

REVLON

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For Immediate Release

REVLON TO BE ACQUIRED BY FORSTMANN LITTLE & CO. IN \$3 BILLION MANAGEMENT BUYOUT

NEW YORK, NEW YORK, October 3, 1985 -- M. C. Bergerac, Chairman and Chief Executive of Revlon, Inc., (NYSE) and Theodore J. Forstmann, General Partner of Forstmann Little & Co., jointly announced today that they have entered into a definitive merger agreement providing for the acquisition of Revlon by Forstmann Little & Co. at a price of \$56 per share in cash. The total value of the transaction based on Revlon's shares and debt to be assumed or refinanced is approximately \$3 billion.

Mr. Bergerac said that, "The Board believes this is an outstanding transaction and obviously in the best interests of the Company, its employees and our stockholders." He added, "It is clearly in keeping with my previously announced pledge to maximize stockholder values."

Forstmann Little will invest approximately \$445 million of its capital in the transaction. The balance of the purchase price will be derived from bank loans. Revlon's senior management will be offered an equity participation in the acquiring company.

Forstmann Little and American Home Products Corporation have entered into certain business arrangements relating to the Forstmann Little transaction. These arrangements include the sale of Revlon's Norcliff Thayer and Reheis Chemical businesses to American Home Products immediately after the acquisition of Revlon by Forstmann Little.

It was also announced that Revlon and Forstmann Little have entered into a definitive agreement for the sale of Revlon's worldwide beauty products business, for a price of approximately \$900 million, to a group led by Adler & Shaykin, which will include members of Revlon beauty products management. The sale is expected to be completed immediately prior to the acquisition of Revlon by Forstmann Little and is not subject to shareholder approval.

The acquisition of Revlon by Forstmann Little is subject to approval by the shareholders of Revlon, consummation of the sale of the beauty products business and fulfillment of certain customary conditions. The proposed merger will be submitted to Revlon's stockholders for approval at a special meeting that it is anticipated will be held in late November. Proxy materials will be mailed to stockholders as soon as practicable.

The merger agreement provides that the Board will only redeem the Company's Note Purchase Rights either upon the consummation of the proposed merger with Forstmann Little, or, after a ten day period, upon the consummation of another transaction pursuant to which all stockholders will receive \$56 or more in cash for all their shares. Consummation of the merger is conditioned upon the independent directors of Revlon's Board authorizing the transactions under certain covenants in the Company's 11.75% Senior Subordinated Notes due 1995 and its \$9.00 Cumulative Convertible Exchangeable Preferred Stock, stated value \$100 per share, and redeeming the Note Purchase Rights.

The merger agreement provides that if it is not consummated for any reason, other than a breach by Forstmann Little, Revlon will pay Forstmann Little a \$25 million fee. Both the Forstmann Little acquisition of Revlon and Adler & Shaykin's acquisition of Revlon's beauty products business are fully financed and are not subject to completion of financing.

At a special meeting today, Revlon's Board of Directors unanimously determined that the merger and the asset sale are fair to and in the best interests of Revlon and its stockholders.

As of September 30, 1985, 28,453,136 shares of Revlon common stock were outstanding and 1,402,830 shares were issuable upon the exercise of outstanding options. The outstanding \$9.00 Preferred Stock is convertible into 1,739,000 shares of Revlon common stock.

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