance is effective for annual and interim periods beginning after December 15, 2017, with early adoption prohibited. The Company expects to adopt ASU No. 2014-09 beginning January 1, 2018 and is in the process of assessing the impact that the new guidance will have on the Company's results of operations, financial condition and financial statement disclosures.
In August 2014, the FASB issued ASU No. 2014-15, "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern," that will explicitly require management to assess an entity's ability to continue as a going concern and to provide related footnote disclosures if conditions give rise to substantial doubt. According to

ASU No. 2014-15, substantial doubt exists if it is probable that the entity will be unable to meet its obligations within one year after the issuance date. The likelihood threshold of "probable," similar to its current use in U.S. GAAP for loss contingencies, will be used to define substantial doubt. Disclosures will be required under ASU No. 2014-15 if conditions give rise to substantial doubt including whether and how management's plans will alleviate the substantial doubt. The guidance is effective for annual periods beginning after December 15, 2015, with early adoption prohibited. The Company adopted ASU No. 2014-15 beginning January 1, 2016 and the adoption of the new guidance is not expected to have a material impact on the Company’s results of operations, financial condition and/or financial statement disclosures.

Inflation

The Company's costs are affected by inflation and the effects of inflation that the Company may experience in future periods. Management believes, however, that such effects have not been material to the Company during the past three years in the U.S. and in foreign non-hyperinflationary countries. The Company operates in certain countries around the world, such as Argentina and Venezuela, which have experienced hyperinflation. In hyperinflationary foreign countries, the Company attempts to mitigate

the effects of inflation by increasing prices in line with inflation, where possible, and efficiently managing its costs and working capital levels.

REVLON, INC. AND SUBSIDIARIES
(all tabular amounts in millions, except share and per share amounts)

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Sensitivity
The Company has exposure to changing interest rates primarily under Products Corporation's Amended Term Loan Facility and its Amended Revolving Credit Facility. The Company manages interest rate risk through a combination of fixed and floating rate debt. The Company from time to time makes use of derivative financial instruments to adjust its fixed and floating rate ratio, such as with the 2013 Interest Rate Swap. The Company does not hold or issue financial instruments for trading purposes.
The table below provides information about the Company's indebtedness as of December 31, 2015 that is sensitive to changes in interest rates. The table presents cash flows with respect to principal on indebtedness and related weighted average interest rates by expected maturity dates. Weighted average variable rates are based on implied forward rates in the U.S. Dollar LIBOR yield curve at December 31, 2015. The information is presented in U.S. dollar equivalents, which is the Company's reporting currency:

| | Expected Maturity Date for the year ended December 31, (dollars in millions, except for rate information) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2016 | 2017 | 2018 | 2019 | 2020 | Thereafter | Total | Fair Value December 31, 2015 |
| Debt | | | | | | | | |
| Short-term variable rate (various currencies) | $8.6 | | | | | | $8.6 | $8.6 |
| Average interest rate [a] | 3.6 % | | | | | | | |
| Short-term fixed rate (third party - EUR) | 2.7 | | | | | | 2.7 | 2.7 |
| Average interest rate | 11.6 % | | | | | | | |
| Long-term fixed rate – third party (USD) | | | | | | $500.0 | 500.0 | 485.0 |
| Average interest rate | | | | | | 5.75 % | | |
| Long-term fixed rate – third party (EUR) | 0.1 | $0.1 | $0.1 | $0.1 | $0.1 | 0.1 | 0.6 | 0.6 |
| Average interest rate | — % | — % | — % | — % | — % | — % | | |
| Long-term variable rate – third party (USD) [b] | 29.9 | $658.2 | 6.8 | 641.7 | | | 1,336.6 | 1,332.4 |
| Average interest rate [a][c] | 3.8 % | 3.7 % | 4.6 % | 4.8 % | | | | |
| Total debt | $41.3 | $658.3 | $6.9 | $641.8 | $0.1 | $500.1 | $1,848.5 | $1,829.3 |

(a) Weighted average variable rates are based upon implied forward rates from the U.S. Dollar LIBOR and Euribor yield curves at December 31, 2015.

(b) Includes total quarterly amortization payments required within each year under the Acquisition Term Loan, as well as the required $23.2 million "excess cash flow" prepayment to be made on or before April 9, 2016 under the Amended Term Loan Agreement. The 2017 amount includes the aggregate principal amount expected to be outstanding under the 2011 Term Loan which matures on November 19, 2017 and the 2019 amount includes the aggregate principal amount expected to be outstanding under the Acquisition Term Loan assuming a maturity date of October 9, 2019, in each case after giving effect to amortization payments and the excess cash flow prepayment.

(c)

At December 31, 2015, the Acquisition Term Loan bears interest at the Eurodollar Rate (as defined in the Amended Term Loan Agreement) plus 3.00% per annum (with the Eurodollar Rate not to be less than 1.00%). The 2011 Term Loan bears interest at the Eurodollar Rate plus 2.5% per annum (with the Eurodollar Rate not to be less than 0.75%). See Note 11, "Long-Term Debt," to the Consolidated Financial Statements in this Form 10-K.

If any of LIBOR, Euribor, the base rate, the U.S. federal funds rate or such equivalent local foreign currency rate increases, Products Corporation's debt service costs will increase to the extent that Products Corporation has elected such rates for its outstanding loans. Based on the amounts outstanding under the Amended Credit Agreements and other short-term borrowings (which, in the aggregate, are Products Corporation's only debt currently subject to floating interest rates) as of December 31, 2015, a 1% increase in both the LIBOR and Euribor rates would increase the Company's annual interest expense by $9.6 million.

In November 2013, Products Corporation executed the 2013 Interest Rate Swap, which is a forward-starting, floating-to-fixed interest rate swap transaction with a 1.00% floor, based on a notional amount of $400 million in respect of indebtedness under Products Corporation's Acquisition Term Loan over a period of three years. The Company designated the 2013 Interest Rate Swap as a cash flow hedge of the variability of the forecasted three-month LIBOR interest rate payments related to the $400 million notional amount under Products Corporation's Acquisition Term Loan over the three-year term of the 2013 Interest Rate Swap. Commencing in May 2015, Products Corporation receives from the counterparty a floating interest rate based on the higher of

three-month U.S. Dollar LIBOR or 1.00%, while paying a fixed interest rate payment to the counterparty equal to 2.0709% (which effectively fixes the interest rate on such notional amount at 5.0709% over the three-year term of the 2013 Interest Rate Swap). The fair value of the Company's 2013 Interest Rate Swap at December 31, 2015 was a liability of $6.5 million.

Exchange Rate Sensitivity

The Company manufactures and sells its products in a number of countries throughout the world and, as a result, is exposed to movements in foreign currency exchange rates. In addition, a portion of the Company's borrowings are denominated in foreign currencies, which are also subject to market risk associated with exchange rate movement. The Company from time to time hedges major foreign currency cash exposures through foreign exchange forward and option contracts. Products Corporation enters into these contracts with major financial institutions in an attempt to minimize counterparty risk. These contracts generally have a duration of less than 12 months and are primarily against the U.S. Dollar. In addition, Products Corporation enters into foreign currency swaps to hedge intercompany financing transactions. The Company does not hold or issue financial instruments for trading purposes.

| Forward Contracts (“FC”) | Average Contractual Rate $/FC | Original U.S. Dollar Notional Amount | Contract Value December 31, 2015 | Asset (Liability) Fair Value December 31, 2015 |
|---|---|---|---|---|
| Sell British Pound/Buy USD | 1.5253 | $21.4 | $22.1 | $0.7 |
| Sell Australian Dollars/Buy USD | 0.7221 | 13.6 | 13.6 | — |
| Buy Mexican Peso/Sell USD | 0.0594 | 13.1 | 12.8 | (0.3) |
| Sell Canadian Dollars/Buy USD | 0.7639 | 13.0 | 13.7 | 0.7 |
| Sell South African Rand/Buy USD | 0.0698 | 4.8 | 5.2 | 0.4 |
| Sell Japanese Yen/Buy USD | 0.0083 | 4.3 | 4.3 | — |
| Buy Australian Dollars/Sell NZ dollars | 1.0887 | 3.5 | 3.4 | (0.1) |
| Sell USD/Buy Hong Kong Dollars | 7.7508 | 1.4 | 1.4 | — |
| Sell New Zealand Dollars/Buy USD | 0.6583 | 0.7 | 0.7 | — |
| Sell Hong Kong Dollars/Buy USD | 7.7499 | 0.5 | 0.5 | — |
| Total forward contracts | | $76.3 | $77.7 | $1.4 |

Item 8. Financial Statements and Supplementary Data

Reference is made to the Index on page F-1 of the Company’s Consolidated Financial Statements and the Notes thereto.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

None.

Item 9A. Controls and Procedures

(a) Disclosure Controls and Procedures. The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the fiscal year covered by this Annual Report on Form 10-K. Based upon such evaluation, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective.

(b) Management’s Annual Report on Internal Control over Financial Reporting. The Company’s management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company’s internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of published financial statements in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of its assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of its financial statements in accordance with generally accepted accounting principles, and that its receipts and expenditures are being made only in accordance with authorizations of its management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements.

Internal control over financial reporting may not prevent or detect misstatements due to its inherent limitations. Management's projections of any evaluation of the effectiveness of internal control over financial reporting as to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company’s management assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2015 and in making this assessment used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in the 2013 Internal Control-Integrated Framework in accordance with the standards of the Public Company Accounting Oversight Board (United States).

Revlon, Inc.'s management determined that the Company's internal control over financial reporting was effective as of December 31, 2015.

KPMG LLP, the Company's independent registered public accounting firm that audited the Company's consolidated financial statements included in this Annual Report on Form 10-K for the period ended December 31, 2015, has issued a report on the Company's internal control over financial reporting. This report appears on page F-3.

(c) Changes in Internal Control Over Financial Reporting. There have not been any changes in the Company’s internal control over financial reporting during the quarter ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

## Item 9B. Other Information

Lorenzo Delpani’s Departure as President and Chief Executive Officer. On February 25, 2016, Lorenzo Delpani informed the Board of Directors that he was resigning his position as President and Chief Executive Officer of Revlon, Inc. and Products Corporation, effective March 1, 2016. Mr. Delpani will continue to serve as a Director and as a paid advisor for both companies. The Company and Mr. Delpani are continuing to discuss the terms of Mr. Delpani's departure, including arrangements that will be made to ensure an effective transition of his roles and responsibilities.

Election of Gianni Pieraccioni as Executive Vice President and Chief Operating Officer. On February 25, 2016, the Company’s Board of Directors elected Gianni Pieraccioni as Executive Vice President and Chief Operating Officer of Revlon, Inc. and Products Corporation, effective immediately. Prior to his election as Executive Vice President and Chief Operating Officer, Mr. Pieraccioni (56) served as the Company’s Executive Vice President and Global President - Revlon Consumer Division since February 2014. Prior to joining the Company, Mr. Pieraccioni served as Executive Vice President and Chief Commercial Officer for Alitalia and as Global General Manager at Averna Group. During his long career, Mr. Pieraccioni held several general management, marketing and commercial positions of increasing scope and seniority within the CPG industry, including at U.S.-based companies such as The Procter & Gamble Company, PepsiCo, Johnson & Johnson, and at European firms such as Sector Group and Binda Group. To reflect his new role and responsibilities, Products Corporation entered into an amendment to Mr. Pieraccioni’s employment agreement, which, among other things, provides that Mr. Pieraccioni will serve as the Company's Executive Vice President and Chief Operating Officer at an annual base salary of not less than $1,000,000, with a target bonus of 100% of his base salary and with the possibility of exceeding such amount based upon the Company’s and/or Mr. Pieraccioni’s over-achievement of their respective objectives. In connection with his election as EVP & COO, the Compensation Committee approved a supplemental grant to Mr. Pieraccioni of restricted shares of Revlon, Inc. Class

A common stock with a market value of approximately $1,000,000 based on the February 25, 2016 NYSE closing price of Revlon, Inc.'s Class A common stock, which grant is scheduled to vest in equal installment over 4 years, beginning in March 2016. The Company also increased Mr. Pieraccioni's housing allowance to $250,000 per annum and extended such allowance through February 2019. Mr. Pieraccioni's employment agreement was previously filed as Exhibit 10.11 to the Company's Annual Report on Form 10-K that was filed with the SEC on March 12, 2015 and described in the Company's annual Proxy Statement filed with the SEC on April 21, 2015. Mr. Pieraccioni does not have any family relationships with any of the Company's directors or executive officers and is not a party to any transactions listed in Item 404(a) of Regulation S-K.

Roberto Simon Supplemental Payment. As previously disclosed by the Company in its Quarterly Report on Form 10-Q that was filed with the SEC on November 4, 2015, Roberto Simon, the Company's Executive Vice President and Chief Financial

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(all tabular amounts in millions, except share and per share amounts)

Officer, tendered his resignation from Revlon, Inc. and Products Corporation effective on or about February 26, 2016. In recognition of Mr. Simon’s effective management of the Company's financial, accounting and treasury functions through his departure date, including overseeing the close of the Company's 2015 fiscal year-end and the filing of its Annual Report on Form 10-K with the SEC on February 26, 2016, the Compensation Committee of the Company's Board of Directors approved a supplemental payment of $350,000 to Mr. Simon. Mr. Simon's separation agreement with Products Corporation, dated as of November 3, 2015, was previously described in and filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 4, 2015.

Forward-Looking Statements

This Annual Report on Form 10-K for the year ended December 31, 2015, as well as other public documents and statements of the Company, contain forward-looking statements that involve risks and uncertainties, which are based on the beliefs, expectations, estimates, projections, assumptions, forecasts, plans, anticipations, targets, outlooks, initiatives, visions, objectives, strategies, opportunities, drivers, focus and intents of the Company’s management. While the Company believes that its estimates and assumptions are reasonable, the Company cautions that it is very difficult to predict the impact of known factors, and, of course, it is impossible for the Company to anticipate all factors that could affect its results. The Company's actual results may differ materially from those discussed in such forward-looking statements. Such statements include, without limitation, the Company's expectations and estimates (whether qualitative or quantitative) as to:

(i) the Company's future financial performance;

(ii) the effect on sales of decreased consumer spending in response to weak economic conditions or weakness in the consumption of beauty care products in the Consumer, Professional and/or Other segments; adverse changes in foreign currency exchange rates, foreign currency controls and/or government-mandated pricing controls; decreased sales of the Company’s products as a result of increased competitive activities by the Company’s competitors and/or decreased performance by third party suppliers, changes in consumer purchasing habits, including with respect to retailer preferences and/or among professional salons; inventory management by the Company's customers; space reconfigurations or reductions in display space by the Company's customers; changes in pricing, marketing, advertising and/or promotional strategies by the Company's customers; less than anticipated results from the Company’s existing or new products or from its advertising, promotional, pricing and/or marketing plans; or if the Company’s expenses, including, without limitation, for pension expense under its benefit plans, acquisition-related integration costs, costs related to litigation, advertising, promotional and marketing activities, or for sales returns related to any reduction of space by the Company's customers, product discontinuances or otherwise, exceed the anticipated level of expenses;

(iii) the Company's belief that the continued execution of its business strategy could include taking advantage of additional opportunities to reposition, repackage or reformulate one or more brands or product lines, launching additional new products, acquiring businesses or brands, including through licensing transactions, divesting or discontinuing non-core business lines (which may include exiting certain territories), further refining its approach to retail merchandising and/or taking further actions to optimize its manufacturing, sourcing and organizational size and structure, including optimizing the CBB Acquisition and related non-restructuring costs, any of which, the intended purpose of which would be to create value through improving the Company's financial performance, could result in the Company making investments and/or recognizing charges related to executing against such opportunities, which activities may be funded with cash on hand, funds available under the Amended Revolving Credit Facility and/or other permitted additional sources of capital, which actions could increase the Company’s total debt;

(iv) the Company’s vision to establish Revlon as the quintessential and most innovative beauty company in the world by offering products that make consumers feel attractive and beautiful and to inspire its consumers to express themselves boldly and confidently; and the Company's expectations regarding its strategic goal to optimize the

market and financial performance of its portfolio of brands and assets by: (a) managing financial drivers for value creation through gross profit margin expansion, which includes optimizing price, allocating sales allowances to maximize our return on trade spending, reducing costs across our global supply chain and eliminating non-value added general and administrative costs in order to fund reinvestment to facilitate growth; (b) growing profitability through intensive innovation and geographical expansion by creating fewer, bigger and better innovations across our brands that are relevant, unique, impactful, distinctive and ownable; pursuing organic growth opportunities within our existing brand portfolio and among our existing retailers; and pursuing opportunities to expand our geographical presence; (c) improving our cash flows through, among other things, continued effective management of our working capital and by focusing on appropriate return on capital spending; and (d) attracting, developing and supporting employees who fit into our innovative culture and inspire the creative drive that represents the foundation of our vision and execution of our strategy;

(v) the effect of restructuring activities, restructuring costs and charges, the timing of restructuring payments and the benefits from such activities; including, without limitation, the Company’s expectation (a) that total restructuring and related charges under the December 2013 Program will be approximately $18.9 million; (b) that cash payments will total approximately $17 million related to the December 2013 Program, of which $15.5 million was paid during 2014, $0.1 million was paid in 2015, and the remaining balance is expected to be paid in 2016; (c) the Company's expectation that the 2015 Efficiency Program will drive certain organizational efficiencies across the Company's Consumer and Professional segments and reduce general and administrative expenses within the Consumer and Professional segments; (d) that the Company will recognize a total of approximately $10.1 million of restructuring and related charges for the 2015 Efficiency Program by the end of 2017, of which $9.5 million were recognized in 2015; (e) that cash payments related to the 2015 Efficiency Program will total approximately $10.3 million, including $0.2 million for capital expenditures (which capital expenditures are excluded from total restructuring and related charges expected to be recognized for the 2015 Efficiency Program), of which $2.8 million was paid in 2015, $5.8 million is expected to be paid in 2016, and the remaining balance expected to be paid in 2017; and (f) that approximately $3.0 million of cost reductions from the 2015 Efficiency Program benefited 2015 results and that annualized cost reductions thereafter are expected to be approximately $10.0 million to $15.0 million by the end of 2018;

(vi) the Company’s expectation that operating revenues, cash on hand and funds available for borrowing under Products Corporation's Amended Revolving Credit Facility and other permitted lines of credit will be sufficient to enable the Company to cover its operating expenses for 2016, including the cash requirements referred to in item (viii) below, and the Company's beliefs that (a) the cash generated by its domestic operations and availability under the Amended Revolving Credit Facility and other permitted lines of credit should be sufficient to meet its domestic liquidity needs for at least the next 12 months, and (b) restrictions or taxes on repatriation of foreign earnings will not have a material effect on the Company's liquidity during such period;

(vii) the Company’s expected principal sources of funds, including operating revenues, cash on hand and funds available for borrowing under Products Corporation's Amended Revolving Credit Facility and other permitted lines of credit, as well as the availability of funds from the Company taking certain measures, including, among other things, reducing discretionary spending;

(viii) the Company's expected principal uses of funds, including amounts required for the payment of operating expenses, including expenses in connection with the continued execution of the Company’s business strategy; payments in connection with the Company's purchases of permanent wall displays; capital expenditure requirements; debt service payments and costs, cash tax payments, pension and other post-retirement benefit plan contributions; payments in connection with the Company's restructuring programs; business and/or brand acquisitions including through licensing transactions, if any; severance not otherwise included in the Company’s restructuring programs; debt and/or equity repurchases, if any; costs related to litigation; and payments in connection with discontinuing non-core business lines and/or exiting certain territories (including, without limitation, that the Company may also, from time to time, seek to retire or purchase its outstanding debt obligations and/or equity in open market purchases, in privately negotiated transactions or otherwise and may seek to refinance some or all of its indebtedness based upon market conditions and that any retirement or purchase of debt and/or equity may be funded with operating cash flows of the business or other sources and will depend upon prevailing market conditions, liquidity requirements, contractual restrictions and other factors, and

the amounts involved may be material); and its estimates of the amount and timing of such operating and other expenses;

(ix) matters concerning the Company's market-risk sensitive instruments, as well as the Company's expectations as to the counterparty's performance, including that any risk of loss under its derivative instruments arising from any non-performance by any of the counterparties is remote;

(x) the Company's expectation to efficiently manage its working capital, including, among other things, initiatives intended to optimize inventory levels over time; centralized procurement to secure discounts and efficiencies; prudent management of trade receivables and accounts payable; and controls on general and administrative spending; and the Company's belief that in the ordinary course of business, its source or use of cash from operating activities may vary on a quarterly basis as a result of a number of factors, including the timing of working capital flows;

(xi) the Company's expectations regarding its future net periodic benefit cost for its U.S. and international defined benefit plans;

(xii) the Company's expectation that its tax provision and effective tax rate in any individual quarter and year-to-date period will vary and may not be indicative of the Company's tax provision and effective tax rate for the full year;

(xiii) the Company's expectation that it will decide whether to exchange Bolivars for U.S. Dollars to the extent permitted through the CADIVI, CENCOEX and/or SIMADI markets based on its ability to participate in those markets and to the extent reasonable for its business in the future, the Company's belief that current or additional governmental restrictions, worsening import authorization controls, price and profit controls or labor unrest in Venezuela could impact the Company's ability to sell to its distributor in Venezuela;

(xiv) the Company's belief that while the outcome of all pending legal proceedings in the aggregate is not reasonably likely to have a material adverse effect on the Company's business, financial condition and/or its results of operations, in light of the uncertainties involved in legal proceedings generally, the ultimate outcome of a particular matter could be material to the Company's operating results for a particular period depending on, among other things, the size of the loss or the nature of the liability imposed and the level of the Company's income for that particular period; and

(xv) the Company's expectation that CBB will provide the Company with a platform to develop the Company's presence in the fragrance category and certain estimates used by management in estimating the fair value of the assets acquired in the CBB Acquisition.

Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language such as "estimates," "objectives," "visions," "projects," "forecasts," "focus," "drive towards," "plans," "targets," "strategies," "opportunities," "assumptions," "drivers," "believes," "intends," "outlooks," "initiatives," "expects," "scheduled to," "anticipates," "seeks," "may," "will" or "should" or the negative of those terms, or other variations of those terms or comparable language, or by discussions of strategies, targets, long-range plans, models or intentions. Forward-looking statements speak only as of the date they are made, and except for the Company's ongoing obligations under the U.S. federal securities laws, the Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Investors are advised, however, to consult any additional disclosures the Company made or may make in its Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, in each case filed with the SEC in 2016 and 2015 (which, among other places, can be found on the SEC's website at http://www.sec.gov, as well as on the Company's corporate website at www.revloninc.com). Except as expressly set forth in this Form 10-K, the information available from time to time on such websites shall not be deemed incorporated by reference into this Annual Report on Form 10-K. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. In addition to factors that may be described in the Company's filings with the SEC, including this filing, the following factors, among others, could cause the Company's actual results to differ materially from those expressed in any forward-looking statements made by the Company:

(i) unanticipated circumstances or results affecting the Company's financial performance, including decreased consumer spending in response to weak economic conditions or weakness in the consumption of beauty care

products in the Consumer, Professional and/or Other segments; adverse changes in foreign currency exchange rates, foreign currency controls and/or government-mandated pricing controls; decreased sales of the Company's products as a result of increased competitive activities by the Company's competitors and/or decreased performance by third party suppliers; changes in consumer preferences, such as reduced consumer demand for the Company's color cosmetics and other current products, including new product launches; changes in consumer purchasing habits, including with respect to retailer preferences and/or among professional salons; lower than expected customer acceptance or consumer acceptance of, or less than anticipated results from, the Company's existing or new products; higher than expected restructuring costs and/or acquisition-related integration costs; higher than expected pension expense and/or cash contributions under its benefit plans, costs related to litigation, advertising, promotional and/or marketing expenses or lower than expected results from the Company's advertising, promotional, pricing and/or marketing plans; higher than expected sales returns related to any reduction of space by the Company's customers, product discontinuances or otherwise or decreased sales of the Company's existing or new products; actions by the Company's customers, such as inventory management and greater than anticipated space reconfigurations or reductions in display space and/or product discontinuances or a greater than expected impact from pricing, marketing, advertising and/or promotional strategies by the Company's customers; and changes in the competitive environment and actions by the Company's competitors, including, among other things, business combinations, technological breakthroughs, implementation of new pricing strategies, new product offerings, increased advertising, promotional and marketing spending and advertising, promotional and/or marketing successes by competitors;

(ii) in addition to the items discussed in (i) above, the effects of and changes in economic conditions (such as continued volatility in the financial markets, inflation, monetary conditions and foreign currency fluctuations, foreign currency controls and/or government-mandated pricing controls, as well as in trade, monetary, fiscal and tax policies in international markets) and political conditions (such as military actions and terrorist activities);

(iii) unanticipated costs or difficulties or delays in completing projects associated with the continued execution of the Company's business strategy or lower than expected revenues or the inability to create value through improving our financial performance as a result of such strategy, including lower than expected sales, or higher than expected costs, including as may arise from any additional repositioning, repackaging or reformulating of one or more brands or product lines, launching of new product lines, including higher than expected expenses, including for sales returns, for launching its new products, acquiring businesses or brands, including through licensing transactions, divesting or discontinuing non-core business lines (which may include exiting certain territories), further refining its approach to retail merchandising, and/or difficulties, delays or increased costs in connection with taking further actions to optimize the Company's manufacturing, sourcing, supply chain or organizational size and structure, including optimizing the Company's CBB Acquisition, as well as the unavailability of cash on hand and/or funds under the Amended Revolving Credit Facility or from other permitted additional sources of capital to fund such potential activities;

(iv) difficulties, delays in or less than expected results from the Company's efforts to optimize the market and financial performance of its portfolio of brands and assets due to, among other things, less than effective product development, less than expected acceptance of its new or existing products by consumers, salon professionals and/or customers in the Consumer, Professional and/or Other segments, less than expected acceptance of its advertising, promotional, pricing and/or marketing plans and/or brand communication by consumers, salon professionals and/or customers in the Consumer, Professional and/or Other segments, less than expected investment in advertising, promotional and/or marketing activities or greater than expected competitive investment, less than expected levels of advertising, promotional and/or marketing activities for its new product launches and/or less than expected levels of execution with its customers in the Consumer, Professional and/or Other segments or higher than expected costs and expenses, as well as due to: (i) difficulties, delays in or less than expected results from the Company's efforts to manage financial drivers for value creation, such as due to higher than expected costs; (ii) difficulties, delays in or less than expected results from the Company's efforts to grow profitability through intensive innovation and geographical expansion, such as less than effective product development and/or difficulties, delays in and/or the Company's inability to consummate transactions to expand its geographical presence; (iii) difficulties, delays in or less than expected results from the Company's efforts to improve its cash flow; and/or (iv) difficulties, delays in and/or the inability to attract or retain employees essential

to the execution of its strategy;

(v) difficulties, delays or unanticipated costs or charges or less than expected cost reductions and other benefits resulting from the Company's restructuring activities, such as greater than anticipated costs or charges or less than anticipated cost reductions or other benefits from the December 2013 Program, the Integration Program and/or the 2015 Efficiency Program and/or the risk that any of such programs may not satisfy the Company's objectives;

(vi) lower than expected operating revenues, cash on hand and/or funds available under the Amended Revolving Credit Facility and/or other permitted lines of credit or higher than anticipated operating expenses, such as referred to in clause (viii) below, and/or less than anticipated cash generated by the Company's domestic operations or unanticipated restrictions or taxes on repatriation of foreign earnings;

(vii) the unavailability of funds under Products Corporation's Amended Revolving Credit Facility or other permitted lines of credit; or from difficulties, delays in or the Company's inability to take other measures, such as reducing discretionary spending;

(viii) higher than expected operating expenses, sales returns, working capital expenses, permanent wall display costs, capital expenditures, debt service payments, cash tax payments, cash pension plan contributions, other post-retirement benefit plan contributions and/or net periodic benefit costs for the pension and other post-retirement benefit plans, restructuring costs, severance and discontinued operations not otherwise included in the Company's restructuring programs, debt and/or equity repurchases, costs related to litigation and/or payments in connection with business and/or brand acquisitions, including through licensing transactions, if any, and discontinuing non-core business lines and/or exiting certain territories;

(ix) interest rate or foreign exchange rate changes affecting the Company and its market-risk sensitive financial instruments and/or difficulties, delays or the inability of the counterparty to perform such transactions;

(x) difficulties, delays or the inability of the Company to efficiently manage its cash and working capital;

(xi) lower than expected returns on pension plan assets and/or lower discount rates, which could result in higher than expected cash contributions, higher net periodic benefit costs and/or less than expected net periodic benefit income;

(xii) unexpected significant variances in the Company's tax provision and effective tax rate;

(xiii) difficulties, delays in or the Company's inability to exchange Bolivars for U.S. Dollars, whether due to the lack of a market developing for such exchange or otherwise and/or unanticipated adverse impacts to the Company's results of operations such as due to higher than expected exchange rates; and difficulties or delays in the Company's ability to import certain products through Venezuela's monetary systems (including, without limitation, the CADIVI, CENCOEX and/or SIMADI markets);

(xiv) unexpected effects on the Company's business, financial condition and/or its results of operations as a result of legal proceedings;

(xv) difficulties or delays in realizing, or less than anticipated, benefits from the Colomer Acquisition, such as: (a) less than expected cost reductions; (b) more than expected costs to achieve the expected cost reductions; (c) delays in achieving the expected cost reductions, in whole or in part; (d) less than expected growth from the Colomer brands, such as due to difficulties, delays, unanticipated costs or the Company's inability to launch innovative new products within the Professional segment and/or difficulties or delays in and/or the Company's inability to expand its distribution into new retailers; and/or (e) less than expected synergistic benefits to the Company's Consumer segment from the Company having a presence in professional salons; and/or

(xvi) less than expected benefits arising from the Company's CBB Acquisition, such as difficulties in retaining CBB's licensed fragrance brands and/or securing new fragrance licensing opportunities and/or unexpected changes in the fair values of CBB's assets due to, among other things, unanticipated future performance of the acquired licenses.

Factors other than those listed above could also cause the Company's results to differ materially from expected results.

Item 10. Directors, Executive Officers and Corporate Governance

A list of Revlon, Inc.'s directors and executive officers and biographical information and other information about them may be found under the caption “Proposal No. 1 - Election of Directors” and "Executive Officers," respectively, of Revlon, Inc.'s Proxy Statement for the 2016 Annual Stockholders' Meeting (the “2016 Proxy Statement”), which sections are incorporated by reference herein.

The information set forth under the caption “Code of Business Conduct and Senior Financial Officer Code of Ethics” in the 2016 Proxy Statement is also incorporated herein by reference.

The information set forth under the caption “Section 16(a) Beneficial Ownership Reporting Compliance” in the 2016 Proxy Statement is also incorporated herein by reference.

The information set forth under the captions “Compensation Discussion and Analysis,” “Executive Compensation,” “Summary Compensation Table,” “Grants of Plan-Based Awards," “Outstanding Equity Awards at Fiscal Year-End,” “Option Exercises and Stock Vested,” “Pension Benefits,” “Non-Qualified Deferred Compensation” and “Director Compensation” in the 2016 Proxy Statement is also incorporated herein by reference.

Information regarding the Company's director nomination process, audit committee and audit committee financial expert matters may be found in the 2016 Proxy Statement under the captions "Corporate Governance-Board of Directors and its Committees-Director Nominating Processes; Diversity" and "Corporate Governance-Board of Directors and its Committees-Audit Committee-Composition of the Audit Committee," respectively. That information is incorporated herein by reference.

Item 11. Executive Compensation

The information set forth under the captions “Compensation Discussion and Analysis,” “Executive Compensation,” “Summary Compensation Table,” “Grants of Plan-Based Awards,” “Outstanding Equity Awards at Fiscal Year-End,” “Option Exercises and Stock Vested,” “Pension Benefits,” “Non-Qualified Deferred Compensation” and “Director Compensation” in the 2016 Proxy Statement is incorporated herein by reference. The information set forth under the caption “Corporate Governance-Board of Directors and its Committees-Compensation Committee-Composition of the Compensation Committee” and “Compensation Committee Report” in the 2016 Proxy Statement is also incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information set forth under the captions “Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information” in the 2016 Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information set forth under the captions “Certain Relationships and Related Transactions” and "Corporate Governance-Board of Directors and its Committees-Controlled Company Exemption" and “Corporate Governance-Board of Directors and its Committees-Audit Committee-Composition of the Audit Committee,” respectively, in the 2016 Proxy Statement is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Information concerning principal accountant fees and services set forth under the caption “Audit Fees” in the 2016 Proxy Statement is incorporated herein by reference.

Website Availability of Reports and Other Corporate Governance Information

The Company maintains a comprehensive corporate governance program, including Corporate Governance Guidelines for Revlon, Inc.’s Board of Directors, Revlon, Inc.’s Board Guidelines for Assessing Director Independence and charters for Revlon, Inc.’s Audit Committee and Compensation Committee. Revlon, Inc. maintains a corporate investor

relations website, www.revloninc.com, where stockholders and other interested persons may review, without charge, among other things, Revlon, Inc.'s corporate governance materials and certain SEC filings (such as Revlon, Inc.'s annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, annual reports, Section 16 reports reflecting certain changes in the

stock ownership of Revlon, Inc.'s directors and Section 16 officers, and certain other documents filed with the SEC), each of which are generally available on the same business day as the filing date with the SEC on the SEC's website http://www.sec.gov. In addition, under the section of the website entitled, "Corporate Governance," Revlon, Inc. posts printable copies of the latest versions of its Corporate Governance Guidelines, Board Guidelines for Assessing Director Independence, charters for Revlon, Inc.'s Audit Committee and Compensation Committee, as well as Revlon, Inc.'s Code of Business Conduct, which includes Revlon, Inc.'s Code of Ethics for Senior Financial Officers, and the Audit Committee Pre-Approval Policy. The business and financial materials and any other statement or disclosure on, or made available through, the websites referenced herein shall not be deemed incorporated by reference into this report.

REVLON, INC. AND SUBSIDIARIES
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(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Item 15. Exhibits and Financial Statement Schedules

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| (a) | List of documents filed as part of this Report:<br>(1) Consolidated Financial Statements and Reports of Independent Registered Public Accounting Firm included herein: See Index on page F-1.<br>(2) Financial Statement Schedule: See Index on page F-1.<br>All other schedules are omitted as they are inapplicable or the required information is furnished in the Company’s Consolidated Financial Statements or the Notes thereto.<br>(3) List of Exhibits: |
| 2. | Plan of acquisition, reorganization, arrangement, liquidation or succession |
| 2.1 | Share Sale and Purchase Agreement, dated as of August 3, 2013, by and among Revlon Consumer Products Corporation (“Products Corporation”), Beauty Care Professional Products Participations, S.A., Romol Hair & Beauty Group, S.L., Norvo, S.L. and Staubinus España, S.L. (incorporated by reference to Exhibit 2.1 to Revlon, Inc.’s Current Report on Form 8-K filed with the SEC on August 5, 2013). |
| 3. | Certificate of Incorporation and By-laws. |
| 3.1 | Restated Certificate of Incorporation of Revlon, Inc., dated February 25, 2014 (incorporated by reference to Exhibit 3.1 of Revlon Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed with the SEC on March 5, 2014). |
| 3.2 | Amended and Restated By-Laws of Revlon, Inc., dated as of May 1, 2009 (incorporated by reference to Exhibit 3.1 of Revlon, Inc.’s Current Report on Form 8-K filed with the SEC on April 29, 2009). |
| 4. | Instruments Defining the Rights of Security Holders, Including Indentures. |
| 4.1 | Third Amended and Restated Term Loan Agreement dated as of May 19, 2011 (the "2011 Term Loan Agreement"), among Products Corporation, as borrower, the lenders party thereto, Citigroup Global Markets Inc. ("CGMI"), J.P. Morgan Securities LLC ("JPM Securities"), Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Credit Suisse Securities (USA) LLC ("Credit Suisse") and Wells Fargo Securities, LLC ("WFS"), as the joint lead arrangers; CGMI, JPM Securities, Merrill Lynch, Credit Suisse, WFS and Natixis, New York Branch ("Natixis"), as joint bookrunners; JPMorgan Chase Bank, N.A. and Bank of America, N.A., as co-syndication agents; Credit Suisse, Wells Fargo Bank, N.A. and Natixis, as co-documentation agents; and Citicorp USA, Inc. ("CUSA"), as administrative agent and collateral agent (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Products Corporation filed with the SEC on May 20, 2011 (the "Products Corporation May 20, 2011 Form 8-K")). |
| 4.2 | Amendment No. 1 to Credit Agreement, dated as of February 21, 2013, to the Third Amended and Restated Term Loan Agreement, dated as of May 19, 2011, among Products Corporation, as borrower, CUSA, as Administrative Agent and Collateral Agent, and each lender thereunder (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Products Corporation filed with the SEC on February 21, 2013). |
| 4.3 | Amendment No. 2 to Term Loan Agreement, dated as of August 19, 2013, among Products Corporation, CUSA, as Administrative Agent and Collateral Agent (each as defined therein), and the Lenders (as defined therein) (incorporated by reference to Exhibit 4.1 to Products Corporation's Form 8-K filed with the SEC on August 19, 2013 (the "Products Corporation August 19, 2013 Form 8-K")). |
| 4.4 | Incremental Amendment, dated as of August 19, 2013, to the Amended Term Loan Agreement, among Products Corporation, CUSA, as Administrative Agent and Collateral Agent (each as defined therein), and the Lenders (as defined therein) (incorporated by reference to Exhibit 4.2 to the Products Corporation August 19, 2013 Form 8-K). |
| 4.5 | |

Third Amended and Restated Revolving Credit Agreement, dated as of June 16, 2011 (the "2011 Revolving Credit Agreement"), among Products Corporation and certain of its foreign subsidiaries, as borrowers, and CGMI and Wells Fargo Capital Finance, LLC ("WFCF"), as the joint lead arrangers; CGMI, WFCF, Merrill Lynch, JPM Securities and Credit Suisse, as joint bookrunners; and CUSA, as administrative agent and collateral agent (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Products Corporation filed with the SEC on June 17, 2011 (the "Products Corporation June 17, 2011 Form 8-K")).

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| 4.6 | Amendment No. 1 to Revolving Credit Agreement, dated as of August 14, 2013 ("Amendment No. 1"), among Products Corporation, the Local Borrowing Subsidiaries (as defined therein) from time to time party thereto, CUSA, as Administrative Agent and Collateral Agent (as defined therein), and the Lenders and Issuing Lenders (each as defined therein) (incorporated by reference to Exhibit 4.1 to Products Corporation's Form 8-K filed with the SEC on August 15, 2013). |
| 4.7 | Incremental Amendment, dated as of December 24, 2013, to the 2011 Revolving Credit Agreement (as amended by Amendment No. 1), among Products Corporation, the Local Borrowing Subsidiaries (as defined therein) from time to time party thereto, CUSA, as Administrative Agent and Collateral Agent (as defined therein), and the Lenders and Issuing Lenders (each as defined therein) (incorporated by reference to Exhibit 4.1 to Products Corporation's Form 8-K filed with the SEC on December 24, 2013). |
| 4.8 | Third Amended and Restated Pledge and Security Agreement dated as of March 11, 2010 among Revlon, Inc., Products Corporation and certain domestic subsidiaries of Products Corporation in favor of CUSA, as collateral agent for the secured parties (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K of Products Corporation filed with the SEC on March 16, 2010 (the “Products Corporation March 16, 2010 Form 8-K”)). |
| 4.9 | Third Amended and Restated Intercreditor and Collateral Agency Agreement, dated as of March 11, 2010, among CUSA, as administrative agent for certain bank lenders, U.S. Bank National Association, as trustee for certain noteholders, CUSA, as collateral agent for the secured parties, Revlon, Inc., Products Corporation and certain domestic subsidiaries of Products Corporation (incorporated by reference to Exhibit 4.4 to the Products Corporation March 16, 2010 Form 8-K). |
| 4.10 | Amended and Restated Guaranty, dated as of March 11, 2010, by and among Revlon, Inc., Products Corporation and certain domestic subsidiaries of Products Corporation, in favor of CUSA, as collateral agent for the secured parties (incorporated by reference to Exhibit 4.5 to the Products Corporation March 16, 2010 Form 8-K). |
| 4.11 | Form of Revolving Credit Note under the 2011 Revolving Credit Agreement (incorporated by reference to Exhibit 4.3 to the Products Corporation June 17, 2011 Form 8-K). |
| 4.12 | Third Amended and Restated Copyright Security Agreement, dated as of March 11, 2010, among Products Corporation and CUSA, as collateral agent for the secured parties (incorporated by reference to Exhibit 4.8 to the Products Corporation March 16, 2010 Form 8-K). |
| 4.13 | Third Amended and Restated Copyright Security Agreement, dated as of March 11, 2010, among Almay, Inc. and CUSA, as collateral agent for the secured parties (incorporated by reference to Exhibit 4.9 to the Products Corporation March 16, 2010 Form 8-K). |
| 4.14 | Third Amended and Restated Patent Security Agreement, dated as of March 11, 2010, among Products Corporation and CUSA, as collateral agent for the secured parties (incorporated by reference to Exhibit 4.10 to the Products Corporation March 16, 2010 Form 8-K). |
| 4.15 | Third Amended and Restated Trademark Security Agreement, dated as of March 11, 2010, among Products Corporation and CUSA, as collateral agent for the secured parties (incorporated by reference to Exhibit 4.11 to the Products Corporation March 16, 2010 Form 8-K). |
| 4.16 | Third Amended and Restated Trademark Security Agreement, dated as of March 11, 2010, among Charles Revson Inc. and CUSA, as collateral agent for the secured parties (incorporated by reference to Exhibit 4.12 to the Products Corporation March 16, 2010 Form 8-K). |
| 4.17 | Form of Term Loan Note under the 2011 Term Loan Agreement (incorporated by reference to Exhibit 4.4 to the Products Corporation May 20, 2011 Form 8-K). |
| 4.18 | Amended and Restated Term Loan Guaranty, dated as of March 11, 2010, by Revlon, Inc., Products Corporation and certain domestic subsidiaries of Products Corporation in favor of CUSA, as collateral |

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| | agent for the secured parties (incorporated by reference to Exhibit 4.14 to the Products Corporation March 16, 2010 Form 8-K). |
| 4.19 | Reaffirmation Agreement, dated as of February 21, 2013, made by Revlon, Inc., Products Corporation and certain of its domestic subsidiaries and acknowledged by CUSA, as collateral agent for the secured parties (incorporated by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q of Products Corporation for the fiscal quarter ended March 31, 2013 filed with the SEC on April 25, 2013 (the "Products Corporation Q1 2013 Form 10-Q")). |

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REVLON, INC. AND SUBSIDIARIES
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(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

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| 4.20 | Reaffirmation Agreement, dated as of August 19, 2013, among Products Corporation, Revlon, Inc., certain domestic subsidiaries of Products Corporation and CUSA, as Collateral Agent (as defined therein) in connection with the Amended Term Loan (incorporated by reference to Exhibit 4.4 to Products Corporation's Quarterly Report on Form 10-Q for the fiscal period ended September 30, 2013 filed with the SEC on October 24, 2013 (the "Products Corporation Q3 2013 Form 10-Q")). |
| 4.21 | Reaffirmation Agreement, dated as of August 14, 2013, among Products Corporation, Revlon, Inc., certain domestic subsidiaries of Products Corporation and CUSA, as Collateral Agent (as defined therein) in connection with the Amended Revolving Credit Agreement (incorporated by reference to Exhibit 4.5 to the Products Corporation Q3 2013 Form 10-Q). |
| 4.22 | Reaffirmation Agreement, dated as of December 24, 2013, among Products Corporation, Revlon, Inc., certain domestic subsidiaries of Products Corporation and CUSA, as Collateral Agent (as defined therein) in connection with the Amended Revolving Credit Agreement (incorporated by reference to Exhibit 4.22 to Products Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed with the SEC on March 5, 2014 (the "Products Corporation 2013 Form 10-K")). |
| 4.23 | Master Assignment and Acceptance, dated as of May 19, 2011 among certain lenders and Citibank, N.A. (incorporated by reference to Exhibit 4.3 to the Products Corporation May 20, 2011 Form 8-K). |
| 4.24 | Indenture, dated as of February 8, 2013, among Products Corporation, certain subsidiaries of Products Corporation as guarantors thereto, and U.S. Bank National Association, as trustee, relating to Products Corporation's 5.75% Senior Notes due 2021 (the "5.75% Senior Notes") (incorporated by reference to Exhibit 4.3 to the Products Corporation Q1 2013 Form 10-Q). |
| 4.25 | Form of 5.75% Senior Notes (included in Exhibit 4.24) (incorporated by reference to Exhibit 4.4 to the Products Corporation Q1 2013 Form 10-Q). |
| 4.26 | Registration Rights Agreement, dated as of February 8, 2013, among Products Corporation, certain subsidiaries of Products Corporation and CGMI, as representative of the several initial purchasers of the 5.75% Senior Notes (incorporated by reference to Exhibit 4.5 to the Products Corporation Q1 2013 Form 10-Q). |
| 4.27 | Supplemental Indenture, dated as of February 8, 2013, among Products Corporation, Revlon, Inc. and certain subsidiaries of Products Corporation, as guarantors thereto, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.6 to the Products Corporation Q1 2013 Form 10-Q). |
| 4.28 | Supplemental Indenture, dated as of January 21, 2014, among Products Corporation, Revlon, Inc. and certain subsidiaries of Products Corporation, as guarantors thereto, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.27 to the Products Corporation 2013 Form 10-K). |
| 4.29 | Schedules and Exhibits to the 2011 Term Loan Agreement (Confidential information has been omitted from this exhibit and filed separately with the Securities and Exchange Commission. Revlon, Inc. has requested confidential treatment from the Securities and Exchange Commission with respect to this omitted information)(incorporated by reference to Exhibit 4.1 to Products Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2014 filed with the SEC on April 30, 2014 ("Products Corporation's Q1 2014 Form 10-Q")). |
| 4.30 | Amendment No. 3 to the 2011 Term Loan Agreement, dated as of February 26, 2014 (incorporated by reference to Exhibit 4.1 to Products Corporation's Current Report on Form 8-K filed with the SEC on February 26, 2014 (the "Products Corporation February 26, 2014 Form 8-K")). |
| 4.31 | Reaffirmation Agreement, dated as of February 26, 2014, among Products Corporation, Revlon, Inc., certain of Products Corporation's domestic subsidiaries and CUSA, as administrative agent and collateral agent in connection with Amendment No. 3 to the 2011 Term Loan Agreement (incorporated |

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| | by reference to Exhibit 4.2 to the Products Corporation February 26, 2014 Form 8-K). |
| 4.32 | Schedule to Incremental Amendment, dated as of August 19, 2013, to the 2011 Term Loan Agreement, as amended on February 21, 2013 and August 19, 2013 (incorporated by reference to Exhibit 4.4 to Products Corporation's Q1 2014 Form 10-Q). |
| 4.33 | Schedules and Exhibits to the 2011 Revolving Credit Agreement (Confidential information has been omitted from this exhibit and filed separately with the Securities and Exchange Commission. Revlon, Inc. has requested confidential treatment from the Securities and Exchange Commission with respect to this omitted information)(incorporated by reference to Exhibit 4.5 to Products Corporation's Q1 2014 Form 10-Q). |

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| 4.34 | Third Supplemental Indenture, dated as of January 14, 2015, among Realistic Roux Professional Products Inc., Products Corporation, the Guarantors defined in the Indenture, and U.S Bank National Association (incorporated by reference to Exhibit 10.1 to Products Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2015, filed with the SEC on July 29, 2015 (the "Products Corporation Q2 2015 Form 10-Q"). |
| 4.35 | Fourth Supplemental Indenture, dated as of May 8, 2015, among RML, LLC, Products Corporation, the Guarantors defined in the Indenture, and U.S Bank National Association (incorporated by reference to Exhibit 10.2 to the Products Corporation Q2 2015 Form 10-Q). |
| 10. | Material Contracts. |
| 10.1 | Amended and Restated Senior Subordinated Term Loan Agreement, dated as of April 30, 2012, by and between Products Corporation, as the borrower, and MacAndrews & Forbes, as the initial lender (incorporated by reference to Exhibit 10.1 to Products Corporation's Current Report on Form 8-K filed with the SEC on May 1, 2012 (the "Products Corporation May 1, 2012 Form 8-K")). |
| 10.2 | Administrative Letter Agreement in connection with the Amended and Restated Senior Subordinated Term Loan Agreement, dated as of April 30, 2012, by and among Products Corporation, as the borrower, MacAndrews & Forbes, as the initial lender and Citibank, N.A., as the administrative agent for the Non-Contributed Loan (incorporated by reference to Exhibit 10.2 to the Products Corporation May 1, 2012 Form 8-K). |
| 10.3 | Tax Sharing Agreement, dated as of June 24, 1992, among MacAndrews & Forbes, Revlon, Inc., Products Corporation and certain subsidiaries of Products Corporation, as amended and restated as of January 1, 2001 (incorporated by reference to Exhibit 10.2 to Products Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 filed with the SEC on February 25, 2002). |
| 10.4 | Tax Sharing Agreement, dated as of March 26, 2004, by and among Revlon, Inc., Products Corporation and certain subsidiaries of Products Corporation (incorporated by reference to Exhibit 10.25 to Products Corporation's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2004 filed with the SEC on May 17, 2004). |
| 10.5 | Amended and Restated Employment Agreement, dated as of December 12, 2014, by and between Products Corporation and Lorenzo Delpani (incorporated by reference to Exhibit 10.9 to Revlon, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2014 filed with the SEC on March 12, 2015 (the "Revlon, Inc. 2014 Form 10-K"). |
| 10.6 | Employment Agreement, dated as of October 9, 2014, between Products Corporation and Gianni Pieraccioni (incorporated by reference to Exhibit 10.11 to the Revlon, Inc. 2014 Form 10-K). |
| 10.7* | First Amendment to Employment Agreement between Products Corporation and Gianni Pieraccioni, dated as of February 26, 2016. |
| 10.8 | Amended and Restated Employment Agreement, dated as of July 28, 2015, between Products Corporation and Roberto Simon (incorporated by reference to Exhibit 10.3 to Revlon, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2015 filed with the SEC on July 29, 2015). |
| 10.9 | Separation Agreement, dated as of November 3, 2015, between Products Corporation and Roberto Simon (incorporated by reference to Exhibit 10.1 to Revlon, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2015 filed with the SEC on November 4, 2015). |
| 10.10 | Fourth Amended and Restated Revlon, Inc. Stock Plan (as amended, the "Stock Plan") (incorporated by reference to Annex A to Revlon, Inc.'s Definitive Information Statement on Schedule 14C filed with the SEC on July 3, 2014). |

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| 10.11 | Form of Restricted Stock Agreement under the Stock Plan (incorporated by reference to Exhibit 10.3 to the Revlon, Inc. Q3 2014 Form 10-Q). |
| 10.12 | Revlon Executive Incentive Compensation Plan (incorporated by reference to Annex C to Revlon, Inc.'s Annual Proxy Statement on Schedule 14A filed with the SEC on April 21, 2015). |
| 10.13 | Amended and Restated Revlon Pension Equalization Plan, amended and restated as of December 14, 1998 (the "PEP") (incorporated by reference to Exhibit 10.15 to Revlon, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 1998 filed with the SEC on March 3, 1999). |
| 10.14 | Amendment to the PEP, dated as of May 28, 2009 (incorporated by reference to Exhibit 10.13 to the Revlon, Inc. 2009 Form 10-K). |
| 10.15 | Executive Supplemental Medical Expense Plan Summary, dated July 2000 (incorporated by reference to Exhibit 10.10 to Revlon, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2002 filed with the SEC on March 21, 2003). |

REVLON, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

| | |
|---|---|
| 10.16 | Benefit Plans Assumption Agreement, dated as of July 1, 1992, by and among Revlon Holdings, Revlon, Inc. and Products Corporation (incorporated by reference to Exhibit 10.25 to Products Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1992 filed with the SEC on March 12, 1993). |
| 10.17 | Revlon Executive Severance Pay Plan (incorporated by reference to Exhibit 10.2 to Revlon, Inc.'s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2009 filed with the SEC on April 30, 2009). |
| 21. | Subsidiaries. |
| *21.1 | Subsidiaries of Revlon, Inc. |
| 23. | Consents of Experts and Counsel. |
| *23.1 | Consent of KPMG LLP. |
| 24. | Powers of Attorney. |
| *24.1 | Power of Attorney executed by Ronald O. Perelman. |
| *24.2 | Power of Attorney executed by Alan S. Bernikow. |
| *24.3 | Power of Attorney executed by Viet D. Dinh. |
| *24.4 | Power of Attorney executed by Meyer Feldberg. |
| *24.5 | Power of Attorney executed by David L. Kennedy. . |
| *24.6 | Power of Attorney executed by Robert K. Kretzman. |
| *24.7 | Power of Attorney executed by Ceci Kurzman. |
| *24.8 | Power of Attorney executed by Tamara Mellon. |
| *24.9 | Power of Attorney executed by Debra G. Perelman. |
| *24.10 | Power of Attorney executed by Barry F. Schwartz. |
| *24.11 | Power of Attorney executed by Cristiana Falcone Sorrell. |
| *31.1 | Certification of Lorenzo Delpani, Chief Executive Officer, dated February 26, 2016, pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act. |
| *31.2 | Certification of Roberto Simon, Chief Financial Officer, dated February 26, 2016, pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act. |
| 32.1 (furnished herewith) | Certification of Lorenzo Delpani, Chief Executive Officer, dated February 26, 2016, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 (furnished herewith) | Certification of Roberto Simon, Chief Financial Officer, dated February 26, 2016, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| *99.1 | Revlon, Inc. Audit Committee Pre-Approval Policy. |
| *101.INS | XBRL Instance Document |
| *101.SCH | XBRL Taxonomy Extension Schema |
| *101.CAL | XBRL Taxonomy Extension Calculation Linkbase |
| *101.DEF | XBRL Taxonomy Extension Definition Linkbase |
| *101.LAB | XBRL Taxonomy Extension Label Linkbase |
| *101.PRE | XBRL Taxonomy Extension Presentation Linkbase |

*Filed herewith.

REVLON, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULE

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
The Board of Directors and Stockholders
Revlon, Inc.:

We have audited the accompanying consolidated balance sheets of Revlon, Inc. and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of income (loss) and comprehensive income (loss), stockholders' deficiency, and cash flows for each of the years in the three year period ended December 31, 2015. In connection with our audits of the consolidated financial statements, we also have audited financial statement schedule II. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Revlon, Inc. and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the years in the three year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Revlon, Inc. and its subsidiaries' internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 26, 2016 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

New York, New York
February 26, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
The Board of Directors and Stockholders
Revlon, Inc.:

We have audited Revlon, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Revlon, Inc. and subsidiaries' management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Revlon, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Revlon, Inc. and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of income (loss) and comprehensive income (loss), stockholders' deficiency, and cash flows for each of the years in the three-year period ended December 31, 2015, and our report dated February 26, 2016 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

New York, New York
February 26, 2016

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Item 1. Financial Statements

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

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | $326.9 | $275.3 |
| Trade receivables, less allowance for doubtful accounts of $10.5 and $9.3 as of December 31, 2015 and December 31, 2014, respectively | 244.9 | 238.9 |
| Inventories | 183.8 | 156.6 |
| Deferred income taxes – current | 58.0 | 58.4 |
| Prepaid expenses and other | 53.3 | 44.6 |
| Total current assets | 866.9 | 773.8 |
| Property, plant and equipment, net of accumulated depreciation of $271.7 and $250.5 as of December 31, 2015 and December 31, 2014, respectively | 215.3 | 212.0 |
| Deferred income taxes – noncurrent | 40.3 | 53.1 |
| Goodwill | 469.7 | 464.1 |
| Intangible assets, net of accumulated amortization of $61.1 and $39.3 as of December 31, 2015 and December 31, 2014, respectively | 318.0 | 327.8 |
| Other assets | 104.1 | 113.3 |
| Total assets | $2,014.3 | $1,944.1 |
| LIABILITIES AND STOCKHOLDERS' DEFICIENCY | | |
| Current liabilities: | | |
| Short-term borrowings | $11.3 | $6.6 |
| Current portion of long-term debt | 30.0 | 31.5 |
| Accounts payable | 201.3 | 153.5 |
| Accrued expenses and other | 272.4 | 273.3 |
| Total current liabilities | 515.0 | 464.9 |
| Long-term debt | 1,803.7 | 1,832.4 |
| Long-term pension and other post-retirement plan liabilities | 185.3 | 200.9 |
| Other long-term liabilities | 97.8 | 90.0 |
| Stockholders' deficiency: | | |
| Class A Common Stock, par value $0.01 per share; 900,000,000 shares authorized; 54,088,174 and 53,925,029 shares issued as of December 31, 2015 and December 31, 2014, respectively | 0.5 | 0.5 |
| Additional paid-in capital | 1,026.3 | 1,020.9 |
| Treasury stock, at cost: 859,921 and 777,181 shares of Class A Common Stock as of December 31, 2015 and December 31, 2014, respectively | (13.3) | (10.5) |
| Accumulated deficit | (1,355.7) | (1,411.8) |
| Accumulated other comprehensive loss | (245.3) | (243.2) |
| Total stockholders' deficiency | (587.5) | (644.1) |
| Total liabilities and stockholders' deficiency | $2,014.3 | $1,944.1 |

See Accompanying Notes to Consolidated Financial Statements

REVLON, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(dollars in millions, except share and per share amounts)

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| Net sales | $1,914.3 | $1,941.0 | $1,494.7 |
| Cost of sales | 667.8 | 668.3 | 545.1 |
| Gross profit | 1,246.5 | 1,272.7 | 949.6 |
| Selling, general and administrative expenses | 1,002.5 | 1,009.5 | 731.7 |
| Acquisition and integration costs | 8.0 | 6.4 | 25.4 |
| Restructuring charges and other, net | 10.5 | 21.3 | 3.5 |
| Goodwill impairment charge | 9.7 | — | — |
| Operating income | 215.8 | 235.5 | 189.0 |
| Other expenses, net: | | | |
| Interest expense | 83.3 | 84.4 | 73.8 |
| Interest expense – preferred stock dividends | — | — | 5.0 |
| Amortization of debt issuance costs | 5.7 | 5.5 | 5.2 |
| Loss on early extinguishment of debt | — | 2.0 | 29.7 |
| Foreign currency losses, net | 15.7 | 25.0 | 3.7 |
| Miscellaneous, net | 0.4 | 1.2 | 1.0 |
| Other expenses, net | 105.1 | 118.1 | 118.4 |
| Income from continuing operations before income taxes | 110.7 | 117.4 | 70.6 |
| Provision for income taxes | 51.4 | 77.8 | 46.0 |
| Income from continuing operations, net of taxes | 59.3 | 39.6 | 24.6 |
| (Loss) income from discontinued operations, net of taxes | (3.2) | 1.3 | (30.4) |
| Net income (loss) | $56.1 | $40.9 | $(5.8) |
| Other comprehensive income (loss): | | | |
| Foreign currency translation adjustments, net of tax [(a)] | (18.1) | (24.6) | (4.1) |
| Amortization of pension related costs, net of tax [(b)(c)] | 7.2 | 4.5 | 7.7 |
| Pension re-measurement, net of tax [(d)] | (6.9) | (69.6) | 53.3 |
| Pension settlement, net of tax [(e)] | 17.3 | — | — |
| Revaluation of derivative financial instruments, net of reclassifications into earnings [(f)] | (1.6) | (3.7) | 1.5 |
| Other comprehensive (loss) income | (2.1) | (93.4) | 58.4 |
| Total comprehensive income (loss) | $54.0 | $(52.5) | $52.6 |
| | | | |
| Basic earnings (loss) per common share: | | | |
| Continuing operations | $1.13 | $0.76 | $0.47 |
| Discontinued operations | (0.06) | 0.02 | (0.58) |
| Net income | $1.07 | $0.78 | $(0.11) |
| | | | |
| Diluted earnings (loss) per common share: | | | |
| Continuing operations | $1.13 | $0.76 | $0.47 |
| Discontinued operations | (0.06) | 0.02 | (0.58) |
| Net income | $1.07 | $0.78 | $(0.11) |
| | | | |
| Weighted average number of common shares outstanding: | | | |
| Basic | 52,431,193 | 52,359,897 | 52,356,798 |

| Diluted | 52,591,545 | 52,423,939 | 52,357,729 |
|---|---|---|---|

(a) Net of tax benefit of $5.1 million, $2.1 million and $3.3 million for 2015, 2014 and 2013, respectively.

(b) Net of tax expense of $1.3 million, $0.1 million and $1.2 million for 2015, 2014 and 2013, respectively.

(c) This other comprehensive income component is included in the computation of net periodic benefit (income) costs. See Note 14, "Savings Plan, Pension and Post-Retirement Benefits," for additional information regarding net periodic benefit (income) costs.

(d) Net of tax (benefit) expense of $(3.3) million, $(42.0) million and $33.5 million for 2015, 2014 and 2013, respectively.

(e) Net of tax expense of $3.7 million.

(f) Net of tax (benefit) expense of $(1.0) million, $(2.3) million and $1.0 million for 2015, 2014 and 2013, respectively.

See Accompanying Notes to Consolidated Financial Statements

REVLON, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIENCY
(dollars in millions)

| | Common Stock | Additional Paid-In-Capital | Treasury Stock | Accumulated Deficit | Accumulated Other Comprehensive Loss | Total Stockholders' Deficiency |
|---|---|---|---|---|---|---|
| Balance, December 31, 2012 | $0.5 | 1,015.1 | (9.8) | (1,446.9) | (208.2) | (649.3) |
| Stock-based compensation amortization | | 0.2 | | | | 0.2 |
| Net loss | | | | (5.8) | | (5.8) |
| Other comprehensive income, net [(a)] | | | | | 58.4 | 58.4 |
| Balance, December 31, 2013 | $0.5 | $ 1,015.3 | $(9.8) | $(1,452.7) | $(149.8) | $(596.5) |
| Treasury stock acquired, at cost [(b)] | | | (0.7) | | | (0.7) |
| Stock-based compensation amortization | | 5.5 | | | | 5.5 |
| Excess tax benefits from stock-based compensation | | 0.1 | | | | 0.1 |
| Net income | | | | 40.9 | | 40.9 |
| Other comprehensive loss, net [(a)] | | | | | (93.4) | (93.4) |
| Balance, December 31, 2014 | $0.5 | $ 1,020.9 | $(10.5) | $(1,411.8) | $(243.2) | $(644.1) |
| Treasury stock acquired, at cost [(b)] | | | (2.8) | | | (2.8) |
| Stock-based compensation amortization | | 5.1 | | | | 5.1 |
| Excess tax benefits from stock-based compensation | | 0.3 | | | | 0.3 |
| Net income | | | | 56.1 | | 56.1 |
| Other comprehensive loss, net [(a)] | | | | | (2.1) | (2.1) |
| Balance, December 31, 2015 | $0.5 | $ 1,026.3 | $(13.3) | $(1,355.7) | $(245.3) | $(587.5) |

(a) See Note 17, "Accumulated Other Comprehensive Loss," regarding the changes in the accumulated balances for each component of other comprehensive loss during each of 2015, 2014 and 2013.

(b) Pursuant to the share withholding provisions of the Fourth Amended and Restated Revlon, Inc. Stock Plan (the "Stock Plan"), certain senior executives, in lieu of paying certain withholding taxes on the vesting of restricted stock, authorized the withholding of an aggregate 82,740 and 22,328 shares of Revlon, Inc. Class A Common Stock during 2015 and 2014, respectively, to satisfy certain minimum statutory tax withholding requirements related to the vesting of such shares. These withheld shares were recorded as treasury stock using the cost method, at a weighted average price per share of $34.40 and $33.54 during 2015 and 2014, respectively, based on the closing price of Revlon, Inc. Class A Common Stock as reported on the NYSE consolidated tape on each respective vesting date, for a total of $2.8 million in 2015 and $0.7 million in 2014. See Note 15, "Stock Compensation Plan"

to the Consolidated Financial Statements in Revlon, Inc.'s 2015 Form 10-K for details regarding restricted stock awards under the Stock Plan.

See Accompanying Notes to Consolidated Financial Statements

REVLON, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in millions)

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Net income (loss) | $56.1 | $40.9 | $(5.8) |
| Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities: | | | |
| Depreciation and amortization | 103.2 | 102.6 | 76.7 |
| Foreign currency losses from re-measurement | 19.5 | 25.5 | 5.9 |
| Amortization of debt discount | 1.4 | 1.4 | 1.5 |
| Stock-based compensation amortization | 5.1 | 5.5 | 0.2 |
| Goodwill impairment charge | 9.7 | — | — |
| Provision for deferred income taxes | 28.3 | 64.3 | 30.8 |
| Loss on early extinguishment of debt | — | 2.0 | 29.7 |
| Amortization of debt issuance costs | 5.7 | 5.5 | 5.2 |
| Insurance proceeds for property, plant and equipment | — | — | (13.1) |
| Gain on sale of certain assets | (6.4) | (2.1) | (2.9) |
| Pension and other post-retirement cost (income) | 19.0 | (5.3) | (0.2) |
| Change in assets and liabilities: | | | |
| (Increase) decrease in trade receivables | (18.5) | (5.5) | 40.1 |
| (Increase) decrease in inventories | (30.6) | 9.2 | 10.2 |
| (Increase) decrease in prepaid expenses and other current assets | (20.5) | 15.2 | 7.5 |
| Increase in accounts payable | 34.9 | 0.2 | 19.0 |
| Increase (decrease) in accrued expenses and other current liabilities | 7.3 | (22.2) | (16.7) |
| Pension and other post-retirement plan contributions | (18.1) | (19.0) | (18.5) |
| Purchases of permanent displays | (47.4) | (45.3) | (44.5) |
| Other, net | 6.6 | 1.1 | (1.8) |
| Net cash provided by operating activities | 155.3 | 174.0 | 123.3 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Capital expenditures | (48.3) | (55.5) | (28.6) |
| Business acquisitions, net of cash acquired | (41.7) | — | (627.6) |
| Insurance proceeds for property, plant and equipment | — | — | 13.1 |
| Proceeds from the sale of certain assets | 6.2 | 3.4 | 3.7 |
| Net cash used in investing activities | (83.8) | (52.1) | (639.4) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Net increase (decrease) in short-term borrowings and overdraft | 23.0 | (4.7) | (6.3) |
| Repayment under the Amended and Restated Senior Subordinated Term Loan | — | (58.4) | — |
| Repayments under the Acquisition Term Loan | (19.3) | (7.0) | — |
| Prepayments under the 2011 Term Loan | (12.1) | — | — |
| Borrowings under the Acquisition Term Loan | — | — | 698.3 |
| Proceeds from the issuance of the 5¾% Senior Notes | — | — | 500.0 |
| Repayment of the 9¾% Senior Secured Notes | — | — | (330.0) |
| Repayments under the 2011 Term Loan | — | — | (113.0) |
| Redemption of Preferred Stock | — | — | (48.6) |
| Payment of financing costs | — | (1.8) | (48.8) |
| Other financing activities | (3.7) | (3.2) | (2.6) |

| | | | |
|---|---|---|---|
| Net cash (used in) provided by financing activities | (12.1) | (75.1) | 649.0 |
| Effect of exchange rate changes on cash and cash equivalents | (7.8) | (15.6) | (5.1) |
| Net increase in cash and cash equivalents | 51.6 | 31.2 | 127.8 |
| Cash and cash equivalents at beginning of period | 275.3 | 244.1 | 116.3 |
| Cash and cash equivalents at end of period | $326.9 | $275.3 | $244.1 |
| Supplemental schedule of cash flow information: | | | |
| Cash paid during the period for: | | | |
| Interest | $79.9 | $85.6 | $72.5 |
| Income taxes, net of refunds | 25.4 | 21.1 | 12.7 |
| Preferred stock dividends | — | — | 6.2 |
| Supplemental schedule of non-cash investing and financing activities: | | | |
| Treasury stock received to satisfy certain minimum tax withholding liabilities | $2.8 | $0.7 | $0.0 |

See Accompanying Notes to Consolidated Financial Statements

REVLON, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Item 1. Financial Statements

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revlon, Inc. (and together with its subsidiaries, the "Company") conducts its business exclusively through its direct wholly-owned operating subsidiary, Revlon Consumer Products Corporation ("Products Corporation"), and its subsidiaries. Revlon, Inc. is an indirect majority-owned subsidiary of MacAndrews & Forbes Incorporated (together with certain of its affiliates other than the Company, "MacAndrews & Forbes"), a corporation wholly-owned by Ronald O. Perelman. The Company's vision is to establish Revlon as the quintessential and most innovative beauty company in the world by offering products that make consumers feel attractive and beautiful. We want to inspire our consumers to express themselves boldly and confidently. The Company operates in three reporting segments: the consumer division ("Consumer"); the professional division ("Professional"); and Other (as described below). The Company manufactures, markets and sells worldwide an extensive array of beauty and personal care products, including color cosmetics, hair color, hair care and hair treatments, beauty tools, men's grooming products, anti-perspirant deodorants, fragrances, skincare and other beauty care products. The Company's principal customers for its products in the Consumer segment include large volume retailers, chain drug and food stores, chemist shops, hypermarkets, general merchandise stores, the Internet/e-commerce, television shopping, department stores, one-stop shopping beauty retailers, specialty cosmetics stores and perfumeries in the U.S. and internationally. The Company's principal customers for its products in the Professional segment include hair and nail salons and distributors to professional salons in the U.S. and internationally.

Effective in the second quarter of 2015, the Company has a third reporting segment, Other, which includes the operating results of certain brands that our chief operating decision maker reviews on a stand-alone basis. The results included within the Other segment include the operating results and purchase accounting for the Company's April 2015 acquisition of the CBBeauty Group and certain of its related entities (collectively "CBB" and such transaction, the "CBB Acquisition"). CBB develops, manufactures, markets and distributes fragrances and other beauty products under various celebrity, lifestyle and fashion brands licensed from third parties, principally through department stores and selective distribution in international territories. The results included within the Other segment are not material to the Company's consolidated results of operations. Refer to Note 2, "Business Combinations," for further details related to the CBB Acquisition.

Unless the context otherwise requires, all references to the Company mean Revlon, Inc. and its subsidiaries. Revlon, Inc., as a public holding company, has no business operations of its own and owns, as its only material asset, all of the outstanding capital stock of Products Corporation. As such, its net income/(loss) has historically consisted predominantly of the net income/(loss) of Products Corporation, and in 2015, 2014 and 2013 included $9.0 million, $9.8 million and $8.1 million, respectively, in expenses incidental to being a public holding company.

The accompanying Consolidated Financial Statements include the Company's accounts after the elimination of all material intercompany balances and transactions. Certain prior year amounts have been reclassified to conform to the current year presentation.

The preparation of the Company's Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the Consolidated Financial Statements in the period they are determined to be necessary. Significant estimates made in the accompanying Consolidated Financial Statements include, but are not limited to, allowances for doubtful accounts, inventory valuation reserves, expected sales returns and allowances, trade support costs, certain assumptions related to the valuation of acquired intangible and long-lived assets and the recoverability of goodwill, intangible and long-lived assets, income taxes, including deferred tax valuation allowances and reserves for estimated tax liabilities, restructuring costs, certain estimates and assumptions used in the calculation of the net periodic benefit (income) costs

and the projected benefit obligations for the Company’s pension and other post-retirement plans, including the expected long-term return on pension plan assets and the discount rate used to value the Company’s pension benefit obligations.

Discontinued Operations Presentation

As a result of the Company's decision on December 30, 2013 to exit its direct manufacturing, warehousing and sales business operations in mainland China, the Company has reported the results of its former China operations within (loss) income from discontinued operations, net of taxes in the Company's Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for all periods presented. See Note 4, "Discontinued Operations," for further discussion.

REVLON, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Cash and Cash Equivalents:
Cash equivalents are primarily investments in high-quality, short-term money market instruments with original maturities of three months or less and are carried at cost, which approximates fair value. Cash equivalents were $1.6 million and $6.3 million as of December 31, 2015 and 2014, respectively. Accounts payable includes $19.5 million and $2.2 million of outstanding checks not yet presented for payment at December 31, 2015 and 2014, respectively.

Trade Receivables:
Trade receivables represent payments due to the Company for previously recognized net sales, reduced by an allowance for doubtful accounts for balances which are estimated to be uncollectible at December 31, 2015 and 2014, respectively. The Company grants credit terms in the normal course of business to its customers. Trade credit is extended based upon periodically updated evaluations of each customer's ability to perform its payment obligations. The Company does not normally require collateral or other security to support credit sales. The allowance for doubtful accounts is determined based on historical experience and ongoing evaluations of the Company's receivables and evaluations of the risks of payment. The allowance for doubtful accounts is recorded against trade receivable balances when they are deemed uncollectible. Recoveries of trade receivables previously reserved are recorded in the consolidated statements of income (loss) and comprehensive income (loss) when received. At December 31, 2015 and 2014, the Company's three largest customers accounted for an aggregate of approximately 27% and 31%, respectively, of the Company's outstanding trade receivables.

Inventories:
Inventories are stated at the lower of cost or market value. Cost is based on standard cost and production variances, which approximates actual cost on the first-in, first-out method. Cost components include direct materials, direct labor and direct overhead, as well as in-bound freight. The Company records adjustments to the value of inventory based upon its forecasted plans to sell products included in inventory, as well as planned product discontinuances. The physical condition (e.g., age and quality) of the inventories is also considered in establishing its valuation. These adjustments are estimates, which could vary significantly, either favorably or unfavorably, from the amounts that the Company may ultimately realize upon the disposition of inventories if future economic conditions, customer inventory levels, product discontinuances, sales return levels or competitive conditions differ from the Company's estimates and expectations.

Property, Plant and Equipment and Other Assets:
Property, plant and equipment is recorded at cost and is depreciated on a straight-line basis over the estimated useful lives of such assets as follows: land improvements, 20 to 30 years; buildings and improvements, 5 to 50 years; machinery and equipment, 3 to 15 years; office furniture and fixtures, 3 to 15 years; and capitalized software, 2 to 10 years. Leasehold improvements and building improvements are amortized over their estimated useful lives or the terms of the leases or remaining life of the original structure, respectively, whichever is shorter. Repairs and maintenance are charged to operations as incurred, and expenditures for additions and improvements are capitalized. See Note 7, “Property, Plant and Equipment" for further discussion.
Included in other assets are permanent wall displays amounting to $65.6 million and $63.3 million as of December 31, 2015 and 2014, respectively, which are amortized generally over a period of 1 to 3 years. In the event of product discontinuances, from time to time the Company may accelerate the amortization of related permanent wall displays based on the estimated remaining useful life of the asset. Amortization expense for permanent wall displays was $41.3 million, $42.5 million and $39.2 million for 2015, 2014 and 2013, respectively. The Company has also included, in other assets, net deferred financing costs related to the issuance of the Company’s debt instruments amounting to $21.3 million and $26.9 million as of December 31, 2015 and 2014, respectively, which are amortized over the terms of the related debt instruments using the effective-interest method.

Long-lived assets, including property, plant and equipment and finite-lived intangibles, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, the Company estimates the undiscounted future cash flows (excluding interest) resulting from the use of the asset and its ultimate disposition. If the sum of the undiscounted cash flows (excluding interest) is less than the carrying value, the Company recognizes an impairment loss, measured as the amount by which the carrying value exceeds the fair value of the asset. In connection with integrating Colomer into the Company's business, the Company determined it would implement a company-wide, SAP enterprise resource planning system. As a result, the Company recognized a $5.9 million impairment charge related to in-progress capitalized software development costs during the year ended December 31, 2013 which was included as a component of acquisition and integration costs for 2013 in the Company's Consolidated Statements of Income (Loss) and Comprehensive Income (Loss). There were no significant impairment to long-lived assets during the years ended December 31, 2015 and 2014.

Goodwill:

Goodwill represents the excess purchase price for businesses acquired over the fair value of net assets acquired. Goodwill is not amortized, but rather is reviewed annually for impairment at the reporting unit level using September 30th carrying values, or when there is evidence that events or changes in circumstances indicate that the Company’s carrying amount may not be recovered.

For 2015, in assessing whether goodwill was impaired in connection with its annual impairment test performed as of September 30th, the Company utilized the two-step process as prescribed by Accounting Standards Codification ("ASC") 350, Intangibles - Goodwill and Other. In the first step of this test, the Company compared the fair value of each of the Company's four reporting units, determined based upon discounted estimated future cash flows, to the carrying amount of such reporting unit, including goodwill. Where the fair value of such reporting unit exceeded the carrying amount, no further work was required and no impairment loss was recognized. Where the carrying amount of the reporting unit exceeded the fair value, the goodwill of the reporting unit was considered potentially impaired and the Company performed step two of the goodwill impairment test to measure the amount of the impairment loss. As a result of the annual impairment test, the Company recognized a $9.7 million non-cash goodwill impairment charge in the fourth quarter of 2015.

For 2014 and 2013, the Company performed qualitative assessments to determine whether it would be necessary to perform the two-step goodwill impairment test and to assess the Company's indefinite-lived intangible assets for indicators of impairment, and in each case determined that it is more likely than not that the fair value of each of the Company's reporting units and indefinite-lived intangible assets exceeded their carrying amounts for such reporting years. The Company did not record any impairment of goodwill during the years ended December 31, 2014 or 2013 as a result of its annual impairment test.

See Note 2, “Business Combinations” and Note 8, “Goodwill and Intangible Assets, Net” for further discussion of the Company's goodwill and annual impairment test.

Intangible Assets, net:

Intangible Assets, net, include trade names and trademarks, customer relationships, patents and internally developed intellectual property ("IP") and acquired licenses. Indefinite-lived intangible assets, consisting of certain trade names, are not amortized, but rather are tested for impairment annually on September 30th, similar to goodwill, and the Company recognizes an impairment if the carrying amount of its intangible assets exceeds its fair value. Intangible assets with finite useful lives are amortized over their respective estimated useful lives to their estimated residual values. The Company writes off the gross carrying amount and accumulated amortization for intangible assets in the year in which the asset becomes fully amortized. Finite-lived intangible assets are considered for impairment upon the occurrence of certain “triggering events” and the Company recognizes an impairment if the carrying amount of the asset group intangible asset exceeds the Company's estimate of its undiscounted future cash flows. There was no impairment of intangible assets in 2015, 2014 or 2013.

See Note 2, “Business Combinations” and Note 8, “Goodwill and Intangible Assets, Net” for further discussion of the Company's intangible assets, including a summary of finite-lived and indefinite-lived intangible assets.

Revenue Recognition and Sales Returns:

The Company's policy is to recognize revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collection is probable. The Company records revenue from the sale of its products when risk of loss and title to the product transfers to the customer. Net sales are comprised of gross revenues less expected product returns, trade discounts and customer allowances, which include costs associated with off-invoice mark-downs and other price reductions, as well as trade promotions and coupons. These incentive costs are recognized at the later of the date on which the Company recognizes the related revenue or the date on which the Company offers the incentive.

The Company allows customers to return their unsold products if and when they meet certain Company-established criteria as set forth in the Company's trade terms. The Company regularly reviews and revises, when deemed necessary, its estimates of sales returns based primarily upon the historical rate of actual product returns, planned product discontinuances, new product launches and estimates of customer inventory and promotional sales. The Company records sales returns as a reduction to sales and cost of sales, and an increase to accrued liabilities and inventories. Returned products, which are recorded as inventories, are valued based upon the amount that the Company expects to realize upon their subsequent disposition. The physical condition and marketability of the returned products are the major factors considered by the Company in estimating their realizable value.

Revenues derived from licensing arrangements, including any pre-payments, are recognized in the period in which they are earned, but not before the initial license term commences.

Cost of Sales:
Cost of sales includes all of the costs to manufacture the Company's products. For products manufactured in the Company's own facilities, such costs include raw materials and supplies, direct labor and factory overhead. For products manufactured for the Company by third-party contractors, such cost represents the amounts invoiced by the contractors. Cost of sales also includes the cost of refurbishing products returned by customers that will be offered for resale and the cost of inventory write-downs associated with adjustments of held inventories to their net realizable value. These costs are reflected in the Company’s consolidated statements of income (loss) and comprehensive income (loss) when the product is sold and net sales revenues are recognized or, in the case of inventory write-downs, when circumstances indicate that the carrying value of inventories is in excess of their recoverable value. Additionally, cost of sales reflects the costs associated with any free products included as sales and promotional incentives. These incentive costs are recognized on the later of the date that the Company recognizes the related revenue or the date on which the Company offers the incentive.

Selling, General and Administrative Expenses:
Selling, general and administrative (“SG&A”) expenses include expenses to advertise the Company's products, such as television advertising production costs and air-time costs, print advertising costs, digital marketing costs, promotional displays and consumer promotions. SG&A expenses also include the amortization of permanent wall displays and finite-lived intangible assets, depreciation of certain fixed assets, distribution costs (such as freight and handling), non-manufacturing overhead (principally personnel and related expenses), selling and trade educations fees, insurance and professional service fees.

Advertising:
Advertising within SG&A expenses includes television, print, digital marketing and other advertising production costs which are expensed the first time the advertising takes place. The costs of promotional displays are expensed in the period in which they are shipped to customers. Advertising expenses were $375.1 million, $383.2 million and $278.5 million for 2015, 2014 and 2013, respectively, and were included in SG&A expenses in the Company's Consolidated Statements of Income (Loss) and Comprehensive Income (Loss). The Company also has various arrangements with customers pursuant to its trade terms to reimburse them for a portion of their advertising costs, which provide advertising benefits to the Company. Additionally, from time to time the Company may pay fees to customers in order to expand or maintain shelf space for its products. The costs that the Company incurs for "cooperative" advertising programs, end cap placement, shelf placement costs, slotting fees and marketing development funds, if any, are expensed as incurred and are recorded as a reduction within net sales.

Distribution Costs:
Costs associated with product distribution, such as freight and handling costs, are recorded within SG&A expenses when incurred. Distribution costs were $80.2 million, $84.9 million and $66.5 million for 2015, 2014 and 2013, respectively.

Income Taxes:
Income taxes are calculated using the asset and liability method. Under this method, the Company recognizes deferred tax assets and liabilities for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases, as well as for operating loss and tax credit carryforwards. The Company measures deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company recognizes the effect of a change in income tax rates on deferred tax assets and liabilities in income in the period that includes the enactment date. The Company records valuation allowances to reduce deferred tax assets

when it is more likely than not that a tax benefit will not be realized.
The Company recognizes a tax position in its financial statements when it is more likely than not that the position will be sustained upon examination, based on the merits of such position. The Company recognizes liabilities for unrecognized tax positions in the U.S. and other tax jurisdictions based on an estimate of whether and the extent to which additional taxes will be due. If payment of these amounts is ultimately not required, the reversal of the liabilities would result in additional tax benefits recognized in the period in which the Company determines that the liabilities are no longer required. If the estimate of tax liabilities is ultimately less than the final assessment, this will result in a further charge to expense. The Company recognizes interest and penalties related to income tax matters in income tax expense.

Research and Development:
Research and development expenditures are expensed as incurred and included within SG&A expenses. The amounts charged in 2015, 2014 and 2013 for research and development expenditures were $31.2 million, $31.6 million and $26.9 million, respectively.

Foreign Currency Translation:
Assets and liabilities of foreign operations, whose functional currency is the local currency, are translated into U.S. Dollars at the rates of exchange in effect at the balance sheet date. Income and expense items are translated at the weighted average exchange rates prevailing during each period presented. Gains and losses resulting from foreign currency transactions are included in the results of operations. Gains and losses resulting from translation of financial statements of foreign subsidiaries and branches operating in non-hyperinflationary economies are recorded as a component of accumulated other comprehensive loss until either the sale or upon the complete or substantially complete liquidation by the Company of its investment in a foreign entity. To the extent that foreign subsidiaries and branches operate in hyperinflationary economies, non-monetary assets and liabilities are translated at historical rates and translation adjustments are included in the Company's results of operations.
Venezuela - Highly-Inflationary Economy: Effective January 1, 2010, Venezuela was designated as a highly inflationary economy under U.S. GAAP. As a result, beginning January 1, 2010, the U.S. Dollar is the functional currency for the Company’s subsidiary in Venezuela (“Revlon Venezuela”). As Venezuela is designated as highly inflationary, foreign currency translation adjustments of Revlon Venezuela’s balance sheet have been reflected in the Company's earnings.
Venezuela - Foreign Currency Restrictions: Foreign currency restrictions enacted by the Venezuelan government since 2003 have become more restrictive and have had an impact on Revlon Venezuela’s ability to obtain U.S. Dollars in exchange for Venezuelan Bolivars ("Bolivars") at the official foreign exchange rates from the Venezuelan government and its foreign exchange commission, the Comisión de Administracion de Divisas (“CADIVI”). In May 2010, the Venezuelan government took control over the previously freely-traded foreign currency exchange market and, in June 2010, replaced it with a new foreign currency exchange system, the Sistema de Transacciones en Moneda Extranjera (“SITME”). In the second quarter of 2011, the Company began using a SITME rate of 5.5 Bolivars per U.S. Dollar (the "SITME Rate") to translate Revlon Venezuela’s financial statements, as this was the rate at which the Company accessed U.S. Dollars in the SITME market during this period. Through December 31, 2012, the Company continued using the SITME Rate to translate Revlon Venezuela’s financial statements.
Venezuela - 2013 Foreign Currency Devaluation: In February 2013, the Venezuelan government announced the devaluation of Bolivars relative to the U.S. Dollar, changing the official exchange rate to 6.3 Bolivars per U.S. Dollar (the "Official Rate"). The Venezuelan government also announced that the SITME currency market administered by the central bank would be eliminated, and as a result, the Company began using the Official Rate to translate Revlon Venezuela’s financial statements beginning in 2013. To reflect the impact of the foreign currency devaluation, the Company recorded a foreign currency loss of $0.6 million in earnings in the first quarter of 2013 as a result of the required re-measurement of Revlon Venezuela’s monetary assets and liabilities.
Venezuela - 2014 Foreign Currency Devaluation: In January 2014, the Venezuela government announced that the CADIVI would be replaced by the government-operated National Center of Foreign Commerce (the "CENCOEX"), and indicated that the Sistema Complementario de Administración de Divisas (“SICAD”) market would continue to be offered as an alternative foreign currency exchange. Additionally, a parallel foreign currency exchange system, SICAD II, started functioning in March 2014 and allowed companies to apply for the purchase of foreign currency and foreign currency denominated securities for any legal use or purpose. Throughout 2014, the Company exchanged Bolivars for U.S. Dollars to the extent permitted through the various foreign currency markets available based on its ability to participate in those markets. Prior to June 30, 2014, the Company utilized the Official Rate. Following a consideration of the Company's specific facts and circumstances, which included its legal ability and intent to participate in the SICAD II exchange market to import finished goods into Venezuela, the Company determined that it was appropriate to utilize the SICAD II rate of 53 Bolivars per U.S. Dollar (the "SICAD II Rate") to translate Revlon Venezuela’s financial statements beginning on June 30, 2014. As a result, the Company recorded a foreign currency loss of $6.0 million in the second quarter of 2014 related to the required re-measurement of Revlon Venezuela’s monetary assets and liabilities.

Venezuela - 2015 Foreign Currency Devaluation: In February 2015, the Venezuela government introduced a new foreign currency exchange platform, the Marginal Currency System ("SIMADI"), which created a third new mechanism to exchange Bolivars for U.S. Dollars through private brokers. SIMADI replaced the SICAD II system and started operating on February 12, 2015. As a result, the Company considered its specific facts and circumstances in order to determine the appropriate rate of exchange to translate Revlon Venezuela's financial statements. Through December 31, 2015, the Company has not participated in the SIMADI exchange market; however, given the elimination of the SICAD II system, the Company determined that it was appropriate to use the SIMADI rate of 193 Bolivars per U.S. Dollar (the "SIMADI Rate") to translate Revlon Venezuela's balance sheet beginning on March 31, 2015.

As a result of the change from the SICAD II Rate to the SIMADI Rate, on March 31, 2015 the Company was required to re-measure all of Revlon Venezuela's monetary assets and liabilities at the SIMADI Rate. The Company recorded a foreign currency loss of $1.9 million in the first quarter of 2015 as a result of the required re-measurement of Revlon Venezuela's balance sheet. During the second quarter of 2015, the Company exited its business operations in Venezuela and changed to a distributor model.

Basic and Diluted Earnings per Common Share and Classes of Stock:
Shares used in basic earnings per share are computed using the weighted average number of common shares outstanding during each period. Shares used in diluted earnings per share include the dilutive effect of unvested restricted shares under the stock plan using the treasury stock method. (See Note 20, "Basic and Diluted Earnings (Loss) Per Common Share").

Stock-Based Compensation:
The Company recognizes stock-based compensation costs for its restricted stock, measured at the fair value of each award at the time of grant, as an expense over the period during which an employee is required to provide service. Upon the vesting of restricted stock, any resulting tax benefits are recognized in additional paid-in-capital. Any resulting tax deficiencies are recognized in the consolidated statements of income (loss) and comprehensive income (loss) as tax expense to the extent that the tax deficiency amount exceeds any existing additional paid-in-capital resulting from previously realized excess tax benefits from previous awards. The Company reflects such excess tax benefits as cash flows from financing activities in the consolidated statements of cash flows.

Derivative Financial Instruments:
The Company is exposed to certain risks relating to its ongoing business operations. The Company uses derivative financial instruments, including: (i) foreign currency forward exchange contracts (“FX Contracts”) intended for the purpose of managing foreign currency exchange risk by reducing the effects of fluctuations in foreign currency exchange rates on the Company’s net cash flows; and (ii) interest rate hedging transactions intended for the purpose of managing interest rate risk associated with Products Corporation’s variable rate indebtedness.
Foreign Currency Forward Exchange Contracts
Products Corporation enters into FX Contracts primarily to hedge the anticipated net cash flows resulting from inventory purchases and intercompany payments denominated in currencies other than the local currencies of the Company’s foreign and domestic operations and generally have maturities of less than one year. The Company does not apply hedge accounting to its FX Contracts. The Company records FX Contracts in its consolidated balance sheet at fair value and immediately recognizes changes in fair value in earnings. Fair value of the Company’s FX Contracts is determined by using observable market transactions of spot and forward rates. See Note 13, “Financial Instruments” for further discussion of the Company's FX Contracts.
Interest Rate Swap
In November 2013, Products Corporation executed the 2013 Interest Rate Swap (as hereinafter defined), which has been designated as a cash flow hedge of the variability of the forecasted three-month LIBOR interest rate payments related to its Acquisition Term Loan (as hereinafter defined). The Company records changes in the fair value of cash flow hedges that are designated as effective instruments as a component of accumulated other comprehensive loss. The Company immediately recognizes any ineffectiveness in such cash flow hedges in earnings. The Company recognizes gains and losses deferred in accumulated other comprehensive loss in current-period earnings when earnings are affected by the variability of cash flows of the hedged forecasted transaction. See Note 13, “Financial Instruments” for further discussion of the Company's 2013 Interest Rate Swap.
Recently Adopted Accounting Pronouncements
In April 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity," which changes the requirements for reporting discontinued operations under Accounting Standards Codification Topic 205. Under ASU No. 2014-08, a disposal of a component of an entity or a group of components of an entity is required to be reported in discontinued operations if the disposal represents a strategic shift that has, or will have, a major effect on an entity’s operations and financial results. The standard states that a strategic shift could include a disposal of: (i) a major geographical area of operations; (ii) a major line of business; (iii) a major equity method investment; or (iv) other major parts of an entity. ASU No. 2014-08 no longer precludes presentation as a discontinued operation if: (i)

there are operations and cash flows of the component that have not been eliminated from the reporting entity’s ongoing operations; or (ii) there is significant continuing involvement with a component after its disposal. Additional disclosures about discontinued operations are also required. The guidance is effective for annual periods beginning on or after December 15, 2014, and is applied prospectively to new disposals and new classifications of disposal groups as held for sale after the effective date. The Company adopted ASU No. 2014-08 on a prospective basis beginning on January 1, 2015, and such adoption did not have an impact on the Company's results of operations, financial condition and/or financial statement disclosures.

Recently Issued Accounting Pronouncements

In November 2015, the FASB issued ASU No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes," which requires deferred income tax assets and liabilities to be classified as noncurrent within a company's balance sheet. Currently, the Company is required to separate deferred income tax assets and liabilities into current and noncurrent amounts on its classified balance sheet, and this update will simplify the presentation by requiring a single, noncurrent amount. The guidance is effective for annual periods beginning after December 15, 2016, with early adoption permitted. The Company adopted ASU No. 2015-17 beginning on January 1, 2016 and the adoption of the new guidance is not expected to have a material impact on the Company’s results of operations, financial condition and financial statement disclosures.

In September 2015, the FASB issued ASU No. 2015-16, "Business Combinations (Topic 805): Simplifying the Accounting for Measurement Period Adjustments," which eliminates the current requirement for an acquirer in a business combination to account for measurement-period adjustments retrospectively. Instead, acquirers must recognize measurement-period adjustments during the period in which they determine the amounts, including the effect on earnings of any amounts they would have recorded in previous periods if the accounting had been completed at the acquisition date. The guidance is effective for annual periods beginning after December 15, 2015, with early adoption permitted. The Company adopted ASU No. 2015-16 beginning on January 1, 2016 and the adoption of the new guidance is not expected to have a material impact on the Company’s results of operations, financial condition and/or financial statement disclosures.

In July 2015, the FASB issued ASU No. 2015-11, "Inventory (Topic 330): Simplifying the Measurement of Inventory," which simplifies the subsequent measurement of inventories by requiring inventory to be measured at the lower of cost or net realizable value, rather than at the lower of cost or market. Net realizable value is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The guidance is effective for annual periods beginning after December 15, 2016, with early adoption permitted. The Company expects to adopt ASU No. 2015-11 beginning on January 1, 2017. The Company is evaluating the impact that the new guidance will have on the Company’s results of operations, financial condition and financial statement disclosures.

In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs," which requires debt issuance costs to be presented in the financial statements as a deduction from the corresponding debt liability, consistent with the presentation of debt discounts. The guidance is effective for annual periods beginning after December 15, 2015, with early adoption permitted, and is to be applied retrospectively. The Company adopted ASU No. 2015-03 beginning on January 1, 2016 and the adoption of the new guidance is not expected to have a material impact on the Company’s results of operations, financial condition and/or financial statement disclosures.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers," which supersedes the revenue recognition requirements in the ASC Topic 605, Revenue Recognition, and most industry-specific guidance throughout the Industry Topics of the Codification. The core principle of ASU No. 2014-09 is for companies to recognize revenue from the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. ASU No. 2014-09 also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The guidance is effective for annual and interim periods beginning after December 15, 2017, with early adoption prohibited. The Company expects to adopt ASU No. 2014-09 beginning January 1, 2018 and is in the process of assessing the impact that the new guidance will have on the Company's results of operations, financial condition and financial statement disclosures.

In August 2014, the FASB issued ASU No. 2014-15, "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern," that will explicitly require management to assess an entity's ability to continue as a going concern and to provide related footnote disclosures if conditions give rise to substantial doubt. According to ASU No. 2014-15, substantial doubt exists if it is probable that the entity will be unable to meet its obligations within

one year after the issuance date. The likelihood threshold of "probable", similar to its current use in U.S. GAAP for loss contingencies, will be used to define substantial doubt. Disclosures will be required under ASU No. 2014-15 if conditions give rise to substantial doubt, including whether and how management's plans will alleviate the substantial doubt. The guidance is effective for annual periods beginning after December 15, 2015, with early adoption prohibited. The Company adopted ASU No. 2014-15 beginning January 1, 2016 and the adoption of the new guidance is not expected to have a material impact on the Company’s results of operations, financial condition and/or financial statement disclosures.

REVLON, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

2. BUSINESS COMBINATIONS

The CBBeauty Group Acquisition

On April 21, 2015 (the "CBB Acquisition Date"), the Company completed the CBB Acquisition for a total cash consideration of $48.6 million. CBB develops, manufactures, markets and distributes fragrances and other beauty products under various celebrity, lifestyle and fashion brands licensed from third parties, principally through department stores and selective distribution in international territories. On the CBB Acquisition Date, the Company used cash on hand to pay approximately 70% of the total cash consideration, or $34.6 million. The remaining $14.0 million of the total cash consideration is payable in equal annual installments over 4 years from the CBB Acquisition Date, subject to the selling shareholders' compliance with certain service conditions. These remaining installments are recorded as a component of SG&A expenses ratably over the 4-year installment period. CBB is expected to provide the Company with a platform to develop the Company's presence in the fragrance category. The results of operations of the CBB business are included in the Company's Consolidated Financial Statements commencing on the CBB Acquisition Date. Pro forma results of operations have not been presented, as the impact of the CBB Acquisition on the Company's consolidated financial results is not material.

The Company accounted for the CBB Acquisition as a business combination during the second quarter of 2015. The table below summarizes the allocation of the total consideration of $34.6 million paid on the CBB Acquisition Date, as well as adjustments for changes in working capital during the third quarter of 2015, with resulting goodwill, as follows:

| | Amounts recognized at April 21, 2015 (Provisional)[a] | Measurement Period Adjustments | Amounts recognized at April 21, 2015 (Adjusted) |
|---|---|---|---|
| Total Tangible Net Assets Acquired [b] | $3.9 | $(1.6) | $2.3 |
| Purchased Intangible Assets [c] | 11.9 | 0.2 | 12.1 |
| Goodwill | 18.8 | 0.7 | 19.5 |
| Total consideration transferred | $34.6 | $(0.7) | $33.9 |

[a] As previously reported in Revlon, Inc.'s second quarter 2015 Form 10-Q.

[b] Total net assets acquired in the CBB Acquisition are comprised primarily of inventory, trade receivables and accounts payable.

[c] Purchased intangible assets include customer networks valued at $7.0 million, distribution rights valued at $3.5 million and trade names valued at $1.6 million, with weighted average remaining useful lives of 14, 5 and 8 years, respectively.

In determining the estimated fair values of net assets acquired and resulting goodwill related to the CBB Acquisition, the Company considered, among other factors, the analysis of CBB's historical financial performance and an estimate of the future performance of the acquired business, as well as market participants' intended use of the acquired assets. Both the intangible assets acquired and goodwill are not deductible for income tax purposes.

Other Acquisitions Completed in 2015

The Company also completed the following acquisitions during 2015:

| | Purchase Consideration | Total Net Assets Acquired | Purchased Intangible Assets | Goodwill |
|---|---|---|---|---|
| American Crew and Revlon Professional Distribution Rights - Australia [1] | $4.4 | $1.4 | $2.9 | $— |
| Cutex U.S. [2] | 8.1 | 1.0 | 5.2 | 1.9 |
| Total | $12.5 | $2.4 | $8.1 | $1.9 |

(1) In March 2015, the Company re-acquired rights to distribute its American Crew and Revlon Professional brands in Australia. The Company acquired customer relationships valued at $2.9 million, with weighted average remaining useful lives of 10 years.

(2) In October 2015, the Company acquired the U.S. Cutex business and related assets from Cutex Brands, LLC (the "Cutex Acquisition"). The Company acquired inventory at fair value of approximately $1.0 million, trade names valued at $3.6 million and customer relationships valued at $1.6 million, with weighted average remaining useful lives of 10 years.

The results of operations of these acquisitions are included in the Company's statement of income (loss) commencing on each respective acquisition date. The American Crew and Revlon Professional distribution rights acquisition is included within th

e Company's Professional segment and the Cutex U.S. acquisition is included within the Company's Consumer segment. The results of operations of these acquisitions did not have a material impact on the Company's results of operations for 2015.

The Colomer Acquisition

On October 9, 2013 (the "Colomer Acquisition Date"), Products Corporation completed its acquisition of The Colomer Group Participations, S.L. ("Colomer" and the "Colomer Acquisition"), a Spanish company now known as Beautyge Participations, S.L., which primarily manufactures, markets and sells professional products to hair and nail salons and distributors to professional salons under brands such as Revlon Professional, CND, including CND Shellac, and American Crew, as well as retail and multi-cultural product lines, including under the Creme of Nature brand. The cash purchase price for the Colomer Acquisition was $664.5 million, which Products Corporation financed with proceeds from the Acquisition Term Loan under the Amended Term Loan Facility (both as hereinafter defined). The Colomer Acquisition provides the Company with broad brand, geographic and retailer diversification and substantially expands the Company's business, providing both distribution into new retailers and cost synergy opportunities.

The results of operations of the Colomer business have been included, in the Company's Consolidated Financial Statements, commencing on the Colomer Acquisition Date.

For 2015, 2014 and 2013, respectively, the Company incurred acquisition and integration costs related to the Colomer Acquisition, summarized as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| Acquisition costs | $— | $0.5 | $12.9 |
| Integration costs | 2.1 | 5.9 | 12.5 |
| Total acquisition and integration costs | $2.1 | $6.4 | $25.4 |

There were no acquisition costs in 2015 related to the Colomer Acquisition. Acquisition costs in 2014 and 2013 primarily included legal fees related to the Colomer Acquisition.

Integration costs consist of non-restructuring costs related to integrating Colomer's operations into the Company's business. Integration costs incurred during 2015 primarily included legal and professional fees. Integration costs incurred during 2014 primarily included employee-related costs related to management changes and audit-related fees. For 2013, integration costs primarily related to an impairment of in-progress capitalized software development costs, as well as employee-related costs due to management changes.

Purchase Price Allocation

The Company accounted for the Colomer Acquisition as a business combination during the fourth quarter of 2013. The table below summarizes the amounts recognized for assets acquired and liabilities assumed as of the Colomer Acquisition Date, as well as adjustments made in 2014 after the Colomer Acquisition Date to the amounts initially recorded in 2013 (the "Measurement Period Adjustments"). Accordingly, the Company retrospectively adjusted its consolidated balance sheet as of December 31, 2013 to reflect these Measurement Period Adjustments. The Measurement Period Adjustments did not have a material impact on the Company's Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for 2014.

The Company recorded the total consideration of $664.5 million based on the respective estimated fair values of the net assets acquired on the Colomer Acquisition Date with resulting goodwill, as follows:

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| | Amounts Previously Recognized as of October 9, 2013 (Provisional) [(a)] | Measurement Period Adjustments | Amounts Recognized as of Colomer Acquisition Date (Adjusted) |
|---|---|---|---|
| Cash and cash equivalents | $36.9 | $— | $36.9 |
| Trade receivables | 83.9 | — | 83.9 |
| Inventories | 75.1 | — | 75.1 |
| Prepaid expenses and other | 31.3 | — | 31.3 |
| Property, plant and equipment | 96.7 | — | 96.7 |
| Intangible assets[(b)] | 292.7 | 5.4 | 298.1 |
| Goodwill[(b)(c)] | 255.7 | (2.4) | 253.3 |
| Deferred tax asset - noncurrent | 53.1 | — | 53.1 |
| Other assets[(c)] | 1.9 | 3.9 | 5.8 |
| Total assets acquired | 927.3 | 6.9 | 934.2 |
| Accounts payable | 48.0 | — | 48.0 |
| Accrued expenses and other | 65.6 | — | 65.6 |
| Long-term debt | 0.9 | — | 0.9 |
| Long-term pension and other benefit plan liabilities | 4.5 | — | 4.5 |
| Deferred tax liability[(b)] | 123.3 | 2.1 | 125.4 |
| Other long-term liabilities[(c)] | 20.5 | 4.8 | 25.3 |
| Total liabilities assumed | 262.8 | 6.9 | 269.7 |
| Total consideration | $664.5 | $— | $664.5 |

[(a)] As previously reported in Revlon, Inc.'s 2013 and 2014 Annual Reports on Form 10-K.
[(b)] The Measurement Period Adjustments to intangible assets, deferred tax liability and goodwill in the first quarter of 2014 related to a change in assumptions used to calculate the fair value of an acquired customer relationship intangible asset, which increased the intangible asset by $5.4 million and extended the life of the asset from 10 to 20 years, increased deferred tax liabilities by $2.1 million and resulted in a net decrease to goodwill of $3.3 million.
[(c)] The Company recorded a $3.9 million income tax adjustment to the beginning tax balance within other assets and a $4.8 million adjustment to other long-term liabilities, resulting in a net increase to goodwill of $0.9 million.

In determining the fair values of net assets acquired in the Colomer Acquisition and resulting goodwill, the Company considered, among other factors, an analysis of Colomer's historical financial performance and an estimate of the future performance of the acquired business, as well as market participants' intended use of the acquired assets.

The intangible assets acquired in the Colomer Acquisition, based on the fair values of the identifiable intangible assets, were as follows:

| | Fair Values at October 9, 2013 | Weighted Average Useful Life (in years) |
|---|---|---|
| Trade names, indefinite-lived | $108.6 | Indefinite |
| Trade names, finite-lived | 109.4 | 5 - 20 |
| Customer relationships | 62.4 | 15 - 20 |
| License agreement | 4.1 | 10 |
| Internally-developed IP | 13.6 | 10 |
| Total acquired intangible assets | $298.1 | |

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Unaudited Pro Forma Results
The unaudited pro forma results include the historical consolidated statements of operations of the Company and Colomer, giving effect to the Colomer Acquisition and related financing transactions as if they had occurred on January 1, 2013.
The Company's pro forma consolidated net sales and income from continuing operations, before income taxes for 2013, are presented in the following table:

| | Unaudited Pro Forma Results<br>Year Ended December 31, 2013 |
|---|---|
| Net sales | $ 1,908.9 |
| Income from continuing operations, before income taxes | 125.2 |

The pro forma results, prepared in accordance with U.S. GAAP, include the following pro forma adjustments related to the Colomer Acquisition:
(i) as a result of an $11.1 million fair value adjustment to acquired inventory at the Colomer Acquisition Date, the Company recognized $8.5 million of the increase in cost of sales in its historical 2013 consolidated financial statements. The pro forma adjustments included an adjustment to reverse the $8.5 million recognized in 2013 cost of sales and recognize the full $11.1 million in 2012 cost of sales;
(ii) the pro forma increase in depreciation and amortization expense based on the $14.3 million of fair value adjustments to property, plant and equipment and acquired finite-lived intangible assets recorded in connection with the Colomer Acquisition in 2013;
(iii) the elimination of $9.0 million of goodwill impairment charges recognized by Colomer in 2013;
(iv) the elimination of $25.8 million of acquisition and integration costs recognized by the Company and Colomer in 2013;
(v) the elimination of $3.6 million of Colomer's debt facility fees recognized in 2013, as the debt facility was closed on the Colomer Acquisition Date; and
(vi) the $19.4 million pro forma increase in interest expense and amortization of debt issuance costs in 2013, resulting from the issuance of the Acquisition Term Loan used by Products Corporation to finance the Colomer Acquisition.
The unaudited pro forma results do not include: (1) any revenue or cost reductions that may be achieved through the business combination; or (2) the impact of non-recurring items directly related to the business combination.
The unaudited pro forma results are not necessarily indicative of the operating results that would have occurred if the Colomer Acquisition had been completed as of the date for which the pro forma financial information is presented. In addition, the unaudited pro forma results do not purport to project the future consolidated operating results of the combined company.

3. RESTRUCTURING CHARGES
2015 Efficiency Program
In September 2015, the Company initiated certain restructuring actions to drive certain organizational efficiencies across the Company's Consumer and Professional segments (the "2015 Efficiency Program"). These actions, which occurred during 2015 and are planned to occur through 2017, are expected to reduce general and administrative expenses within the Consumer and Professional segments. Of the $9.5 million of restructuring and related charges recognized in 2015 for the 2015 Efficiency Program, $6.0 million related to the Consumer segment and $3.2 million related to the Professional segment, with the remaining charges included within unallocated corporate expenses. The Company expects to recognize total restructuring and related charges for the 2015 Efficiency Program of $10.1 million by the end of 2017, of which $6.1 million relates to the Consumer segment, $3.7 million relates to the Professional segment and the remaining charge relates to unallocated corporate expenses.
A summary of the restructuring and related charges incurred through December 31, 2015 in connection with the 2015 Efficiency Program is presented in the following table:

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| | Restructuring Charges and Other, Net | | |
|---|---|---|---|
| | Employee Severance and Other Personnel Benefits | Other | Total Restructuring Charges |
| Charges incurred through December 31, 2015 | $9.4 | $0.1 | $9.5 |
| Total expected charges | $9.5 | $0.6 | $10.1 |

The Company expects that cash payments will total approximately $10.3 million in connection with the 2015 Efficiency Program, including $0.2 million for capital expenditures (which capital expenditures are excluded from total restructuring and related charges expected to be recognized for the 2015 Efficiency Program), of which $2.8 million was paid in 2015, $5.8 million is expected to be paid in 2016, and the remaining balance expected to be paid in 2017.

Integration Program

Following Products Corporation's October 2013 Colomer Acquisition, the Company announced in January 2014 that it was implementing actions to integrate Colomer's operations into the Company's business, as well as additional restructuring actions identified to reduce costs across the Company's businesses (all such actions, together, the "Integration Program").

The Company recognized total restructuring charges, capital expenditures and related non-restructuring costs under the Integration Program of approximately $45 million in the aggregate over the periods described below.

The Integration Program was designed to deliver cost reductions throughout the combined organization by generating synergies and operating efficiencies within the Company's global supply chain and consolidating offices and back office support, and other actions which were designed to reduce selling, general and administrative ("SG&A") expenses. The Company completed the Integration Program as of December 31, 2015.

The approximately $45 million of total non-restructuring costs, capital expenditures and restructuring charges under the Integration Program referred to above consisted of the following:

1. $2.1 million, $5.9 million and $12.5 million of non-restructuring integration costs recognized in 2015, 2014 and 2013, respectively. Such costs were reflected within acquisition and integration costs in the Company's Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) and are related to combining Colomer's operations into the Company's business;
2. Total integration-related capital expenditures of $5.3 million, of which $0.9 million and $4.4 million were paid during 2015 and 2014, respectively; and
3. Total restructuring and related charges of $18.3 million, of which $(1.8) million and $20.1 million were recognized during 2015 and 2014, respectively. A summary of the restructuring and related charges for the Integration Program incurred through December 31, 2015 are as follows:

| | Restructuring Charges and Other, Net | | | | | |
|---|---|---|---|---|---|---|
| | Employee Severance and Other Personnel Benefits | Other | Total Restructuring Charges | Inventory Write-offs and Other Manufacturing-Related Costs (a) | Other Charges (b) | Total Restructuring and Related Charges |
| Charges incurred through December 31, 2014 | $17.3 | $1.6 | $ 18.9 | $ 0.6 | $0.6 | $ 20.1 |
| Charges incurred through December 31, 2015 | $(3.4 ) | $0.6 | $ (2.8 ) | $ 0.7 | $0.3 | $ (1.8 ) |
| Total charges | $13.9 | $2.2 | $ 16.1 | $ 1.3 | $0.9 | $ 18.3 |

(a) Inventory write-offs and other manufacturing-related costs are recorded within cost of sales within the Company's Consolidated Statements of Income (Loss) and Comprehensive Income (Loss).

(b) Other charges are recorded within SG&A expenses within the Company's Consolidated Statements of Income (Loss) and Comprehensive Income (Loss).

During 2015, the Company recorded a $1.8 million benefit related to a change in estimate in connection with the Integration Program, of which $3.1 million is related to the Consumer segment, partially offset by additional charges of $1.3 million related to the Professional segment. During 2014, the Company recorded $20.1 million of charges related to the Integration Program, of which $10.2 million related to the Consumer segment and $9.9 million related to the Professional segment.

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The Company expects that cash payments related to the restructuring and related charges in connection with the Integration Program will total approximately $18 million, of which $6.7 million was paid during 2015 and $9.6 million was paid during 2014. The remaining balance is expected to be paid in 2016.

December 2013 Program

In December 2013, the Company announced restructuring actions that included exiting its direct manufacturing, warehousing and sales business operations in mainland China, as well as implementing other immaterial restructuring actions outside the U.S. that are expected to generate operating efficiencies (the "December 2013 Program"). These restructuring actions resulted in the Company eliminating approximately 1,100 positions in 2014, primarily in China, which included eliminating in the first quarter of 2014 approximately 940 beauty advisors retained indirectly through a third-party agency. The charges incurred for the December 2013 Program relate entirely to the Consumer segment.

A summary of the restructuring and related charges incurred through 2015 in connection with the December 2013 Program are presented in the following table:

| | Restructuring Charges and Other, Net | | | | | | |
|---|---|---|---|---|---|---|---|
| | Employee Severance and Other Personnel Benefits | Other | Total Restructuring Charges | Allowances and Returns | Inventory Write-offs | Other Charges | Total Restructuring and Related Charges |
| Charges incurred through December 31, 2014 | $8.6 | $0.3 | $ 8.9 | $ 6.5 | $ 3.1 | $ 0.4 | $ 18.9 |
| Charges incurred through December 31, 2015 | $— | $— | $ — | $ — | $ — | $ — | $ — |
| Total expected charges | $8.6 | $0.3 | $ 8.9 | $ 6.5 | $ 3.1 | $ 0.4 | $ 18.9 |

The Company expects net cash payments related to the December 2013 Program to total approximately $17 million, of which nil was paid in 2015, $15.5 million was paid during 2014 and $0.1 million was paid in 2013. The remaining balance is expected to be paid in 2016.

Other Immaterial Actions

In 2015, the Company recorded $3.9 million of restructuring and related charges for other immaterial restructuring actions within both the Consumer and Professional segments, primarily related to exit and disposal costs associated with the Company's Hong Kong subsidiary.

In 2014, the Company recorded net charges totaling $2.7 million of restructuring and related charges, for other immaterial restructuring actions within both the Consumer and Professional segments, due to $5.3 million of charges primarily related to employee-related costs, partially offset by a $2.6 million gain related to the sale of property, plant and equipment.

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Restructuring Reserve
The related liability balance and activity for each of the Company's restructuring programs, as summarized above, are presented in the following table:

| | Balance Beginning of Year | (Income) Expense, Net | Foreign Currency Translation | Utilized, Net | | Balance End of Year |
|---|---|---|---|---|---|---|
| | | | | Cash | Non-cash | |
| 2015 | | | | | | |
| 2015 Efficiency Program: | | | | | | |
| Employee severance and other personnel benefits | $— | $9.4 | $ — | $(2.8 ) | $— | $6.6 |
| Other | — | 0.1 | — | — | — | 0.1 |
| Integration Program: | | | | | | |
| Employee severance and other personnel benefits | 9.6 | (3.4 ) | (0.2 ) | (5.2 ) | — | 0.8 |
| Other | 0.1 | 0.6 | — | (0.6 ) | — | 0.1 |
| December 2013 Program: | | | | | | |
| Employee severance and other personnel benefits | 1.2 | — | — | — | — | 1.2 |
| Other | — | — | — | — | — | — |
| Other immaterial actions: | | | | | | |
| Employee severance and other personnel benefits | 3.1 | 1.7 | (0.1 ) | (2.4 ) | — | 2.3 |
| Other | — | 2.1 | — | (1.4 ) | — | 0.7 |
| Total restructuring reserve | $14.0 | $10.5 | $ (0.3 ) | $(12.4 ) | $— | $11.8 |
| | | | | | | |
| 2014 | | | | | | |
| Integration Program: | | | | | | |
| Employee severance and other personnel benefits | $— | $17.3 | $ (0.1 ) | $(7.6 ) | $— | $9.6 |
| Other | — | 1.6 | — | (1.2 ) | (0.3 ) | 0.1 |
| December 2013 Program: | | | | | | |
| Employee severance and other personnel benefits | 9.0 | (0.5 ) | (0.2 ) | (7.3 ) | 0.2 | 1.2 |
| Other | 0.5 | (0.2 ) | — | (0.3 ) | — | — |
| Other immaterial actions: | | | | | | |
| Employee severance and other personnel benefits [(a)] | 2.7 | 5.0 | (0.2 ) | (4.5 ) | 0.1 | 3.1 |
| Other [(a)] | 1.5 | 0.2 | — | (1.7 ) | — | — |
| Total restructuring reserve | $13.7 | $23.4 | $ (0.5 ) | $(22.6 ) | $— | $14.0 |
| | | | | | | |
| Gain on sale of property, plant and equipment for 2014 other immaterial actions | | (2.6 ) | | | | |
| Portion of restructuring benefits recorded within (loss) income from discontinued | | 0.5 | | | | |

| | |
|---|---|
| operations [b] | |
| Total restructuring charges and other, net, from continuing operations | $21.3 |

[a] Includes reserve of $4.2 million remaining at the end of 2013 related to the Company's exit of its then-owned manufacturing facility in France and its then-leased manufacturing facility in Maryland; rightsizing its organizations in France and Italy; and realigning its operations in Latin America and Canada, or the "September 2012 Program."
[b] Refer to Note 4, "Discontinued Operations" for additional information regarding the Company's exit of its direct manufacturing, warehousing and sales business operations in mainland China.

As of December 31, 2015, $11.8 million of the restructuring reserve balance was included within accrued expenses and other in the Company's Consolidated Balance Sheet. At December 31, 2014, $13.7 million of the restructuring reserve balance was included within accrued expenses and other and $0.3 million was included within other long-term liabilities in the Company's Consolidated Balance Sheet.

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## 4. DISCONTINUED OPERATIONS

On December 30, 2013, the Company announced that it was implementing the December 2013 Program, which primarily included exiting its direct manufacturing, warehousing and sales business operations in mainland China (refer to Note 3, "Restructuring Charges - December 2013 Program").

The results of the China discontinued operations are included within (loss) income from discontinued operations, net of taxes, and relate entirely to the Consumer segment. The summary comparative financial results of discontinued operations are as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| Net sales | $— | $2.6 | $13.8 |
| (Loss) income from discontinued operations, before taxes | (3.2) | 1.5 | (30.8) |
| Provision for income taxes | — | 0.2 | (0.4) |
| (Loss) income from discontinued operations, net of taxes | (3.2) | 1.3 | (30.4) |

(a) Net sales during 2014 include favorable adjustments to sales returns related to the Company's exit of its direct manufacturing, warehousing and sales business operations in mainland China.

(b) Included in loss from discontinued operations, before taxes for 2013 are $20.0 million of restructuring and related charges related to the December 2013 Program. Refer to Note 3, "Restructuring Charges - December 2013 Program," for related disclosures.

Assets and liabilities of the China discontinued operations included in the Consolidated Balance Sheets consist of the following:

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Cash and cash equivalents | $2.0 | $2.4 |
| Trade receivables, net | 0.2 | 0.2 |
| Total current assets | 2.2 | 2.6 |
| Total assets | $2.2 | $2.6 |
| | | |
| Accounts payable | $0.7 | $0.2 |
| Accrued expenses and other | 3.6 | 3.9 |
| Total current liabilities | 4.3 | 4.1 |
| Total liabilities | $4.3 | $4.1 |

## 5. INVENTORIES

| | December 31, | |
|---|---|---|
| | 2015 | 2014 |
| Raw materials and supplies | $58.2 | $47.2 |
| Work-in-process | 8.3 | 9.0 |
| Finished goods | 117.3 | 100.4 |
| | $183.8 | $156.6 |

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## 6. PREPAID EXPENSES AND OTHER

| | December 31, | |
|---|---|---|
| | 2015 | 2014 |
| Prepaid expenses | $18.2 | $17.3 |
| Other | 35.1 | 27.3 |
| | $53.3 | $44.6 |

## 7. PROPERTY, PLANT AND EQUIPMENT

| | December 31, | |
|---|---|---|
| | 2015 | 2014 |
| Land and improvements | $10.7 | $11.7 |
| Building and improvements | 84.7 | 83.9 |
| Machinery, equipment and capital leases | 213.0 | 198.7 |
| Office furniture, fixtures and capitalized software | 118.1 | 104.2 |
| Leasehold improvements | 29.0 | 28.1 |
| Construction-in-progress | 31.5 | 35.9 |
| Property, plant and equipment, gross | 487.0 | 462.5 |
| Accumulated depreciation and amortization | (271.7) | (250.5) |
| Property, plant and equipment, net | $215.3 | $212.0 |

Depreciation and amortization expense for 2015, 2014 and 2013 was $37.0 million, $36.9 million and $25.2 million, respectively.

## 8. GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

The following table presents the changes in goodwill by segment during each of 2015 and 2014:

| | Consumer | Professional | Other | Total |
|---|---|---|---|---|
| Balance at January 1, 2014 | $217.9 | $254.4 | $— | $472.3 |
| Foreign currency translation adjustment | — | (8.2) | — | (8.2) |
| Balance at December 31, 2014 | $217.9 | $246.2 | $— | $464.1 |
| Goodwill acquired | 1.9 | — | 19.5 | 21.4 |
| Foreign currency translation adjustment | — | (5.5) | (0.6) | (6.1) |
| Goodwill impairment charge | $(9.7) | $— | $— | $(9.7) |
| Balance at December 31, 2015 | $210.1 | $240.7 | $18.9 | $469.7 |

The goodwill acquired during 2015 relates to: (i) $19.5 million of goodwill acquired in the CBB Acquisition, which was assigned to the Company's Other segment; and (ii) $1.9 million of goodwill acquired in the Cutex Acquisition. See Note 1, "Description of the Business and Summary of Significant Accounting Policies," for further discussion of the "Other" segment and Note 2, "Business Combinations," for further discussion of the CBB Acquisition.
For 2015, the Company utilized the two-step process as prescribed by ASC 350, Intangibles - Goodwill and Other, in order to identify potential impairment for each of its reporting units. In the first step of this test, the Company compared the fair value

of each of the Company's reporting units, determined based upon discounted estimated future cash flows, to the respective carrying amount, including goodwill. Where the fair value of such reporting unit exceeded the carrying amount, no further work was required and no impairment loss was recognized. The results of the step one test concluded that impairment indicators may have existed within the Global Color Brands reporting unit as a result of the observed decline in sales of the Pure Ice nail enamel brand, primarily driven by the effects of declines in the promotional activity for the Pure Ice brand at retailers and, accordingly, the Company performed step two of the goodwill impairment test for this reporting unit.

In the second step, the Company measured the potential impairment by comparing the implied fair value of the Global Color Brands reporting unit's goodwill with the carrying amount of the goodwill at September 30, 2015. The implied fair value of goodwill was determined in the same manner as the amount of goodwill recognized in a business combination, where the estimated fair value of the reporting unit was allocated to all the assets and liabilities of that reporting unit (including both recognized and unrecognized intangible assets) as if the reporting unit had been acquired in a business combination and the estimated fair value of the reporting unit was the purchase price paid. When the carrying amount of the reporting unit's goodwill is greater than the implied fair value of that reporting unit's goodwill, an impairment loss is recognized within operations. The Company determined the fair value of the Global Color Brands reporting unit using discounted estimated future cash flows. The weighted average cost of capital in testing the Global Color Brands reporting unit for impairment was 13.0% with a perpetual growth rate of 2.0%. As a result of this annual impairment test, the Company recognized a $9.7 million non-cash goodwill impairment charge related to the Global Color Brands reporting unit in the fourth quarter of 2015.

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Intangible Assets, Net

The following tables present details of the Company's total intangible assets:

| | December 31, 2015 | | | |
|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | Weighted Average Useful Life (in Years) |
| Finite-lived intangible assets: | | | | |
| Trademarks and Licenses | $145.0 | $(36.0) | $109.0 | 15 |
| Customer relationships | 118.8 | (20.5) | 98.3 | 16 |
| Patents and Internally-Developed IP | 16.8 | (4.0) | 12.8 | 10 |
| Distribution rights | 3.5 | (0.6) | 2.9 | 5 |
| Total finite-lived intangible assets | $284.1 | $(61.1) | $223.0 | |
| | | | | |
| Indefinite-lived intangible assets: | | | | |
| Trade Names | $95.0 | $— | $95.0 | |
| Total indefinite-lived intangible assets | $95.0 | $— | $95.0 | |
| | | | | |
| Total intangible assets | $379.1 | $(61.1) | $318.0 | |

| | December 31, 2014 | | | |
|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | Weighted Average Useful Life (in Years) |
| Finite-lived intangible assets: | | | | |
| Trademarks and Licenses | $140.5 | $(23.5) | $117.0 | 14 |
| Customer relationships | 109.1 | (13.4) | 95.7 | 17 |
| Patents and Internally-Developed IP | 16.2 | (2.4) | 13.8 | 10 |
| Total finite-lived intangible assets | $265.8 | $(39.3) | $226.5 | |
| | | | | |
| Indefinite-lived intangible assets: | | | | |
| Trade Names | $101.3 | $— | $101.3 | |
| Total indefinite-lived intangible assets | $101.3 | $— | $101.3 | |
| | | | | |
| Total intangible assets | $367.1 | $(39.3) | $327.8 | |

Amortization expense for finite-lived intangible assets was $22.4 million, $21.3 million and $10.4 million for 2015, 2014 and 2013, respectively.

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The following table reflects the estimated future amortization expense, a portion of which is subject to exchange rate fluctuations, for the Company's finite-lived intangible assets as of December 31, 2015:

| | Estimated Amortization Expense |
|---|---|
| 2016 | $22.7 |
| 2017 | 22.3 |
| 2018 | 21.4 |
| 2019 | 18.9 |
| 2020 | 18.2 |
| Thereafter | 119.5 |
| Total | $223.0 |

## 9. ACCRUED EXPENSES AND OTHER

| | December 31, 2015 | 2014 |
|---|---|---|
| Sales returns and allowances | $61.1 | $70.6 |
| Compensation and related benefits | 75.6 | 66.8 |
| Advertising and promotional costs | 38.4 | 44.9 |
| Taxes | 20.8 | 23.4 |
| Interest | 12.4 | 11.0 |
| Restructuring reserve | 11.8 | 13.7 |
| Other | 52.3 | 42.9 |
| | $272.4 | $273.3 |

## 10. SHORT-TERM BORROWINGS

Products Corporation had outstanding short-term borrowings (excluding borrowings under the Amended Credit Agreements or 2011 Credit Agreements (as hereinafter defined), which are reflected in Note 11, "Long-Term Debt"), aggregating $11.3 million and $6.6 million at December 31, 2015 and 2014, respectively. The weighted average interest rate on these short-term borrowings outstanding at December 31, 2015 and 2014 was 4.9% and 6.2%, respectively.

## 11. LONG-TERM DEBT

| | December 31, 2015 | December 31, 2014 |
|---|---|---|
| Amended Term Loan Facility: Acquisition Term Loan due 2019, net of discounts (see (a) below) | $672.5 | $691.6 |
| Amended Term Loan Facility: 2011 Term Loan due 2017, net of discounts (see (a) below) | 660.6 | 671.6 |
| Amended Revolving Credit Facility (see (a) below) | — | — |
| 5¾% Senior Notes due 2021 (see (b) below) | 500.0 | 500.0 |
| Spanish Government Loan due 2025 (see (c) below) | 0.6 | 0.7 |
| | 1,833.7 | 1,863.9 |
| Less current portion (*) | (30.0) | (31.5) |
| | $1,803.7 | $1,832.4 |

(*) At December 31, 2015 and 2014, the Company classified $30.0 million and $31.5 million, respectively, of long-term debt as a current liability, which was primarily comprised of $23.2 million and $24.6 million of required “excess cash flow” prepayments (as defined under the Amended

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Term Loan Agreement, as hereinafter defined). The excess cash flow prepayment for 2015 will be paid on or prior to April 9, 2016. The 2014 excess cash flow prepayment was paid on March 12, 2015. The current portion of long-term debt also includes the Company’s annual principal amortization payments (payable in equal quarterly installments and after giving effect to such prepayments) of $6.8 million and $6.9 million due in 2016 and 2015, respectively.

The Company completed the following debt transactions during 2015 and 2014.

2015 Debt Related Transaction
Amended Term Loan Facility - Excess Cash Flow Payment
In March 2015, Products Corporation prepaid $24.6 million of indebtedness, representing 50% of its 2014 “excess cash flow” as defined under the Amended Term Loan Agreement, in accordance with the terms of its Amended Term Loan Facility. The prepayment was applied on a ratable basis between the principal amounts outstanding under the 2011 Term Loan and the Acquisition Term Loan. The amount of the prepayment that was applied to the 2011 Term Loan reduced the principal amount outstanding by $12.1 million to $662.9 million (as all amortization payments under the 2011 Term Loan had been paid). The $12.5 million that was applied to the Acquisition Term Loan reduced Products Corporation's future regularly scheduled quarterly amortization payments under the Acquisition Term Loan on a ratable basis from $1.8 million prior to the prepayment to $1.7 million after giving effect to the prepayment and through its maturity on October 8, 2019.

2014 Debt Related Transactions
February 2014 Term Loan Amendment
In February 2014, Products Corporation entered into an amendment (the “February 2014 Term Loan Amendment”) to its amended term loan agreement among Products Corporation, as borrower, a syndicate of lenders and Citicorp USA, Inc. (“CUSA”), as administrative agent and collateral agent. The amended term loan agreement is comprised of: (i) the term loan due November 19, 2017, in the original aggregate principal amount of $675.0 million, which had $662.9 million in aggregate principal balance outstanding as of December 31, 2015 (the "2011 Term Loan" or the “2011 Term Loan Facility”); and (ii) the term loan due October 8, 2019, in the original aggregate principal amount of $700 million, which had $673.7 million in aggregate principal balance outstanding as of December 31, 2015 (the "Acquisition Term Loan") (together, the "Amended Term Loan Agreement" and the "Amended Term Loan Facility"). Pursuant to the February 2014 Term Loan Amendment, the interest rates applicable to Eurodollar Loans under the 2011 Term Loan bear interest at the Eurodollar Rate plus 2.5% per annum, with the Eurodollar Rate not to be less than 0.75% (compared to 3.0% and 1.0%, respectively, prior to the February 2014 Term Loan Amendment), while Alternate Base Rate Loans under the 2011 Term Loan bear interest at the Alternate Base Rate plus 1.5%, with the Alternate Base Rate not to be less than 1.75% (compared to 2.0% in each case prior to the February 2014 Term Loan Amendment) (and as each such term is defined in the Amended Term Loan Agreement).
Products Corporation's Acquisition Term Loan and Products Corporation's $175.0 million asset-based, multi-currency revolving credit facility (the "Amended Revolving Credit Facility") were not amended in connection with the February 2014 Term Loan Amendment.
During 2014, the Company incurred approximately $1.1 million of fees and expenses in connection with the February 2014 Term Loan Amendment, which were expensed as incurred, and wrote-off $0.8 million of unamortized debt discount and deferred financing costs as a result of the February 2014 Term Loan Amendment. These amounts, totaling $1.9 million, were recognized within loss on early extinguishment of debt in the Company’s Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for the year ended December 31, 2014.
Repayment of Non-Contributed Loan
On May 1, 2014, Products Corporation used available cash on hand to optionally prepay in full the remaining $58.4 million principal amount outstanding under the non-contributed loan portion of Product Corporation's amended and restated senior subordinated term loan agreement with MacAndrews & Forbes (the "Non-Contributed Loan") that

remained owing from Products Corporation to various third parties. The Non-Contributed Loan would have otherwise matured on October 8, 2014. In connection with such prepayment, the Company wrote-off $0.1 million of deferred financing costs, which were recognized within loss on early extinguishment of debt in the Company's Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for 2014.

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Long-Term Debt Agreements
(a) Amended Credit Agreements
The following is a summary description of the Amended Term Loan Facility, which includes the 2011 Term Loan and the Acquisition Term Loan, and the Amended Revolving Credit Facility. Unless otherwise indicated, capitalized terms have the meanings given to them in the Amended Term Loan Agreement and/or the Amended Revolving Credit Agreement (the "Amended Credit Agreements"), as applicable. Investors should refer to the Amended Revolving Credit Agreement and/or the Amended Term Loan Agreement for complete terms and conditions, as these summary descriptions are subject to a number of qualifications and exceptions.
Amended Revolving Credit Facility
Availability under the Amended Revolving Credit Facility varies based on a borrowing base that is determined by the value of eligible trade receivables and eligible inventory in the U.S. and the U.K. and eligible real property and equipment in the U.S. from time to time.
In January 2014, certain of Products Corporation’s U.S.-domiciled subsidiaries acquired in the Colomer Acquisition (the “Colomer U.S. Subsidiaries”) became additional guarantors under Products Corporation’s Amended Term Loan Facility and Amended Revolving Credit Facility and the 5¾% Senior Notes Indenture. In January and May 2015, certain of Product Corporation’s newly-formed U.S.-domiciled subsidiaries in the Professional segment and formed in connection with the CBB Acquisition (collectively, the “New U.S. Subsidiaries”) became additional guarantors under such debt instruments. In connection with becoming guarantors, substantially all of the assets of such subsidiaries were pledged as collateral under Products Corporation’s Amended Term Loan Facility and Amended Revolving Credit Facility, thereby increasing the value of the assets supporting the borrowing base under the Amended Revolving Credit Facility.
If the value of the eligible assets is not sufficient to support the $175.0 million borrowing base under the Amended Revolving Credit Facility, Products Corporation will not have full access to the Amended Revolving Credit Facility. Products Corporation’s ability to borrow under the Amended Revolving Credit Facility is also conditioned upon the satisfaction of certain conditions precedent and Products Corporation’s compliance with other covenants in the Amended Revolving Credit Agreement.
In each case subject to borrowing base availability, the Amended Revolving Credit Facility is available to:
(i) Products Corporation in revolving credit loans denominated in U.S. Dollars;
(ii) Products Corporation in swing line loans denominated in U.S. Dollars up to $30.0 million;
(iii) Products Corporation in standby and commercial letters of credit denominated in U.S. Dollars and other currencies up to $60.0 million; and
(iv) 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.
Under the Amended Revolving Credit Facility, borrowings (other than loans in foreign currencies) bear interest, if made as Eurodollar Loans, at the Eurodollar Rate plus the applicable margin set forth in the grid below and, if made as Alternate Base Rate Loans, at the Alternate Base Rate plus the applicable margin set forth in the grid below.

| Excess Availability | Alternate Base Rate Loans | Eurodollar Loans, Eurocurrency Loan or Local Rate Loans |
|---|---|---|
| Greater than or equal to $92,000,000 | 0.50% | 1.50% |
| Less than $92,000,000 but greater than or equal to $46,000,000 | 0.75% | 1.75% |
| Less than $46,000,000 | 1.00% | 2.00% |

Local Loans (as defined in the Amended Revolving Credit Agreement) bear interest, if mutually acceptable to Products Corporation and the relevant foreign lenders, at the Local Rate, and otherwise (i) if in foreign currencies or in U.S. Dollars at the Eurodollar Rate or the Eurocurrency Rate plus the applicable margin set forth in the grid above or (ii) if in U.S. Dollars at the Alternate Base Rate plus the applicable margin set forth in the grid above.

Prior to the termination date of the Amended Revolving Credit Facility, revolving loans are required to be prepaid (without any permanent reduction in commitment) with:
(i) the net cash proceeds from sales of Revolving Credit First Lien Collateral by Products Corporation or any of Products Corporation’s subsidiary guarantors (other than dispositions in the ordinary course of business and certain other exceptions); and

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(ii) the net proceeds from the issuance by Products Corporation or any of its subsidiaries of certain additional debt, to the extent there remains any such proceeds after satisfying Products Corporation's repayment obligations under the Amended Term Loan Facility.
Products Corporation pays to the lenders under the Amended Revolving Credit Facility a commitment fee of 0.25% of the average daily unused portion of the Amended Revolving Credit Facility, which fee is payable quarterly in arrears.
Under the Amended Revolving Credit Facility, Products Corporation also 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 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 the product of (a) the Applicable Margin for revolving credit loans that are Eurodollar Rate loans (adjusted for the term that the letter of credit is outstanding) and (b) the aggregate undrawn face amount of 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 letters of credit, which fee is a portion of the Applicable Margin.
Under certain circumstances, Products Corporation has the right to request that the Amended Revolving Credit Facility be increased by up to $100.0 million, provided that the lenders are not committed to provide any such increase.
Under certain circumstances, if and when the difference between (i) the borrowing base under the Amended Revolving Credit Facility and (ii) the amounts outstanding under the Amended Revolving Credit Facility is less than $20.0 million for a period of two consecutive days or more, and until such difference is equal to or greater than $20.0 million for a period of 30 consecutive business days, the Amended Revolving Credit Facility requires Products Corporation to maintain a consolidated fixed charge coverage ratio (the ratio of EBITDA minus Capital Expenditures to Cash Interest Expense for such period) of a minimum of 1.0 to 1.0.
The Amended Revolving Credit Facility matures on the earlier of August 14, 2018 and the date that is 90 days prior to the earliest maturity date of any term loans then outstanding under the Amended Term Loan Facility, but not earlier than June 16, 2016.
Amended Term Loan Facility
Term loans under the Amended Term Loan Facility bear interest at the following interest rates:

| | Eurodollar Loans | Alternate Base Rate Loans |
|---|---|---|
| 2011 Term Loans | Eurodollar Rate plus 2.50% per annum (with the Eurodollar Rate not to be less than 0.75%) | Alternate Base Rate plus 1.50% (with the Alternate Base Rate not to be less than 1.75%) |
| Acquisition Term Loans | Eurodollar Rate plus 3.00% per annum (with the Eurodollar Rate not to be less than 1.00%) | Alternate Base Rate plus 2.00% (with the Alternate Base Rate not to be less than 2.00%) |

The term loans under the Amended Term Loan Facility are required to be prepaid with:
(i) the net cash proceeds in excess of $10 million for each 12-month period ending on March 31 received during such period from sales of Term Loan First Lien Collateral by Products Corporation or any of its subsidiary guarantors, with carryover of unused annual basket amounts up to a maximum of $25 million and with respect to certain specified dispositions up to an additional $25 million in the aggregate (subject to a reinvestment right for 365 days, or 545 days if the Company has within such 365-day period entered into a legally binding commitment to invest such funds);
(ii) the net proceeds from the issuance by Products Corporation or any of its subsidiaries of certain additional debt; and
(iii) 50% of Products Corporation's "excess cash flow" (as defined under the Amended Term Loan Agreement).
As of December 31, 2015, Products Corporation is required to prepay, on or before 100 days following the last day of its fiscal year (i.e., by April 9, 2016), $23.2 million of indebtedness under the Amended Term Loan

Facility, representing 50% of its 2015 "excess cash flow" (as defined under the Amended Term Loan Agreement). The prepayment will be applied on a ratable basis between the principal amounts outstanding under the 2011 Term Loan and the Acquisition Term Loan. The amount of the prepayment to be applied to the 2011 Term Loan will be used to reduce the aggregate principal amount outstanding (as all amortization payments under the 2011 Term Loan have been paid), while the amount to be applied to the Acquisition Term Loan will be used to

reduce Products Corporation's future annual amortization payments (which are payable in equal quarterly installments) on a ratable basis from $6.9 million prior to the prepayment to $6.8 million after giving effect to the prepayment and through its maturity on October 8, 2019.

The Amended Term Loan Facility contains a financial covenant limiting Products Corporation's first lien senior secured leverage ratio (the ratio of Products Corporation's senior secured debt that has a lien on the collateral which secures the Amended Term Loan Facility that is not junior or subordinated to the liens securing the Amended Term Loan Facility (excluding debt outstanding under the Amended Revolving Credit Facility)) to EBITDA, as each such term is defined in the Amended Term Loan Facility, to no more than 4.25 to 1.0 for each period of four consecutive fiscal quarters ending through the maturity date of the Amended Term Loan Facility.

Products Corporation, under certain circumstances, also has the right to request the Amended Term Loan Facility to be increased by up to the greater of: (i) $300 million; and (ii) an amount such that Products Corporation's First Lien Secured Leverage Ratio (as defined in the Amended Term Loan Agreement) does not exceed 3.50:1.00. The lenders are not committed to provide any such increase. Any such increase would be in addition to the Acquisition Term Loan.

The 2011 Term Loan outstanding under the Amended Term Loan Facility matures on November 19, 2017. The Acquisition Term Loan under the Amended Term Loan Facility has the same terms as the 2011 Term Loans, except that: (i) it matures on the sixth anniversary of the closing of the Acquisition Term Loan (or October 8, 2019); and (ii) it amortizes on March 31, June 30, September 30 and December 31 of each year (which commenced March 31, 2014), in an amount equal to 0.25% of the aggregate principal amount of the Acquisition Term Loan.

Provisions Applicable to the Amended Term Loan Facility and the Amended Revolving Credit Facility

The Amended Credit Agreements are supported by, among other things, guarantees from Revlon, Inc. and, subject to certain limited exceptions, Products Corporation's domestic subsidiaries. Products Corporation's obligations under the Amended Term Loan Agreement and the Amended Revolving Credit Agreement and the obligations under such guarantees are secured by, subject to certain limited exceptions, substantially all of Products Corporation's assets and the assets of the guarantors, including:

(i) a mortgage on certain material owned real property, including Products Corporation's facility in Oxford, North Carolina;

(ii) Products Corporation's capital stock and the capital stock of the subsidiary guarantors and 66% of the voting capital stock and 100% of the non-voting capital stock of Products Corporation's and the subsidiary guarantors' first-tier, non-U.S. subsidiaries;

(iii) Products Corporation's and the subsidiary guarantors' intellectual property and other intangible property; and

(iv) Products Corporation's and the subsidiary guarantors' inventory, trade receivables, equipment, investment property and deposit accounts.

The liens on, among other things, inventory, trade receivables, deposit accounts, investment property (other than Products Corporation's capital stock and the capital stock of Products Corporation's subsidiaries), real property, equipment, fixtures and certain intangible property secure the Amended Revolving Credit Facility on a first priority basis and the Amended Term Loan Facility on a second priority basis. The liens on Products Corporation's capital stock and the capital stock of Products Corporation's subsidiaries and intellectual property and certain other intangible property secure the Amended Term Loan Facility on a first priority basis and the Amended Revolving Credit Facility on a second priority basis. Such arrangements are set forth in the Third Amended and Restated Intercreditor and Collateral Agency Agreement, dated as of March 11, 2010, by and among Products Corporation and CUSA, as administrative agent and as collateral agent for the benefit of the secured parties for the Amended Term Loan Facility and Amended Revolving Credit Facility (the "2010 Intercreditor Agreement"). The 2010 Intercreditor Agreement also provides that the liens referred to above may be shared from time to time, subject to certain limitations, with specified types of other obligations incurred or guaranteed by Products Corporation, such as foreign exchange and interest rate hedging obligations and foreign working capital lines.

The Amended Credit Agreements contain various restrictive covenants prohibiting Products Corporation and its subsidiaries from:
(i) incurring additional indebtedness or guarantees, with certain exceptions;
(ii) making dividend and other payments or loans to Revlon, Inc. or other affiliates, with certain exceptions, including among others:
(a) exceptions permitting Products Corporation to pay dividends or make other payments to Revlon, Inc. to enable it to, among other things, pay expenses incidental to being a public holding company, including, among other

things, professional fees such as legal, accounting and insurance fees, regulatory fees, such as SEC filing fees and NYSE listing fees, and other expenses related to being a public holding company;
(b) subject to certain circumstances, to finance the purchase by Revlon, Inc. of its Class A Common Stock in connection with the delivery of such Class A Common Stock to grantees under the Fourth Amended and Restated Revlon, Inc. Stock Plan and/or the payment of withholding taxes in connection with the vesting of restricted stock awards under such plan;
(c) subject to certain limitations, to pay dividends or make other payments to finance the purchase, redemption or other retirement for value by Revlon, Inc. of stock or other equity interests or equivalents in Revlon, Inc. held by any current or former director, employee or consultant in his or her capacity as such; and
(d) subject to certain limitations, to make other restricted payments to Products Corporation's affiliates in an amount up to $10 million per year (plus $10 million for each calendar year commencing with 2011), other restricted payments in an aggregate amount not to exceed $35 million and certain other restricted payments, including without limitation those based upon certain financial tests;
(iii) creating liens or other encumbrances on Products Corporation's or its subsidiaries' assets or revenues, granting negative pledges or selling or transferring any of Products Corporation's or its subsidiaries' assets, all subject to certain limited exceptions;
(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 exceptions;
(vi) making investments, subject to certain exceptions; and
(vii) entering into transactions with Products Corporation's affiliates involving aggregate payments or consideration in excess of $10 million other than upon terms that are not materially less favorable when taken as a whole to Products Corporation or its subsidiaries as terms that would be obtainable at the time for a comparable transaction or series of similar transactions in arm's length dealings with an unrelated third person and where such payments or consideration exceed $20 million, unless such transaction has been approved by all of Products Corporation's independent directors, subject to certain exceptions.
The events of default under the Amended Credit Agreements include customary events of default for such types of agreements, including, among others:
(i) nonpayment of any principal, interest or other fees when due, subject in the case of interest and fees to a grace period;
(ii) non-compliance with the covenants in the Amended Term Loan Agreement, the Amended Revolving Credit Agreement or the ancillary security documents, subject in certain instances to grace periods;
(iii) the institution of any bankruptcy, insolvency or similar proceedings by or against Products Corporation, any of its subsidiaries or Revlon, Inc., subject in certain instances to grace periods;
(iv) default by Revlon, Inc. or any of its subsidiaries (A) in the payment of certain indebtedness when due (whether at maturity or by acceleration) in excess of $50.0 million in aggregate principal amount or (B) 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 $50.0 million in aggregate principal amount, or the occurrence of any other event, the effect of which default referred to in this subclause (iv) is to cause or permit the holders of such debt to cause the acceleration of payment of such debt;
(v) in the case of the Amended Term Loan Facility, a cross default under the Amended Revolving Credit Facility, and in the case of the Amended Revolving Credit Facility, a cross default under the Amended Term Loan Facility;
(vi) the failure by Products Corporation, certain of Products Corporation's subsidiaries or Revlon, Inc. to pay certain material judgments;
(vii) a change of control such that: (A) Revlon, Inc. shall cease to be the beneficial and record owner of 100% of Products Corporation's capital stock; (B) Ronald O. Perelman (or his estate, heirs, executors, administrator or other personal representative) and his or their controlled affiliates shall cease to "control" Products Corporation, and any other

person or group of persons owns, directly or indirectly, more than 35% of Products Corporation's total voting power; (C) any person or group of persons other than Ronald O. Perelman (or his estate, heirs, executors, administrator or other personal representative) and his or their controlled affiliates shall "control" Products Corporation; or (D) during any period of two consecutive years, the directors serving on Products Corporation's Board of Directors at the beginning

of such period (or other directors nominated by at least a majority of such continuing directors) shall cease to be a majority of the directors;
(viii) Revlon, Inc. shall have any meaningful assets or indebtedness or shall conduct any meaningful business other than its ownership of Products Corporation and such activities as are customary for a publicly traded holding company which is not itself an operating company, in each case subject to limited exceptions; and
(ix) the failure of certain affiliates which hold Products Corporation’s or its subsidiaries’ indebtedness to be party to a valid and enforceable agreement prohibiting such affiliate from demanding or retaining payments in respect of such indebtedness, subject to certain exceptions.
If Products Corporation is in default under the senior secured leverage ratio under the Amended Term Loan Facility or the consolidated fixed charge coverage ratio under the Amended Revolving Credit Agreement, Products Corporation may cure such default by issuing certain equity securities to, or receiving capital contributions from, Revlon, Inc. and applying such cash which is deemed to increase EBITDA for the purpose of calculating the applicable ratio. Products Corporation may exercise this cure right two times in any four-quarter period.
Covenants
Products Corporation was in compliance with all applicable covenants under the Amended Term Loan Agreement and the Amended Revolving Credit Facility as of December 31, 2015 and 2014. At December 31, 2015, the aggregate principal amounts outstanding under the Acquisition Term Loan and the 2011 Term Loan were $673.7 million and $662.9 million, respectively, and availability under the $175.0 million Amended Revolving Credit Facility, based upon the calculated borrowing base less $8.8 million of outstanding undrawn letters of credit and nil then drawn on the Amended Revolving Credit Facility, was $166.2 million.

(b) 5¾% Senior Notes
On February 8, 2013, Products Corporation completed its offering (the "2013 Senior Notes Refinancing"), pursuant to an exemption from registration under the Securities Act of 1933 (as amended, the "Securities Act"), of $500.0 million aggregate principal amount of the 5¾% Senior Notes. The 5¾% Senior Notes are unsecured and were issued to investors at par. The 5¾% Senior Notes mature on February 15, 2021. Interest on the 5¾% Senior Notes accrues at 5¾% per annum, paid every six months on February 15th and August 15th. (See "Registration Rights" below).
The 5¾% Senior Notes were issued pursuant to the 5¾% Senior Notes Indenture, dated as of February 8, 2013 (the “Notes Closing Date”), by and among Products Corporation, Products Corporation’s domestic subsidiaries (the “Guarantors”), which also currently guarantee Products Corporation’s Amended Term Loan Facility and Amended Revolving Credit Facility, and U.S. Bank National Association, as trustee. The Guarantors issued guarantees (the “Guarantees”) of Products Corporation’s obligations under the 5¾% Senior Notes and the 5¾% Senior Notes Indenture on a joint and several, senior unsecured basis. The Colomer U.S. Subsidiaries became additional guarantors in January 2014 and the New U.S. Subsidiaries became additional guarantors in January and May 2015, in each case under Products Corporation's Amended Term Loan Facility and Amended Revolving Credit Facility and the 5¾% Senior Notes Indenture.
In December 2013, Products Corporation consummated an offer to exchange the original 5¾% Senior Notes for $500 million of new 5¾% Senior Notes, which have substantially the same terms as the original 5¾% Senior Notes, except that they are registered under the Securities Act (such registered new notes being the “5¾% Senior Notes”). See "Registration Rights" below for further discussion.
Products Corporation used a portion of the $491.2 million of net proceeds from the issuance of the 5¾% Senior Notes (net of underwriters' fees) to repay and redeem all of the $330.0 million outstanding aggregate principal amount of its 9¾% Senior Secured Notes, as well as to pay $8.6 million of accrued interest. Products Corporation incurred an aggregate of $19.4 million of fees for the applicable redemption and tender offer premiums, related fees and expenses in connection with redemption and repayment of the 9¾% Senior Secured Notes and other fees and expenses in connection with the issuance of the 5¾% Senior Notes. Products Corporation used a portion of the remaining proceeds from the issuance of the 5¾% Senior Notes, together with existing cash, to pay approximately $113.0 million of

principal on its 2011 Term Loan in conjunction with the February 2013 Term Loan Amendments. Products Corporation used the remaining balance available from the issuance of the 5¾% Senior Notes for general corporate purposes, including, without limitation, debt reduction transactions, such as repaying to Revlon, Inc. at maturity on October 8, 2013 the Contributed Loan, which Revlon, Inc. used to pay the liquidation preference of Revlon, Inc.'s then outstanding Series A Preferred Stock, with a par value of $0.01 per share (the "Series A Preferred Stock") in connection with its mandatory redemption on such date.

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Ranking

The 5¾% Senior Notes are Products Corporation’s unsubordinated, unsecured obligations and rank senior in right of payment to any future subordinated obligations of Products Corporation and rank pari passu in right of payment with all existing and future senior debt of Products Corporation. Similarly, each Guarantee is the relevant Guarantor’s joint and several, unsubordinated and unsecured obligation and ranks senior in right of payment to any future subordinated obligations of such Guarantor and ranks pari passu in right of payment with all existing and future senior debt of such Guarantor. The Guarantees were issued on a joint and several basis.

The 5¾% Senior Notes and the Guarantees rank effectively junior to Products Corporation’s Amended Term Loan Facility and Amended Revolving Credit Facility, which are secured, as well as indebtedness and preferred stock of Products Corporation’s foreign and immaterial subsidiaries (the “Non-Guarantor Subsidiaries”), none of which guarantee the 5¾% Senior Notes.

Optional Redemption

The 5¾% Senior Notes may be redeemed at Products Corporation's option, at any time as a whole, or from time to time in part, at the following redemption prices (expressed as percentages of principal amount), plus accrued interest to the date of redemption, if redeemed during the 12-month period beginning on February 15th of the years indicated below:

| Year | Percentage | |
|---|---|---|
| 2016 | 104.313 | % |
| 2017 | 102.875 | % |
| 2018 | 101.438 | % |
| 2019 and thereafter | 100.000 | % |

Change of Control

Upon the occurrence of specified change of control events, Products Corporation is required to make an offer to purchase all of the 5¾% Senior Notes at a purchase price of 101% of the outstanding principal amount of the 5¾% Senior Notes as of the date of any such repurchase, plus accrued and unpaid interest to the date of repurchase.

Certain Covenants

The 5¾% Senior Notes Indenture limits Products Corporation’s and the Guarantors’ ability, and the ability of certain other subsidiaries, to:

- incur or guarantee additional indebtedness (“Limitation on Debt”);
- pay dividends, make repayments on indebtedness that is subordinated in right of payment to the 5¾% Senior Notes and make other “restricted payments” (“Limitation on Restricted Payments”);
- make certain investments;
- create liens on their assets to secure debt;
- enter into transactions with affiliates;
- merge, consolidate or amalgamate with another company (“Successor Company”);
- transfer and sell assets (“Limitation on Asset Sales”); and
- permit restrictions on the payment of dividends by Products Corporation’s subsidiaries (“Limitation on Dividends from Subsidiaries”).

These covenants are subject to important qualifications and exceptions. The 5¾% Senior Notes Indenture also contains customary affirmative covenants and events of default.

In addition, if during any period of time the 5¾% Senior Notes receive investment grade ratings from both Standard & Poor’s and Moody’s Investors Services, Inc. and no default or event of default has occurred and is continuing under the 5¾% Senior Notes Indenture, Products Corporation and its subsidiaries will not be subject to the covenants on Limitation on Debt, Limitation on Restricted Payments, Limitation on Asset Sales, Limitation on Dividends from Subsidiaries and certain provisions of the Successor Company covenant.

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Registration Rights
On the Notes Closing Date, Products Corporation, the Guarantors and the representatives of the initial purchasers of the 5¾% Senior Notes entered into a Registration Rights Agreement, pursuant to which Products Corporation and the Guarantors agreed with the representatives of the initial purchasers, for the benefit of the holders of the 5¾% Senior Notes, that Products Corporation would, at its cost, among other things: (i) file a registration statement with respect to the 5¾% Senior Notes within 150 days after the Notes Closing Date to be used in connection with the exchange of the 5¾% Senior Notes and related guarantees for publicly registered notes and related guarantees with substantially identical terms in all material respects (except for the transfer restrictions relating to the 5¾% Senior Notes and interest rate increases as described below); (ii) use its reasonable best efforts to cause the applicable registration statement to become effective under the Securities Act within 210 days after the Notes Closing Date; and (iii) use its reasonable best efforts to effect an exchange offer of the 5¾% Senior Notes and the related guarantees for registered notes and related guarantees within 270 days after the Notes Closing Date. In addition, under certain circumstances, Products Corporation was required to file a shelf registration statement to cover resales of the 5¾% Senior Notes. If Products Corporation failed to satisfy such obligations, it was obligated to pay additional interest to each holder of the 5¾% Senior Notes that were subject to transfer restrictions, with respect to the first 90-day period immediately following any such failure, at a rate of 0.25% per annum on the principal amount of the 5¾% Senior Notes that were subject to transfer restrictions held by such holder. The amount of additional interest increased by an additional 0.25% per annum with respect to each subsequent 90-day period until all registration requirements were satisfied, up to a maximum amount of additional interest of 0.50% per annum on the principal amount of the 5¾% Senior Notes that were subject to transfer restrictions.
On December 24, 2013, Products Corporation, consummated an offer to exchange Products Corporation's 5¾% Senior Notes for new notes, with substantially the same terms, but which were registered under the Securities Act. By having the registration statement declared effective by the SEC on November 22, 2013, Products Corporation cured the first registration default that occurred under the Registration Rights Agreement, because the Registration Statement had not been declared effective by September 6, 2013. By consummating the Exchange Offer on December 24, 2013, Products Corporation cured the second registration default under the Registration Rights Agreement, that occurred because Products Corporation had not consummated the Exchange Offer by November 5, 2013. The first registration default caused the interest on the 5¾% Senior Notes to increase from 5.75% per annum to 6.00% per annum from September 7, 2013 through December 5, 2013 and the second registration default caused the interest on the 5¾% Senior Notes to increase to 6.25% per annum from December 6, 2013 through December 23, 2013. With Products Corporation having consummated the Exchange Offer on December 24, 2013, interest on the 5¾% Senior Notes resumed accruing at the original rate of 5.75% per annum effective from such date. The Company recorded additional interest expense of $0.4 million during the year ended December 31, 2013 with respect to the registration defaults.
Covenants
Products Corporation was in compliance with all applicable covenants under its 5¾% Senior Notes Indenture as of December 31, 2015.
(c) Spanish Government Loan
In connection with the Colomer Acquisition, the Company acquired the Colomer Group's euro-denominated loan payable to the Spanish government (the "Spanish Government Loan"), which loan had $0.6 million aggregate principal amount outstanding as of December 31, 2015 (based on foreign exchange rates in effect as of such date). The Spanish Government Loan does not bear interest and is payable in 10 equal installments on June 30th of each year beginning in 2016 through 2025.

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Long-Term Debt Maturities
The aggregate amounts of contractual long-term debt maturities at December 31, 2015 in the years 2016 through 2020 and thereafter are as follows:

| Years Ended December 31, | Long-Term Debt Maturities | |
|---|---|---|
| 2016 | $30.0 | (a) |
| 2017 | 658.3 | (b) |
| 2018 | 6.9 | (a) |
| 2019 | 641.8 | (c) |
| 2020 | 0.1 | |
| Thereafter | 500.1 | (d) |
| Total long-term debt | 1,837.2 | |
| Discounts | (3.5 | ) |
| Total long-term debt, net of discounts | $1,833.7 | |

(a) Amount includes the quarterly amortization payments required under the Acquisition Term Loan. For 2016, this amount also includes the required $23.2 million “excess cash flow” prepayment to be made on or prior to April 9, 2016 under the Amended Term Loan Agreement (as defined under the Amended Term Loan Agreement).

(b) Amount includes the aggregate principal amount expected to be outstanding under the 2011 Term Loan which matures on November 19, 2017, after giving effect to the excess cash flow prepayment discussed in note (a) above.

(c) Amount is comprised of the aggregate principal amount expected to be outstanding under the Acquisition Term Loan assuming a maturity date of October 9, 2019, after giving effect to the amortization payments and excess cash flow prepayment referred to in note (a) above.

(d) Amount is primarily comprised of the $500.0 million aggregate principal amount outstanding as of December 31, 2015 under the 5¾% Senior Notes, which mature on February 21, 2021.

## 12. FAIR VALUE MEASUREMENTS

Assets and liabilities are required to be categorized into three levels of fair value based upon the assumptions used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3, if applicable, generally would require significant management judgment. The three levels for categorizing the fair value measurement of assets and liabilities are as follows:

- Level 1: Fair valuing the asset or liability using observable inputs, such as quoted prices in active markets for identical assets or liabilities;

- Level 2: Fair valuing the asset or liability using inputs other than quoted prices that are observable for the applicable asset or liability, either directly or indirectly, such as quoted prices for similar (as opposed to identical) assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active; and

- Level 3: Fair valuing the asset or liability using unobservable inputs that reflect the Company’s own assumptions regarding the applicable asset or liability.

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As of December 31, 2015, the fair values of the Company's financial assets and liabilities that are required to be measured at fair value are categorized in the table below:

| | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Assets: | | | | |
| Derivatives: | | | | |
| FX Contracts[a] | $2.0 | $— | $2.0 | $— |
| Total assets at fair value | $2.0 | $— | $2.0 | $— |
| Liabilities: | | | | |
| Derivatives: | | | | |
| FX Contracts[a] | $0.6 | $— | $0.6 | $— |
| 2013 Interest Rate Swap[b] | 6.5 | — | 6.5 | — |
| Total liabilities at fair value | $7.1 | $— | $7.1 | $— |

As of December 31, 2014, the fair values of the Company's financial assets and liabilities that are required to be measured at fair value are categorized in the table below:

| | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Assets: | | | | |
| Derivatives: | | | | |
| FX Contracts[a] | $0.2 | $— | $0.2 | $— |
| Total assets at fair value | $0.2 | $— | $0.2 | $— |
| Liabilities: | | | | |
| Derivatives: | | | | |
| 2013 Interest Rate Swap[b] | $3.5 | $— | $3.5 | $— |
| Total liabilities at fair value | $3.5 | $— | $3.5 | $— |

(a) The fair value of the Company's foreign currency forward exchange contracts ("FX Contracts") was measured based on observable market transactions for similar transactions in actively quoted markets of spot and forward rates on the respective dates. See Note 13, "Financial Instruments."

(b) The fair value of the Company's 2013 Interest Rate Swap was measured based on the implied forward rates from the U.S. Dollar three-month LIBOR yield curve on the respective dates. See Note 13, "Financial Instruments."

As of December 31, 2015, the fair values and carrying values of the Company's long-term debt, including the current portion of long-term debt, are categorized in the table below:

| | Fair Value | | | | |
|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total | Carrying Value |
| Liabilities: | | | | | |
| Long-term debt, including current portion | $— | $1,818.0 | $— | $1,818.0 | $1,833.7 |

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As of December 31, 2014, the fair values and carrying values of the Company’s long-term debt, including the current portion of long-term debt, are categorized in the table below:

| | Fair Value | | | | |
|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total | Carrying Value |
| Liabilities: | | | | | |
| Long-term debt, including current portion | $— | $1,844.0 | $— | $1,844.0 | $1,863.9 |

The fair value of the Company's long-term debt, including the current portion of long-term debt, is based on quoted market prices for similar issues and maturities.
The carrying amounts of cash and cash equivalents, trade receivables, notes receivable, accounts payable and short-term borrowings approximate their respective fair values.

## 13. FINANCIAL INSTRUMENTS

Products Corporation maintains standby and trade letters of credit for various corporate purposes under which Products Corporation is obligated, of which $8.8 million and $9.0 million (including amounts available under credit agreements in effect at that time) were maintained at December 31, 2015 and December 31, 2014, respectively. Included in these amounts are approximately $7.5 million and $7.7 million at December 31, 2015 and December 31, 2014, respectively, in standby letters of credit that support Products Corporation’s self-insurance programs. The estimated liability under such programs is accrued by Products Corporation.

### Derivative Financial Instruments

The Company uses derivative financial instruments, primarily: (i) FX Contracts, intended for the purpose of managing foreign currency exchange risk by reducing the effects of fluctuations in foreign currency exchange rates on the Company’s net cash flows; and (ii) interest rate hedging transactions, such as the 2013 Interest Rate Swap referred to below, intended for the purpose of managing interest rate risk associated with Products Corporation’s variable rate indebtedness.

### Foreign Currency Forward Exchange Contracts

The FX Contracts are entered into primarily to hedge the anticipated net cash flows resulting from inventory purchases and intercompany payments denominated in currencies other than the local currencies of the Company’s foreign and domestic operations and generally have maturities of less than one year.
The U.S. Dollar notional amount of the FX Contracts outstanding at December 31, 2015 and December 31, 2014 was $76.3 million and $7.6 million, respectively.

### Interest Rate Swap Transaction

In November 2013, Products Corporation executed a forward-starting floating-to-fixed interest rate swap transaction with a 1.00% floor, based on a notional amount of $400 million in respect of indebtedness under the Acquisition Term Loan over a period of three years (the "2013 Interest Rate Swap"). The Company designated the 2013 Interest Rate Swap as a cash flow hedge of the variability of the forecasted three-month LIBOR interest rate payments related to the $400 million notional amount under the Acquisition Term Loan over the three-year term of the 2013 Interest Rate Swap. Commencing in May 2015, Products Corporation receives from the counterparty a floating interest rate based on the higher of three-month USD LIBOR or 1.00%, while paying a fixed interest rate payment to the counterparty equal to 2.0709% (which effectively fixes the interest rate on such notional amount at 5.0709% over the three-year term of the 2013 Interest Rate Swap). For 2015, the 2013 Interest Rate Swap was deemed effective and therefore the changes in fair value related to the 2013 Interest Rate Swap have been recorded in Other Comprehensive Loss. As of December 31, 2015, the balance of deferred net losses on derivatives included in accumulated other comprehensive loss was $3.8 million after-tax. (See "Quantitative Information – Derivative Financial Instruments" below).
The Company expects that $2.4 million of the after-tax deferred net losses related to the 2013 Interest Rate Swap will be reclassified into earnings over the next 12 months as a result of transactions that are expected to occur over that period. The amount ultimately realized in earnings may differ, as LIBOR is subject to change. Realized gains and

losses are ultimately determined by actual rates at maturity of the derivative.

Credit Risk

Exposure to credit risk in the event of nonperformance by any of the counterparties is limited to the gross fair value of the derivative instruments in asset positions, which totaled $2.0 million and $0.2 million as of December 31, 2015 and December 31,

2014, respectively. The Company attempts to minimize exposure to credit risk by generally entering into derivative contracts with counterparties that have investment-grade credit ratings and are major financial institutions. The Company also periodically monitors any changes in the credit ratings of its counterparties. Given the current credit standing of the Company's counterparties to its derivative instruments, the Company believes that the risk of loss under these derivative instruments arising from any non-performance by any of the counterparties is remote.

Quantitative Information – Derivative Financial Instruments

The effects of the Company’s derivative instruments on its Consolidated Financial Statements were as follows:

(a) Fair Values of Derivative Financial Instruments in the Consolidated Balance Sheets:

| | Fair Values of Derivative Instruments | | | | | |
|---|---|---|---|---|---|---|
| | Assets | | | Liabilities | | |
| | Balance Sheet Classification | December 31, 2015 Fair Value | December 31, 2014 Fair Value | Balance Sheet Classification | December 31, 2015 Fair Value | December 31, 2014 Fair Value |
| Derivatives designated as hedging instruments: | | | | | | |
| 2013 Interest Rate Swap[(i)] | Prepaid expenses and other | $— | $— | Accrued expenses and other | $4.0 | $2.1 |
| | Other assets | — | — | Other long-term liabilities | 2.5 | 1.4 |
| Derivatives not designated as hedging instruments: | | | | | | |
| FX Contracts[(ii)] | Prepaid expenses and other | $2.0 | $0.2 | Accrued Expenses | $0.6 | $— |

(i) The fair values of the 2013 Interest Rate Swap at December 31, 2015 and December 31, 2014 were measured based on the implied forward rates from the U.S. Dollar three-month LIBOR yield curve at December 31, 2015 and December 31, 2014, respectively.

(ii) The fair values of the FX Contracts at December 31, 2015 and December 31, 2014 were measured based on observable market transactions of spot and forward rates at December 31, 2015 and December 31, 2014, respectively.

(b) Effects of Derivative Financial Instruments on the Consolidated Statements of Income and Comprehensive Income (Loss) for each of 2015, 2014 and 2013:

| | Amount of Gain (Loss) Recognized in Other Comprehensive Income (Loss) Year Ended December 31, | | |
|---|---|---|---|
| | 2015 | 2014 | 2013 |
| Derivatives designated as hedging instruments: | | | |
| 2013 Interest Rate Swap, net of tax [(a)] | $(1.6) | $(3.7) | $1.5 |

(a) Net of tax (benefit) expense of $(1.0) million, $(2.3) million and $1.0 million for each of 2015, 2014 and 2013, respectively.

| | Income Statement Classification | Amount of Gain (Loss) Recognized in Net Income Year Ended December 31, | | |
|---|---|---|---|---|
| | | 2015 | 2014 | 2013 |
| Derivatives designated as hedging instruments: | | | | |

| | | | | |
|---|---|---|---|---|
| 2013 Interest Rate Swap | Interest Expense | $(2.6 ) | $— | $— |
| Derivatives not designated as hedging instruments: | | | | |
| FX Contracts | Foreign currency gain, net | $3.8 | $0.5 | $2.2 |

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## 14. SAVINGS PLAN, PENSION AND POST-RETIREMENT BENEFITS

Savings Plan:
The Company offers a qualified defined contribution plan for its U.S.-based employees, the Revlon Employees' Savings, Investment and Profit Sharing Plan (as amended, the "Savings Plan"), which allows eligible participants to contribute up to 25%, and highly compensated participants to contribute up to 6%, of eligible compensation through payroll deductions, subject to certain annual dollar limitations imposed by the Internal Revenue Service (the "IRS"). The Company matches employee contributions at fifty cents for each dollar contributed up to the first 6% of eligible compensation. The Company made cash matching contributions to the Savings Plan of $2.5 million during 2015 and $2.4 million during each of 2014 and 2013, respectively. The Company also offers a non-qualified defined contribution plan (the “Excess Savings Plan”) providing benefits for certain U.S. employees who are in excess of IRS limitations. These non-qualified defined contribution benefits are funded from the Company's general assets.
The Company’s qualified and non-qualified defined contribution savings plans for its U.S.-based employees contain a discretionary profit sharing component that enables the Company, should it elect to do so, to make discretionary profit sharing contributions. For 2015, the Company made discretionary profit sharing contributions to the Savings Plan and Excess Savings Plan of $4.8 million (of which $3.7 million was paid in 2015 and $1.1 million was paid in January 2016), or 3% of eligible compensation, which was credited on a quarterly basis. For 2014, the Company made discretionary profit sharing contributions to the Savings Plan and Excess Savings Plan of $4.0 million (of which $3.1 million was paid in 2014 and $0.9 million was paid in January 2015), or 3% of eligible compensation, which was credited on a quarterly basis. In 2013, the Company made discretionary profit sharing contributions to the Savings Plan and Excess Savings Plan of $4.1 million (of which $3.2 million was paid in 2013 and $0.9 million was paid in January 2014), or 3% of eligible compensation, which was credited on a quarterly basis.
Pension Benefits:
In 2009, Products Corporation’s U.S. qualified defined benefit pension plan (the Revlon Employees’ Retirement Plan, which covered a substantial portion of the Company's employees in the U.S.) and its non-qualified pension plan (the Revlon Pension Equalization Plan) were amended to cease future benefit accruals under such plans after December 31, 2009. No additional benefits have accrued since December 31, 2009, other than interest credits on participant account balances under the cash balance program of the Company’s U.S. pension plans. Also, service credits for vesting and early retirement eligibility will continue to accrue in accordance with the terms of the respective plans. In 2010, the Company amended its Canadian defined benefit pension plan (the Affiliated Revlon Companies Employment Plan) to reduce future benefit accruals under such plan after December 31, 2010. Additionally, while the Company closed its U.K. defined pension plan to new entrants in 2002, then-existing participants continue to accrue pension benefits.
Effective December 31, 2012, Products Corporation merged two of its U.S. qualified defined benefit pension plans; therefore, as of December 31, 2012, Products Corporation sponsors two U.S. qualified defined benefit pension plans. The Company also has non-qualified pension plans that provide benefits for certain U.S. and non-U.S. employees, and for U.S. employees in excess of IRS limitations in the U.S. and in certain limited cases contractual benefits for certain former officers of the Company. These non-qualified plans are funded from the Company's general assets.
In the fourth quarter of 2015, the Company offered certain former employees who had vested benefits in the Revlon Employees’ Retirement Plan the option of receiving the present value of the participant’s pension benefit in a one-time cash lump sum payment, an annuity form of benefit or the ability to maintain their deferred vested status in the pension plan. Based upon the participants' acceptance of that offer, $53.4 million was paid from the plan's assets in December 2015, with a corresponding decrease in the plan's benefit obligation. As a result of such program, the Company recorded a $20.7 million charge as a result of the pension lump sum settlement in the fourth quarter of 2015. This charge was included in cost of sales and SG&A expenses.
Other Post-retirement Benefits:

The Company previously sponsored an unfunded retiree benefit plan, which provides death benefits payable to beneficiaries of a very limited number of former employees. Participation in this plan was limited to participants enrolled as of December 31, 1993. The Company also administers an unfunded medical insurance plan on behalf of Revlon Holdings, certain costs of which have been apportioned to Revlon Holdings under the transfer agreements among Revlon, Inc., Products Corporation and MacAndrews & Forbes. (See Note 22, “Related Party Transactions - Transfer Agreements”).

The following table provides an aggregate reconciliation of the projected benefit obligations, plan assets, funded status and amounts recognized in the Company’s Consolidated Financial Statements related to the Company's significant pension and other post-retirement benefit plans.

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| | Pension Plans | | Other Post-Retirement Benefit Plans | |
|---|---|---|---|---|
| | December 31, | | | |
| | 2015 | 2014 | 2015 | 2014 |
| Change in Benefit Obligation: | | | | |
| Benefit obligation - beginning of year | $(761.7) | $(668.2) | $(12.9) | $(14.4) |
| Service cost | (0.7) | (0.8) | — | — |
| Interest cost | (28.6) | (30.1) | (0.5) | (0.5) |
| Actuarial gain (loss) | 44.4 | (108.0) | (0.4) | (0.2) |
| Lump sum settlement | 53.4 | — | — | — |
| Other pension settlements | 0.8 | — | — | — |
| Benefits paid | 38.3 | 41.0 | 0.8 | 0.7 |
| Foreign currency translation adjustments | 4.7 | 4.4 | — | — |
| Other | — | — | — | 1.5 |
| Benefit obligation - end of year | $(649.4) | $(761.7) | $(13.0) | $(12.9) |
| Change in Plan Assets: | | | | |
| Fair value of plan assets - beginning of year | $567.7 | $557.6 | $— | $— |
| Actual return on plan assets | (13.9) | 37.6 | — | — |
| Employer contributions | 17.3 | 18.2 | 0.8 | 0.7 |
| Lump sum settlement | (53.4) | — | — | — |
| Other pension settlements | (0.8) | — | — | — |
| Benefits paid | (38.3) | (41.0) | (0.8) | (0.7) |
| Foreign currency translation adjustments | (4.7) | (4.7) | — | — |
| Fair value of plan assets - end of year | $473.9 | $567.7 | $— | |