

Supplement to the Offer to Purchase dated September 16, 1985

Nicole Acquisition Company

a wholly owned subsidiary of

Pantry Pride, Inc.

Has Amended Its Tender Offer to

Increase the Cash Price for

Any and All Outstanding Shares of Common Stock

of

Revlon, Inc.

to

\$58 Net Per Share

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, THE BOARD OF DIRECTORS OF REVLOK REDEEMING THE RIGHTS DIVIDEND ANNOUNCED ON AUGUST 19, 1985, OR THE PURCHASER OTHERWISE BEING SATISFIED THAT SUCH RIGHTS ARE NULL AND VOID. THE OFFER IS ALSO CONDITIONED UPON REVLOK AGREEING TO WAIVE FOR PANTRY PRIDE THE SAME COVENANTS RELATING TO REVLOK'S 11.75% SENIOR SUBORDINATED NOTES AND \$9.00 PREFERRED SHARES AS REVLOK AGREED TO WAIVE IN CONNECTION WITH THE REVLOK BUYOUT AND REVLOK AGREEING TO ELECT THREE DESIGNEES OF PANTRY PRIDE AS INDEPENDENT DIRECTORS PROMPTLY FOLLOWING THE PURCHASE OF SHARES PURSUANT TO THE OFFER AS WAS PROVIDED IN SUCH BUYOUT.

THE OFFER IS ALSO CONDITIONED UPON AN INJUNCTION BEING ISSUED AGAINST THE LOCK-UP OPTION GRANTED BY REVLOK TO FORSTMANN LITTLE. SEE THE INTRODUCTION.

THE OFFER IS NOT CONDITIONED UPON ANY MINIMUM NUMBER OF SHARES BEING TENDERED.

THE EXPIRATION DATE FOR THE OFFER HAS BEEN EXTENDED TO 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, OCTOBER 31, 1985, UNLESS FURTHER EXTENDED. WITHDRAWAL RIGHTS UNDER THE OFFER HAVE EXPIRED. SEE SECTION 5.

Any stockholder desiring to accept the Offer should either (1) complete and sign the Letter of Transmittal or a facsimile copy thereof in accordance with the instructions in the Letter of Transmittal and mail or deliver it with his stock certificates and any other required documents to the Depositary or tender his Shares pursuant to the procedure for book-entry transfer set forth in Section 3 of the Offer to Purchase or (2) request his broker, dealer, commercial bank, trust company or other nominee to effect the transaction for him. A stockholder whose Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if such stockholder desires to tender such Shares.

Any stockholder desiring to accept the Offer whose certificates for Shares are not immediately available, or who cannot comply with the procedure for book-entry transfer on a timely basis, should tender such Shares by following the procedures for guaranteed delivery set forth in Section 3 of the Offer to Purchase.

Questions and requests for assistance may be directed to the Dealer Manager or the Information Agent at their respective addresses and telephone numbers set forth on the back cover of this Supplement. Request for additional copies of this Supplement, the Offer to Purchase, the October 9 Supplement, the October 10 Letter and the Letter of Transmittal may be directed to the Information Agent or the Dealer Manager or to brokers, dealers, commercial banks or trust companies.

The Dealer Manager for the Offer is:

Drexel Burnham Lambert
INCORPORATED

October 22, 1985

*To the Holders of Shares of
REVLON, INC.:*

The following information amends and supplements the Offer to Purchase dated September 16, 1985, as amended (the "Offer to Purchase"), the Supplement dated October 9, 1985 (the "October 9 Supplement") and the Letter dated October 10, 1985 (the "October 10 Letter") of Nicole Acquisition Company, a Delaware corporation (the "Purchaser") and an indirect wholly owned subsidiary of Pantry Pride, Inc., a Delaware corporation ("Pantry Pride"), pursuant to which the Purchaser is now offering to purchase any and all outstanding shares of common stock, par value \$1.00 per share (the "Shares"), of Revlon, Inc., a Delaware corporation (the "Company"), at \$58 per share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, the October 9 Supplement, the October 10 Letter, this Supplement and the related Letter of Transmittal (which collectively constitute the "Offer"). Terms not defined herein have the meanings set forth in the Offer to Purchase or the October 9 Supplement.

The Offer is conditioned upon, among other things, the Board of Directors of the Company redeeming the rights dividend announced by the Company on August 19, 1985 (the "Rights"), or the Purchaser otherwise being satisfied that the Rights are null and void. The Offer is also conditioned upon the Company agreeing to waive for Pantry Pride the same covenants as the Company agreed to waive in connection with the Buyout Merger with respect to the terms of (i) the indenture (the "Note Indenture") relating to the Company's 11.75% Senior Subordinated Notes due 1995 (the "Notes") restricting (a) the creation or incurrence of Debt (as defined in the Note Indenture), (b) the payment of certain dividends and distributions and (c) the sale or transfer of assets (collectively, the "Note Covenants") and (ii) the Certificate of Designations, Preferences and Rights (the "\$9.00 Certificate") relating to the Company's \$9.00 Cumulative Convertible Exchangeable Preferred Stock, stated value \$100 per share (the "\$9.00 Preferred Shares"), restricting the creation or incurrence of Debt (the "\$9.00 Preferred Covenant"), and the Company agreeing to elect three designees of the Purchaser as Independent Directors promptly following the purchase of Shares as was provided in connection with the Buyout Merger. The actions described in the immediately preceding sentence are sometimes together referred to as the "Company Actions." See Section 6 of the October 9 Supplement. See Section 11 of the Offer to Purchase for a description of the Rights, the Notes and the \$9.00 Preferred Shares. See Section 2 of the October 9 Supplement and Section 2 of this Supplement for a description of the Buyout Merger.

The Offer is also conditioned upon an injunction, on terms satisfactory to the Purchaser, being issued against the option granted by the Company to Forstmann Little & Co. ("Forstmann Little") to buy the Company's Vision Care Group and National Health Laboratories Incorporated subsidiary for an aggregate purchase price of \$525 million (the "Lock-Up Option"). See Section 2 of this Supplement.

The Company has announced that it has withdrawn the Rights and waived the \$9.00 Preferred Covenant effective immediately prior to the consummation of any transaction in which all stockholders will receive \$57.25 or more per Share in cash for all their Shares, and that it has waived the Note Covenants effective immediately prior to the consummation of any transaction in connection with which the Board has received an opinion from any two nationally recognized well-established investment banking firms to the effect that following the consummation of such transaction the Notes should trade on a fully distributed basis as of the date of such opinion at approximately equal to their principal amount.

Pantry Pride has announced that it is prepared to (i) make an exchange offer for the Notes in which holders of Notes will receive new notes with respect to which two nationally recognized well-established investment banking firms will give an opinion to the effect that following the consummation of such exchange offer such notes should trade on a fully distributed basis as of the date of such opinion at approximately equal to their principal amount or (ii) consider a cash tender offer for the Notes at their principal amount. See Sections 1 and 2 of this Supplement. The exchange offer would only be made pursuant to an offering circular or a prospectus sent to holders of the Notes.

The Offer is not conditioned upon any minimum number of Shares being tendered.

The Purchaser continues to believe that the issuance of the Rights violates Delaware law and does not intend, following the time it obtains control of the Company, to permit the Company to honor the Rights or the Rights Notes unless required to do so by a final non-appealable order of a court of competent jurisdiction. MacAndrews

& Forbes has filed an amended complaint in its action pending in the Delaware Chancery Court seeking, among other things, an order enjoining the enforcement of the Rights and declaring the Rights null and void. See Section 1 of the October 9 Supplement and Section 1 of this Supplement.

Withdrawal rights under the Offer have expired. See Section 5 of this Supplement.

Procedures for tendering Shares are set forth in Section 3 of the Offer to Purchase. Tendering stockholders should continue to use the Blue Letter of Transmittal and the Notice of Guaranteed Delivery circulated with the Offer to Purchase or the Pink Letter of Transmittal circulated with this Supplement. In any case, tendering stockholders will receive the increased price of \$58 per Share for each Share purchased pursuant to the Offer.

1. Recent Developments. On October 13, 1985, the Company issued the following press release:

Revlon, Inc. and Forstmann Little & Co. jointly announced today that they have amended their merger agreement to increase the cash price per share each stockholder will receive to \$57.25.

In making the announcement, M. C. Bergerac, Chairman and Chief Executive of Revlon, said, "This offer clearly fulfills our single most important commitment — to maximize our stockholders' interests. If we had not been so persistent our stockholders would not have the opportunity to receive more than \$430 million, or \$15.25 per share, over the \$42 per share offer Pantry Pride was pressuring stockholders to accept less than a month ago — and this was after our successful exchange offer for 10 million shares which provided shareholders with very substantial premiums, over prevailing market prices."

The amended agreement also provides that immediately following the consummation of the merger, the surviving corporation will offer to exchange new Senior Subordinated Increasing Rate Notes Due 1995 for any and all of Revlon's 11.75% Senior Subordinated Notes Due 1995 on a one-for-one basis. The interest rate on the Increasing Rate Notes will initially be 14% per annum and will increase by 37.5 basis points per quarter during each of the first four quarters following the date of their issuance and by 25 basis points per quarter during each of the next six quarters. Thereafter, the interest rate will be fixed at 17%. The Increasing Rate Notes will be redeemable at the option of the issuer in whole or in part on any quarterly interest payment date at par plus accrued interest. After consultation with Lazard Freres & Co., Revlon's investment banker, and Goldman, Sachs & Co., Forstmann Little's investment banker, the Increasing Rate Notes were designed to trade on a fully distributed basis at approximately their principal amount. The exchange offer will be made only pursuant to a prospectus sent to holders of 11.75% Notes.

As a condition of Forstmann Little's increased offer, Revlon has granted to Forstmann Little an option to acquire Revlon's Vision Care Group (Barnes-Hind, Coburn Optical) and National Health Laboratories for an aggregate purchase price of \$525 million. This option will be exercisable by Forstmann Little when any person or group acquires 40% of Revlon's shares.

Mr. Bergerac said that neither he nor any members of the Company's management will participate with Forstmann Little as equity investors in the financing of the proposed transaction.

"I asked," Mr. Bergerac explained, "to be relieved of my equity participation in the new venture so that there would be no confusion as to the motivation behind this agreement — to get the best possible transaction for Revlon stockholders and noteholders and, therefore, gain for them the greatest value possible."

Mr. Bergerac stated that the revised Forstmann Little proposal was presented to the Board at a meeting held on Saturday and had been conditioned by Forstmann Little on being accepted at that meeting. The Directors voted unanimously to accept the revised Forstmann Little proposal.

Revlon also announced that its Board has withdrawn the Company's Note Purchase Rights effective immediately prior to the consummation of any transaction, involving Forstmann Little, Pantry Pride or any other entity, in which all stockholders will receive \$57.25 or more per share in cash for all their shares. Further, the Board has waived the covenants in the Company's 11.75% Notes, effective immediately prior to the consummation of any transaction, involving Forstmann Little, Pantry Pride or any other entity, in connection with which the Board has received an opinion from Lazard Freres or from any two other nationally recognized, well-established investment banking firms to the effect that after such transaction the 11.75% Notes will trade at approximately their principal amount. The Board also has waived the provision in

the Company's \$9.00 Cumulative Convertible Exchangeable Preferred Stock, stated value \$100 per share, restricting the debt to capitalization ratio of Revlon to 0.6:1, effective immediately upon consummation of any transaction in which all stockholders will receive \$57.25 or more per share in cash for all their shares of common stock.

Commenting on the Board action, Mr. Bergerac said, "The Board has worked diligently to maximize stockholder values and to provide Revlon stockholders with an excellent price for their shares. And, in order to avoid any possible question as to the propriety of the proposed transaction, Forstmann Little, contrary to its usual practice, agreed at management's request, not to insist on management participation in equity. Moreover, holders of Revlon's 11.75% Senior Subordinated Notes Due 1995 also will benefit from this revised proposal as a result of the one-for-one exchange for higher yielding new notes."

"During the last few weeks there has been a significant amount of confusion among our stockholders and great uncertainty among our employees, suppliers and the communities which we serve. Regardless of the forced necessity to reorganize Revlon assets, we have created substantial new values for Revlon stockholders with Forstmann Little, and this proposal is in the best interests of both Revlon stockholders and employees," Mr. Bergerac explained.

The Company Schedule 14D-9. In an Amendment dated October 15, 1985 to the Schedule 14D-9 the Company stated that "it recognized that the present value of the consideration per Share payable pursuant to the [\$57.25 Forstmann Little proposal], depending on the assumed discount rate and on the timetable for the transaction, could be somewhat less than [Pantry Pride's \$56.25 proposal]." The Company also stated in the Schedule 14D-9 that it was advised by Lazard Freres that the \$525 million exercise price of the Lock-Up Option granted Forstmann Little "is favorable to the buyer." Lazard Freres had advised the Board that the estimate of Lazard Freres was that they could achieve a price as high as \$600 to \$700 million from the sale of the assets subject to the Lock-Up Option.

In an Amendment dated October 18, 1985 to the Schedule 14D-9, the Company announced that of the \$1,200 million Forstmann Little expected to borrow from banks in connection with the Buyout Merger, two banks had committed to lend an aggregate of \$800 million and to "use their best efforts" to arrange a syndicate of commercial banks to provide the balance of up to \$400 million. See Section 8 of this Supplement.

Litigation. On October 14, 1985, MacAndrews & Forbes filed a second amended and supplemental complaint in its action pending in Delaware Chancery Court against the Company, certain directors of the Company and Forstmann Little. The second amended and supplemental complaint alleges, in addition to the allegations contained in the amended and supplemental complaint, that (i) the Lock-Up Option is without a proper corporate purpose, constitutes a waste of assets and is grossly negligent, (ii) each of the director defendants owes fiduciary duties to the stockholders of the Company, including MacAndrews & Forbes, (iii) by means of its participation with the director defendants in the Lock-Up Option and the provision in the Buyout Agreement for a \$25 million break-up fee, Forstmann Little has participated knowingly in a conspiracy with the director defendants resulting in a breach of fiduciary duty by the director defendants and (iv) (a) Section 271 of the Delaware General Corporation Law requires stockholder approval of the sale of all or substantially all of the Company's assets, (b) the Company's sale of its Beauty Products Division to the Buyer and sale of its Vision Care Group and National Health Laboratories to Forstmann Little are component parts of a single plan by the Company to sell assets to defeat the attempted acquisition of the Company by Pantry Pride, (c) the Company's sale of its Beauty Products Division to the Buyer and sale of its Vision Care Group and National Health Laboratories to Forstmann Little together constitute a sale of substantially all of the Company's assets, thereby requiring stockholder approval pursuant to Section 271 and (d) the Company has announced that it does not intend to seek stockholder approval of the sale of the Beauty Products Division, the Vision Care Group or National Health Laboratories; sale of those assets without stockholder approval would violate Section 271.

In addition to the relief previously requested, MacAndrews & Forbes has requested that the Court (i) grant an order enjoining the Company's proposed sales of assets to Forstmann Little and (ii) grant an order enjoining the Company's proposed sale of assets to the Buyer and Forstmann Little without stockholder approval.

On October 15, 1985, the Delaware Chancery Court restrained the Company and its agents from placing into escrow or otherwise transferring to Forstmann Little any Company assets or monies or from delivering to Forstmann Little any letters of credit in connection with the Buyout Agreement, the amendment to the Buyout

Agreement, dated as of October 12, 1985 (the "Buyout Amendment"), or the Option Agreement, dated as of October 12, 1985, between Forstmann Little and the Company (the "Lock-Up Agreement").

A hearing was held in Delaware Chancery Court on October 18, 1985, on MacAndrews & Forbes' motion for a preliminary injunction.

The Company has withdrawn its motion in Federal District Court in Delaware to enjoin the Offer as amended on October 7, 1985 as a new offer.

2. The Buyout Merger and the Lock-Up Option. On October 12, 1985, the Company and Forstmann Little entered into the Buyout Amendment amending the Buyout Agreement. The Buyout Amendment provides that the price which would be paid in the Buyout Merger has been increased to \$57.25 per Share. Forstmann Little covenanted to use its best efforts to have sufficient funds to consummate the Buyout Merger and represented that it was highly confident that it could obtain such funds.

The Buyout Amendment provides that as promptly as practicable after the Effective Time of the Buyout Merger, Forstmann Little shall cause the surviving corporation in the merger (the "Surviving Corporation") to either (i) offer to exchange the New Notes (as hereafter defined) for all outstanding Notes pursuant to an offer on the basis of \$1,000 principal amount of New Notes for \$1,000 principal amount of Notes made in reliance on an exemption from the registration requirements of the Securities Act or (ii) file with the Commission a registration statement under the Securities Act with respect to the New Notes and as promptly as practicable after the declaration of the effectiveness of such registration statement offer to exchange New Notes for all outstanding Notes.

According to the Buyout Agreement, the New Notes will have an initial interest rate of 14%, to be increased by 37.5 basis points per quarter during each of the first four quarters and by 25 basis points per quarter during each of the next six quarters, thereafter the rate would be 17%. The New Notes will mature in ten years, subject to optional redemption, in whole or in part. The New Notes will be subordinated to all senior indebtedness of the Surviving Corporation and will rank superior to all subordinated indebtedness of the Surviving Corporation (other than the Notes, with which they shall be *pari passu*). The Surviving Corporation will make no repayments of principal on the 11½% Junior Subordinated Debentures (\$375 million principal amount) to be issued to Forstmann Little investors in the Surviving Corporation until all of the New Notes have been repaid. The New Notes will also provide that the Surviving Corporation may not declare or pay any dividend or make any distribution on its capital stock, nor may it purchase, redeem or otherwise acquire or retire any of its capital stock (a) if the New Notes or any other obligations are in default or (b) if the sums expended for such purposes exceed 50 percent of the cumulative consolidated net income of the Surviving Corporation subsequent to the quarter ended next preceding the issuance of the New Notes; provided, however, that this provision shall not restrict any payment upon the conversion of any Preferred Shares or any dividend on or redemption or purchase of such shares in accordance with their terms. The New Notes will enter into default if there is a default under any evidence of indebtedness for money borrowed of the Surviving Corporation in excess of \$5 million, which default shall constitute a failure to pay any portion of the principal of such indebtedness when due and payable after the expiration of any applicable grace period with respect thereto or shall have resulted in such indebtedness becoming due and payable prior to the date on which it would otherwise have become due and payable without such acceleration having been rescinded or annulled within a period of ten business days after such acceleration. The New Notes will also provide that the Surviving Corporation may not consolidate, merge or transfer all of its assets to another corporation unless (a) the Surviving Corporation survives the transaction, (b) if the Surviving Corporation does not survive, the merged or acquiring entity is a United States corporation which will assume all of the Surviving Corporation's obligations and (c) such transaction does not cause a default.

Under the Buyout Amendment, the Company may not participate in any negotiations regarding, or furnish any information to or cooperate with or assist or encourage any person in connection with, any sales of assets, securities of, or business combinations with, the Company or any of its subsidiaries.

The Company agreed to place into escrow the \$25 million break-up fee which may become payable to Forstmann Little. The Company also agreed that, in addition to the Company's obligation to pay the fee upon the occurrence of the events specified in the Buyout Agreement, the fee shall become payable if anyone becomes the beneficial owner of more than 19.9 percent of the Shares.

The Buyout Amendment provides that Forstmann Little may terminate the Buyout Agreement if the Board of Directors of the Company approves or recommends an "acquisition proposal" by any person other than

Forstmann Little or if any person becomes the beneficial owner of 40 percent or more of the voting power of the Company.

Pursuant to the Buyout Amendment, Forstmann Little has requested the payment of its expenses as of the date of the Buyout Agreement, in the amount of \$4.44 million.

Pursuant to the Buyout Amendment, subject to any required class vote, in the Buyout Merger (i) each \$9.00 Preferred Share would be converted into the right to receive \$100 in cash and (ii) each Series A Preferred Share would be converted into the right to receive an amount of cash equal to the greater of (a) what would be received upon conversion of such share immediately after the Effective Time and (b) the purchase price payable pursuant to a Scheduled Purchase Offer (as defined in Section 3 of the Certificate of Designation, Preferences, Rights and Limitations of the Series A Preferred Shares).

On October 12, 1985, the Company and Forstmann Little entered into the Lock-Up Agreement pursuant to which the Company granted Forstmann Little the Lock-Up Option to purchase the Company's Barnes-Hind, Inc., Coburn Optical Industries, Inc. and National Health Laboratories Incorporated subsidiaries (the "Subsidiaries"), for a purchase price of \$525 million.

The Lock-Up Option may be exercised at any time on or prior to one year from the date of the Lock-Up Agreement (or, if, prior to such date, any person becomes the beneficial owner of 19.9 percent or more of the outstanding Shares, on or prior to three years from such date) if any person becomes the beneficial owner of 40 percent or more of the voting power of the Company.

The Company agreed to place the stock of the Subsidiaries into escrow.

The foregoing description of the Buyout Amendment and the Lock-Up Agreement is qualified in its entirety by reference to the texts of such agreements, copies of which were filed as exhibits to the Schedule 14D-9. See Section 8 of this Supplement.

3. Source and Amount of Funds. The total amount of funds required by the Purchaser to purchase all Shares pursuant to the Offer and to pay related fees and expenses is estimated to be approximately \$1,980 million. The funds required in connection with the Offer are expected to be provided from (i) Pantry Pride's approximately \$750 million of general corporate funds, (ii) the private placement of \$770 million principal amount of Pantry Pride Notes and (iii) borrowings by the Purchaser under the \$465 million Bank Credit.

Pantry Pride Notes. Pantry Pride has received commitments (the "Commitments") providing for the purchase of an aggregate of \$725 million principal amount of Pantry Pride Notes, as follows: (i) \$500 million principal amount of Senior Subordinated Notes and (ii) \$225 million principal amount of Subordinated Notes. The Commitments are on the same terms as set forth in the October 10 Letter. Drexel Burnham has informed the Purchaser that based upon current conditions it is highly confident that it can obtain commitments to purchase an additional \$45 million principal amount of Pantry Pride Notes. In connection with the Commitments received to date, Pantry Pride has agreed to pay commitment fees aggregating \$5,437,500 to prospective purchasers and a fee of \$5,437,500 to Drexel Burnham. Certain Commitments will expire 90 days following the date of their execution and other commitments will expire on December 23, 1985, provided that in each case Pantry Pride may extend the Commitments for two successive periods of 45 days by making payments to the prospective purchasers of 1/4% of the purchase price for each such 45 day period. See the October 10 Letter. A schedule of prospective purchasers of \$350 million principal amount of Pantry Pride Notes was set forth in the October 10 Letter. A schedule of prospective purchasers of an additional \$375 million principal amount of Pantry Pride Notes is set forth in Schedule A hereto.

Bank Credit. The Purchaser and the Bank have entered into a letter agreement dated as of October 21, 1985 (the "Amended Letter Agreement") which supersedes the prior letter agreements, pursuant to which the Bank agreed to increase the Bank Credit to \$465 million. The Amended Letter Agreement provides for certain additional conditions to the Bank's obligations to provide funds under the Bank Credit, including that (a) the Bank be satisfied in its sole discretion that the Lock-Up Option has been enjoined on terms satisfactory to the Bank, (b) the Company redeem the Rights in accordance with their terms and the terms of the Rights Agreement on terms satisfactory to the Bank and (c) the Company and its Board of Directors make commitments or take such actions, on terms satisfactory to the Bank, as may be necessary to ensure that the covenants and limitations in the Note

Indenture with respect to the incurrence of additional debt by the Company and its subsidiaries, the making by the Company and its subsidiaries of certain dividend payments and other payments in respect of its capital stock and the sale or transfer of assets by the Company and its subsidiaries and the limitations contained in the provisions of the \$9.00 Preferred Shares relating to the creation or incurrence of indebtedness by the Company or its Affiliates (as defined in the \$9.00 Certificate), are or will be, in accordance with the provisions of the Note Indenture and the \$9.00 Preferred Shares, effectively waived by a majority of the Independent Directors to the extent necessary to permit the sales of assets, payment of dividends and incurrence of indebtedness by the Company and its subsidiaries and the other actions relating thereto, in each case intended to be effected by Pantry Pride and the Purchaser in the event they acquire control of the Company, as described in the Offer to Purchase. The Amended Letter Agreement also provides that the borrower under the Credit Agreement will be PPI Finance Corporation, a wholly owned subsidiary of Pantry Pride of which the Purchaser is an indirect wholly owned subsidiary.

The Amended Letter Agreement also provides that (i) proceeds of the Loan will be used solely to purchase Shares and to make payments in respect of Shares and Preferred Shares in the Merger, which Merger shall be on terms reasonably satisfactory to the Bank, (ii) on or before the making of the initial Loan, the Purchaser will have received capital contributions of \$1,394 million, (iii) the Purchaser shall have previously acquired or shall acquire on such date concurrently with the utilization of the proceeds of the Loans made on such date, and shall be or on such date become the beneficial owner (free and clear of any liens other than to the Bank) of (a) at least 75 percent of the aggregate voting power of all outstanding shares of capital stock of the Company having the right to vote in the election of its directors in ordinary circumstances ("Voting Stock") and (b) at least 51 percent of the voting power of all Voting Stock computed on a pro forma basis giving effect to the conversion or exercise of all then outstanding securities convertible into, and agreements, rights or options to acquire, shares of Voting Stock, (iv) the exchange by the Company pursuant to the Company Offer, in accordance with the provisions of the Company Offer to Purchase as in effect on September 13, 1985, of Notes and \$9.00 Preferred Shares for not more than 10 million Shares shall not, in and of itself, be deemed a "material adverse change" or a material change in capitalization or corporate structure for certain of the purposes of the Credit Agreement, (v) the requirement that the ratio of the Company's consolidated total liabilities to consolidated tangible net worth does not exceed 2.5 to 1 will be modified to provide for a ratio of consolidated total liabilities to consolidated stockholders' equity of 6.0 to 1, (vi) any indebtedness issued or incurred after September 13, 1985 by Pantry Pride or any of its affiliates (other than indebtedness under the Credit Agreement), any portion of which is used to make equity investments in or equity contributions to the Purchaser or to purchase Shares of Preferred Shares, shall not include any material covenants or events of default other than those described in Pantry Pride's Registration Statement on Form S-3 filed with the Commission on August 28, 1985 (see Section 10 of the Offer to Purchase), (vii) the reserve account funding requirement will apply to the full \$465 million of the Bank Credit and the reserve account must be funded on or before the date of the initial Loan in an amount equal to 18 months interest on the full amount of the Commitment in effect on such date and on each interest payment date in an amount equal to interest that would accrue on the full amount of the Commitment in effect on such interest payment date until the second following interest payment date, (viii) the Company must maintain consolidated stockholders' equity of at least \$400 million, (ix) the Purchaser and its subsidiaries shall not declare or pay dividends, or purchase, retire or redeem any capital stock, except that the Purchaser may use cash dividends paid by its subsidiaries, including the Company, to pay dividends to Pantry Pride to the extent necessary to pay interest or dividends due within 30 days on debt or preferred stock not to exceed \$1,515 million in principal amount incurred by Pantry Pride to make capital contributions to the Purchaser, to pay interest and dividends on such debt and preferred stock and to pay the costs and expenses of the Offer and the Merger and (x) the Purchaser may make an exchange offer or cash tender offer for the Notes (see the Introduction to this Supplement), provided that the Bank in its sole discretion is satisfied as to the terms of such offer, including all terms of any new notes exchanged for the Notes and the funding arrangements of any such exchange or tender offer.

The amendment of the Credit Agreement as provided in the Amended Letter Agreement is conditioned upon the preparation, execution and delivery of a definitive amendment and related documentation in form and substance satisfactory to the Bank and its counsel.

See Section 10 of the Offer to Purchase.

General. When definitive agreements relating to the Bank Credit and to the other financing arrangements described above have been executed, copies will be filed as exhibits to the Schedule 14D-1. Reference is made to such exhibits for a more complete description of the terms and conditions of such documents.

4. Purpose of the Offer. As soon as practicable following consummation of the Offer, the Purchaser intends to propose and seek to have the Company consummate a merger or other business combination (the "Merger") with the Purchaser or an affiliate of the Purchaser, pursuant to which each outstanding (a) Share, (b) \$9.00 Preferred Share and (c) Series A Preferred Share (other than shares held by Pantry Pride or any of its subsidiaries and other than shares held by stockholders who perfect their appraisal rights under Delaware law) would be converted into the right to receive (a) \$58 in cash, (b) \$100 in cash and (c) the greater of (i) what would be received upon conversion of such Series A Preferred Share immediately following the effective time of such Merger or (ii) the purchase price, without interest, payable pursuant to the next Scheduled Purchase Offer, respectively. See Section 12 of the Offer to Purchase.

The financing described in Section 3 of this Supplement represents sufficient funds to purchase all Fully Diluted Shares pursuant to the terms of the Offer, and to pay the fees and expenses of the Offer and interest on borrowings under the Bank Credit. If the Purchaser purchases a substantial number of Shares pursuant to the Offer or otherwise, and is not able promptly to effect the Merger, unless Pantry Pride or the Purchaser is able to obtain additional funds pursuant to sales of Pantry Pride assets, sales of Shares (which could have an adverse effect on market prices), refinancings or additional borrowings, any dividends with respect to the Shares or otherwise, Pantry Pride and the Purchaser will not be able to continue to pay interest and dividends on the Pantry Pride Securities and interest on the Pantry Pride Notes. Any such sales would require consents under existing loan agreements and may require consent under the Bank Credit. There can be no assurance that Pantry Pride or the Purchaser will be able to obtain such additional funds. Accordingly, if the Purchaser purchases a substantial number of Shares and is not able promptly to effect the Merger, there can be no assurance that the Purchaser will be able to purchase and pay for the remaining shares or effect the Merger. As a result of the classified board provisions contained in the Company's certificate of incorporation, at least two annual meetings of the Company's stockholders could be required to elect new directors comprising a majority of the Board of Directors and to effect the Merger.

See Section 12 of the Offer to Purchase.

5. Terms of the Offer; Withdrawal Rights. Upon the terms and subject to the conditions of the Offer, the Purchaser will accept for payment (and thereby purchase) all Shares which are validly tendered on or prior to the Expiration Date and not withdrawn as provided in Section 4 of the Offer to Purchase. The term "Expiration Date" shall mean 12:00 midnight, New York City time, on Thursday, October 31, 1985, unless and until the Purchaser, in its sole discretion, shall have extended the period of time for which the Offer is open, in which event "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by the Purchaser, shall expire.

The price per Share to be paid pursuant to the Offer has been increased to \$58 per Share, net to the seller in cash, which will be paid to all stockholders whose Shares are purchased pursuant to the Offer.

Except as set forth below, withdrawal rights under the Offer have expired. Shares tendered pursuant to the Offer which have not been accepted for payment as provided in Section 4 of the Offer to Purchase may be withdrawn at any time after November 14, 1985. In addition, if another bidder, other than the Company, commences, other than by public announcement as described in Rule 14d-2(b) promulgated under the Exchange Act, a tender offer for some or all of the Shares, Shares tendered pursuant to the Offer which have not theretofore been accepted for payment pursuant to the Offer may be withdrawn on the date of, and for ten business days after, the commencement of such other offer, provided that the Purchaser has received notice or otherwise has knowledge of the commencement of such other offer.

6. Certain Conditions of the Offer. Except as otherwise provided in this Supplement, the conditions of the Offer set forth in Section 6 of the October 9 Supplement remain in full force and effect.

7. Price Range of Shares; Shares Tendered. The high and low sales prices per Share, as reported in published financial sources, were \$56 and \$48 $\frac{1}{4}$, respectively, for the fourth quarter of 1985 (through October 21). On October 8, 1985, the last trading day prior to the announcement of the Buyout Amendment and the Lock-Up Option, the closing sales price of the Shares on the Composite Tape was \$55 $\frac{3}{4}$ per Share. On October 14, 1985,

the last trading day prior to the announcement of the amended terms of the Offer, the closing sales price of the Shares on the Composite Tape was \$55½ per Share. On October 21, 1985, the last trading day prior to the date of this Supplement, the closing sales price per Share on the Composite Tape was \$56 per Share. **Stockholders are urged to obtain current market quotations for the Shares.** The Purchaser has been informed by the Depositary that, as of October 21, 1985, approximately 298,500 Shares had been tendered and not withdrawn.

8. Miscellaneous. The Purchaser has filed amendments to the Schedule 14D-1 with the Commission furnishing certain additional information with respect to the Offer. The Company has filed amendments to its Schedule 14D-9 with the Commission. All such amendments, including exhibits, may be examined and copies may be obtained from the principal office of the Commission in the manner set forth in Section 8 of the Offer to Purchase.

NICOLE ACQUISITION COMPANY

SCHEDULE A

Set forth below are the names of the prospective purchasers, in addition to those set forth in the October 10 Letter, who have committed to purchase Pantry Pride Notes and the dollar amounts of Senior Subordinated Notes and Subordinated Notes they have committed to purchase. Pantry Pride and Drexel Burnham believe that certain of such prospective purchasers have committed on behalf of managed accounts.

<u>Name</u>	<u>Senior Subordinated Notes</u>	<u>Subordinated Notes</u>
Abe & George Associates	\$ —	\$ 2,000,000
Anita Holdings	10,000,000	—
Atlantic Capital Corp.	15,000,000	20,000,000
CML Holdings, Inc.	20,000,000	—
Davis Oil Company	10,000,000	—
Emerald Enterprises	—	10,000,000
Fifty Broad Street, Inc.	10,000,000	—
First Oak Financial Corporation	—	10,000,000
Garrison Capital Corp.	3,000,000	—
GNOC, Corp.	10,000,000	—
GTX Ltd.	—	30,000,000
Harbour Investments, Ltd.	3,000,000	—
Megra Partners	—	4,000,000
National Capital Corporation	25,000,000	—
Orion Capital Corporation	2,000,000	—
Palm Holdings	5,000,000	—
Panther Holdings, Ltd.	10,000,000	—
Paragon Holdings, Ltd.	10,000,000	—
Porex Technologies Corp.	10,000,000	—
Rozzi, Inc.	10,000,000	—
SLK-1986	10,000,000	—
Solomon Asset Management, Inc.	—	27,000,000
Southmark Corp.	20,000,000	—
S.S.C. No. 3 Corp.	12,000,000	10,000,000
Tigo Corporation	25,000,000	—
Washington Funding Corporation	—	10,000,000
Worldwide Trading Services, Inc.	5,000,000	27,000,000
Total	<u>\$225,000,000</u>	<u>\$150,000,000</u>

Facsimile copies of the Letter of Transmittal will be accepted. The Letter of Transmittal, certificates for Shares and any other required documents should be sent by each stockholder of the Company or his broker, dealer, commercial bank, trust company or other nominee to the Depositary at one of the addresses set forth below.

The Depositary:

FIRST FIDELITY BANK, N.A., NEW JERSEY

By Mail:

First Fidelity Bank, N.A., New Jersey
P.O. Box 1380
Newark, New Jersey 07101

By Facsimile:

(201) 430-4762
or
(201) 430-4512

Telex No.:
138882

By Hand:

First Fidelity Bank, N.A., New Jersey
Stock Transfer Department
10 Bank Street, 3rd Floor
Newark, New Jersey 07101

Any questions or requests for assistance or additional copies of this Supplement, the Offer to Purchase, the October 9 Supplement, the October 10 Letter, the Letter of Transmittal or the Notice of Guaranteed Delivery may be directed to the Information Agent or the Dealer Manager at their respective telephone numbers and locations listed below. You may also contact your broker, dealer, commercial bank or trust company for assistance concerning the Offer.

The Information Agent:

D.F. KING & CO., INC.

One North LaSalle Street
Chicago, Illinois 60602
(312) 236-5881 (Collect)

60 Broad Street
New York, New York 10004
(212) 269-5550 (Collect)

9841 Airport Boulevard
Los Angeles, California 90045
(213) 215-3860 (Collect)

or

Call toll free (800) 223-3604, except in
New York call toll free (800) 522-5001

The Dealer Manager for the Offer is:

Drexel Burnham Lambert
INCORPORATED

55 Broad Street
New York, New York 10004
(212) 480-8311