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## Revlon, Inc Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### **Operator**

Thank you. (Operator Instructions) Our first question comes from the line of Karru Martinson of Deutsche Bank. Your line is open.

#### **Karru Martinson – Deutsche Bank**

Just kind of start with housekeeping. On the other cash flow that your correct the – it's 15 cash usage of \$15 million –15?

#### **Unidentified Company Representative**

Yeah, in 2009 correct.

#### **Karru Martinson – Deutsche Bank**

Correct. Okay. I just wanted to make sure on that. As we look out at 2009, and kind of the advertising spend, are we looking at kind of a similar level going forward here? Or are we are going to see some pullback and then how would that can be weighted through the course of the year?

#### **Unidentified Company Representative**

Well, as we've indicated, we will – we are going to support our brands. We are continuing to support them appropriately with advertising and promotional expenditures. We'll support all of our new product launches and that's the approach. In addition to that, of course as we look out, we are going to maintain flexibility in order to adapt to whatever the business conditions are. Let me remind you that throughout 2008, in the U.S. and then key countries around the world, the mass color cosmetics market continue to grow. We saw that even in January

#### **Karru Martinson – Deutsche Bank**

Okay. And in terms of the, but 2010 kind of debt maturities, obviously the Rights Offering seems like it's on hold for now. I mean, kind of what's the mindset here as here as we go through 2009 in terms of addressing that?

#### **David L. Kennedy**

Well, a couple of points clearly, first of all as I mentioned, we are in a good position and that we do not have any debt maturing in 2009. The MacAndrews& Forbes loan as you know was extended to

August 2010. Having said that we're still committed to doing the Equity Rights offering. Obviously, we are watching the markets closely to assess the timing at this point. So our strategy has not changed. We just have to wait and see what's happened to the marketplace.

**Karru Martinson – Deutsche Bank**

Taking a step back and looking at the broader picture. I mean, are you seeing any shifts in your customer's behavior in terms of trade downs, and kind of reaching, perhaps for out of the prestige market into kind of the mass market?

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