

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended February 28, 1997

Commission File Number 2-85538

CCA INDUSTRIES, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
Incorporation or organization)

04-2795439
(I.R.S. Employer
Identification Number)

200 Murray Hill Parkway
East Rutherford, NJ
(Address of principal executive offices)

07073
(Zip Code)

(201) 330-1400
Registrant's telephone number, including area code

Not applicable
Former name, former address and former fiscal year, if changed since
last report.

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 No

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes
of common stock, as of the latest practical date.

Common Stock, \$.01 Par Value - \$6,058,621 shares as of February 28, 1997

Class A Common Stock, \$.01 Par Value - \$1,154,930 shares as of
February 28, 1997

CCA INDUSTRIES, INC. AND SUBSIDIARIES

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

<CAPTION>

A S S E T S

	February 28, 1997 <C>	November 30, 1996 <C>
<S>		
Current Assets		
Cash and cash equivalents	\$1,541,365	\$1,422,783
Short-term investments and marketable securities (Note 4)	1,486,244	1,546,289
Accounts receivable, net of allowances of \$1,013,392 and \$1,066,549, respectively (Note 8)	4,179,291	4,017,500
Inventories	6,233,518	5,875,742
Prepaid expenses and sundry receivables	603,074	603,952
Due from officers - Current	1,500	3,900
Prepaid income taxes	42,911	87,552
Deferred income taxes	479,775	496,267
Deferred Advertising	294,613	-
Total Current Assets	14,862,291	14,053,985
Property and Equipment, net of accumulated depreciation and amortization	701,490	729,706
Intangible Assets, net of accumulated amortization of \$39,001 at February 28, 1997 and \$36,111 at November 30, 1996	162,958	155,037
Other Assets		
Marketable securities	2,023,151	1,540,596
Treasury bonds	95,904	93,996
Due from officers - Non-current	25,250	25,250
Deferred income taxes	60,171	55,292
Other	53,867	54,217
Total Other Assets	2,258,343	1,769,351
Total Assets	\$17,985,082	\$16,708,079

</TABLE>

See Notes Consolidated to Financial Statements.

<TABLE>

CCA INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

<CAPTION>

LIABILITIES AND SHAREHOLDERS' EQUITY

	February 28, 1997	November 30, 1996
<S>	<C>	<C>
Current Liabilities		
Notes payable - Current portion	\$ 81,750	\$ 163,500
Accounts payable and accrued liabilities	5,847,199	4,794,865
Income taxes payable	47,697	25,505
Total Current Liabilities	5,976,646	4,983,870
Shareholders' Equity		
Common stock, \$.01 par; authorized 15,000,000 shares; issued and outstanding 6,058,621 and 6,012,621 shares, respectively	60,586	60,126
Class A common stock, \$.01 par; authorized 5,000,000 shares; issued and outstanding 1,154,930 shares, respectively	11,549	11,549
Additional paid-in capital	4,454,764	4,455,224
Retained earnings	7,526,164	7,216,163
Unrealized (losses) on marketable securities	(26,658)	(6,353)
	12,026,405	11,736,709
Less: Treasury Stock (7,500 shares at February 28, 1997)	17,969	12,500
Total Shareholders' Equity	12,008,436	11,724,209
Total Liabilities and Shareholders' Equity	\$17,985,082	\$16,708,079

</TABLE>

See Notes to Consolidated Financial Statements.

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<TABLE>

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<CAPTION>

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

	Three Months Ended February 28, 1997	Three Months Ended February 29, 1996
<S>	<C>	<C>
Sales of health and beauty products, net	\$8,617,289	\$10,125,118
Other income	81,228	60,591
	8,698,517	10,185,709
Costs and Expenses		
Costs of sales	3,076,627	3,855,577
Selling, general and administrative expenses	2,764,341	2,844,468
Advertising, cooperative and promotions	2,169,725	2,609,294

Research and development	133,864	136,286
Provision for doubtful accounts	34,834	60,768
Interest expense	2,829	13,441
	8,182,220	9,519,834
Income before Income Taxes	516,297	665,875
Provision for Income Taxes	206,296	297,715
Net Income	\$ 310,001	\$ 368,160
Net Income per Common Share (Note 2)	\$.04	\$.05

</TABLE>

See Notes to Consolidated Financial Statements.

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<TABLE>

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<CAPTION>

CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

	Three Months Ended February 28, 1997	Three Months Ended February 29, 1996
<S>	<C>	<C>
Cash Flows from Operating Activities:		
Net Income	\$ 310,001	\$ 368,160
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	93,060	86,081
Amortization of bond premium	266	762
Gain on sale of securities	(3,202)	
Decrease (increase) in deferred income taxes	11,613	(27,093)
(Increase) in accounts receivable	(161,791)	(2,717,645)
(Increase) decrease in inventory	(357,776)	410,688
(Increase) in prepaid expenses	(293,735)	(744,119)
Increase in accounts payable	1,052,334	1,299,869
Increase in income taxes payable	66,833	323,738
Net Cash Provided by (Used in) Operating Activities	717,603	(999,559)
Cash Flows from Investing Activities:		
Acquisition of property, plant and equipment	(72,765)	(50,752)
Proceeds of monies due from officers	2,400	-
Decrease (increase) in other assets	350	(950)
Purchase of short-term investments	(1,236,702)	-
Proceeds from sale of investments	794,915	400,045
Purchase of treasury stock	(5,469)	-
Net Cash (Used in) Provided by Investing Activities	(517,271)	348,343
Cash Flows from Financing Activities:		
Payment on debt	(81,750)	(82,078)
Proceeds from stock option exercises	-	166,940
Proceeds form short term borrowing	-	400,000
Net Cash (Used in) Provided by Financing Activities	(81,750)	484,862

Net Increase (Decrease) in Cash 118,582 (166,354)

Cash and Cash Equivalents at Beginning
of Period 1,422,783 312,150
Cash and Cash Equivalents at End
of Period \$1,541,365 \$ 145,796

Supplemental Disclosures of Cash Flow

Information:

Cash paid during the period for:

Interest \$ 1,667 \$ 14,246
Income taxes 127,850 -

</TABLE>

See Notes to Consolidated Financial Statements.

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<TABLE>

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<CAPTION>

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(UNAUDITED)

Three Months Three Months
Ended Ended
February 28, February 29,
1997 1996

<S>

<C>

<C>

Supplemental Schedule of Noncash Investing and
Financing Activities:

The Company issued common stock in
exchange for exercise of options and surrender
of options and surrender of outstanding shares
of stock:

Common stock retired \$30,000 \$ -
Common stock issued (30,000) -
\$ - \$ -

</TABLE>

See Notes to Consolidated Financial Statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

NOTE 1: BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended February 28, 1997 are not necessarily indicative of the results that may be expected for the year ended November 30, 1996. For further information, refer to the consoli-

dated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended November 30, 1995.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation:

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant inter-company accounts and transactions have been eliminated.

Advertising and Related Costs

In accordance with APB 28 Interim Financial Reporting the Company expenses its advertising and related costs proportionately over the interim periods based on its total expected costs per its various advertising programs. Any necessary accrual or deferral is accordingly reflected in the balance sheet for the interim period. However, for annual reporting purposes, no advertising or related costs are capitalized and all are expensed in the fiscal year in which they are incurred.

Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid instruments purchased with an original maturity of less than three months to be cash equivalents.

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market.

Product returns are recorded in inventory when they are received at the lower of their original cost or market, as appropriate. Obsolete inventory is written off and its value is removed from inventory at the time its obsolescence is determined.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment and Depreciation and Amortization:

Property and equipment are stated at cost. The Company charges to expense repairs and maintenance items, while major improvements and betterments are capitalized. When the Company sells or otherwise disposes of property and equipment items, the cost and related accumulated depreciation are removed from the respective accounts and any gain or loss is included in earnings.

Depreciation and amortization are provided on the straight-line method over the following estimated useful lives or lease terms of the assets:

Machinery and equipment	7-10 years
Furniture and fixtures	5-7 years
Tools, dies and masters	2--7 years
Transportation equipment	7 years
Leasehold improvements	7-10 years or life of lease which ever is shorter

Intangible Assets:

Intangible assets are stated at cost. Patents and trademarks are amortized on the straight-line method over a period of 17 years; organization expenses are amortized on the straight-line method over five (5) years.

Tax Credits:

Tax credits, when present, are accounted for using the flow-through method as a reduction of income taxes in the years utilized.

Earnings Per Share

Earnings per share have been computed based on the weighted average of outstanding common shares and common stock equivalents during the periods, based on the treasury stock method using average market price.

Fully diluted earnings per share are not presented because they result in dilution of less than 3%.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

The carrying value of assets and liabilities considered financial instruments under SFAS No.107 approximate their respective fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: INVENTORIES

The components of inventory consist of the following:

February 28, November 30,
1997 1996

Raw materials	\$3,977,836	\$4,065,961
Finished goods	2,255,682	1,808,781
	\$6,233,518	\$5,875,742

NOTE 4: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The following items which exceeded 5% of total current liabilities are included in accounts payable and accrued liabilities as of:

	February 28, 1997	November 30, 1996
a) Media advertising	\$1,211	\$ *
b) Coop advertising	481	321
c) Accrued returns	477	505
	\$2,169	\$ 826

All other liabilities were for trade payables or individually did not exceed 5% of total current liabilities.

* Under 5%.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

NOTE 5: OTHER INCOME

Other income consists of the following at February 28, 1997 and February 29, 1996

	1997	1996
Interest income	\$71,864	\$56,532
Dividend income	4,217	4,059
Miscellaneous	5,147	-
	\$81,228	\$60,591

NOTE 6: SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES

Short-Term Investments and Marketable Securities:

Short-term investments and marketable securities consist of corporate and government bonds and equity securities. In 1994 the Company adopted the accounting principles promulgated by SFAS No. 115 Accounting for Certain Investments in Debt and Equity Securities. The Company has classified its investments as Available-for-Sale securities. Accordingly, such investments are reported at fair market value, with the resultant unrealized gains and losses reported as a separate component of share holders' equity.

The market value at February 28, 1997 was \$3,605,299 as compared to \$3,180,881 at November 30, 1996. The cost and market values of the investments at February 28, 1997 were as follows:

<TABLE>

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (CONTINUED)

A detail list of the securities held follows:

<CAPTION>

COL. A		COL. B	COL. C	COL.D	COL.E	
Name of Issuer and Title of Each Issue	Maturity Date	Number of Units-Principal Amount of Interest Rate	Bonds and Notes	Amount at Which Each Portfolio		Issue Carried in Balance Sheet
				Market Value of Each Issue	Of Equity Security Issues and Each Other Security at Balance Sheet Date	
CORPORATE OBLIGATIONS:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
AT&T	6/01/98	4.750%	\$100,000	\$ 99,006	\$ 98,500	\$ 98,500
Bank America	7/15/97	6.000	200,000	200,000	200,096	200,096
Dayton P & L	5/01/97	5.625	100,000	98,265	99,982	99,982
Tennessee Valley	3/04/98	5.125	100,000	100,000	99,156	99,156
Union Electric	3/01/97	5.500	50,000	49,244	50,000	50,000
			\$546,515	\$547,734	\$547,734	

</TABLE>

<TABLE>

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (CONTINUED)

<CAPTION>

COL. A		COL. B	COL. C	COL.D	COL.E	
Name of Issuer and Title of Each Issue	Maturity Date	Number of Units-Principal Amount of Interest Rate	Bonds and Notes	Amount at Which Each Portfolio		Issue Carried in Balance Sheet
				Market Value of Each Issue	Of Equity Security Issues and Each Other Security at Balance Sheet Date	
GOVERNMENT OBLIGATIONS:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
US Treasury Note	10/31/98	4.750%	\$100,000	\$ 99,684	\$ 97,969	\$ 97,969
US Treasury Note	10/31/98	4.750	200,000	199,992	195,938	195,938
US Treasury Note	10/15/98	7.125	250,000	251,728	254,063	254,063
US Treasury Note	5/2/97	5.275	200,000	194,874	197,690	197,690
US Treasury Note	1/31/98	5.125	200,000	199,695	198,562	198,562
US Treasury Note	4/30/98	5.125	190,000	189,883	188,457	188,457
US Treasury Note	4/30/98	5.125	10,000	9,992	9,919	9,919
US Treasury Note	5/29/97	5.010	700,000	691,138	691,124	691,124
US Treasury Note	7/31/98	5.250	250,000	249,834	247,813	247,813
US Treasury Note	2/28/99	5.885	250,000	249,953	249,063	249,063

US Treasury Note	6/12/97	5.170	45,000	43,869	44,352	44,352
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<TABLE>

CCA INDUSTRIES, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES - OTHER INVESTMENTS

NOTE 6 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (CONTINUED)

<CAPTION>

COL. A		COL. B	COL. C	COL. D	COL. E	
Name of Issuer and Title of Each Issue	Maturity Date	Number of Units-Principal Amount of Interest Rate	Market Value of Each Issue	Cost of Each Issue	Amount at Which Each Portfolio Of Equity Security Issues and Each Other Security at Balance Sheet Date	Issue Carried in Balance Sheet

GOVERNMENT OBLIGATIONS: (Continued)

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
FHLMC 1628-N	12/15/2023	6.500	50,000	\$ 48,024	\$ 43,969	\$ 43,969	
EE Bonds	-	7.050	90,000	95,904	95,904	95,904	
FNMA 93-G-26-B	8/25/2022	7.000	10,000	8,688	8,339	8,339	
FNMA 93-224-D	11/25/2023	6.500	104,000	101,873	89,024	89,024	
FNMA 92-2-N	1/25/2024	6.500	52,000	47,424	43,003	43,003	
FHJMC 1702-U	3/24/2024	7.000	4,000	2,938	2,815	2,815	
FNMA	11/10/98	5.050	200,000	199,950	196,562	196,562	
			2,885,443	2,854,565	2,854,565		

EQUITY SECURITIES:

	Number of Shares			
Preferred Stock:				
Bank America Corp.	8,000	200,000	203,000	203,000
		\$3,631,958	\$3,605,299	\$3,605,299

</TABLE>

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CCA INDUSTRIES, INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

(UNAUDITED)

For the three month period ended February 28, 1997, the Company had net sales of \$8,617,289 and net income of \$310,001 after a provision for income taxes of \$206,296, as compared to net sales of \$10,125,118 and net income of \$368,160 after provision for income taxes of \$297,715 for the three month period ended February 29, 1996.

All of the Company's sales were primarily to mass merchandisers throughout the United States.

The cost of sales percentage for the quarter decreased from 38% in 1996 to 36% in 1997 primarily due to the reduction of product promotions for the period; as well as certain product mix fluctuations. Advertising, cooperative and promotional allowance expenditures during the quarter decreased as a percentage of sales from 26% in 1996 to 25% in 1997 due to the decision of the Company

to reduce the percentage of sales spent on the media for the year. As part of the registrant's business it is necessary to enter into co-operative advertising agreements and other promotional activities with its accounts, especially upon the introduction of a new product. Both co-op advertising and promotions have a material effect on the Company's operations. If the advertising and promotions are successful, revenues will be increased accordingly. Should the co-op and promotions not be successful, it will have a negative impact on the Company's promotional cost per sale, and have a negative effect on income. The Company attempts to anticipate its advertising and promotional commitments as a percent of gross sales in order to attempt to control its effect on its net income. The Company was able to anticipate its sales level better in 1997 and accordingly the percentage dropped.

Income before taxes for the quarter decreased to \$516,297 from \$665,875. This was primarily a result of the lower sales as compared to the prior year. Selling, general and administrative expenses ("SG&A") decreased due to decreased personnel costs as well as other cost retention factors. This decrease in SG&A costs, however, was not sufficient to offset the decrease in sales and therefore the percentage to sales increased from 28% in 1996 to 32% in 1997.

The Company's financial position as at February 28, 1997 consists of current assets of \$14,862,291 and current liabilities of \$5,976,646. Shareholders' Equity increased for the three month period from \$11,724,209 on November 30, 1996 to \$12,008,436 as of February 28, 1997 primarily due to the income of \$310,001 for the period.

Although the Company's operations resulted in the generation of approximately \$700,000 of cash, the Company used approximately \$500,000 to purchase "Available for Sale" securities and fixed assets. The Company also used approximately \$80,000 to reduce its debt. Due to its accessibility to funds, the Company believes that its current financial condition is sufficient to support its proposed operations for the near future.

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CCA INDUSTRIES, INC.

PART II OTHER INFORMATION

All information pertaining to Part II is omitted pursuant to the instructions pertaining to that part.

The Company did not file any reports on Form 8-K during the three months ended February 28, 1997.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE

(UNAUDITED)

	Three Months Ended February 28, 1997	Three Months Ended February 29, 1996
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Item 6.

Primary:

Average shares outstanding	7,208,551	6,986,689
Net effect of dilutive stock options--based on the treasury stock method using average market price	864,342	833,087
TOTALS	8,072,893	7,819,776
Net income	\$ 310,001	\$ 368,160
Per share amount	\$.04	\$.05

* Not included as their effect would be anti-dilutive.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CCA INDUSTRIES, INC.

By: David Edell
David Edell, President

By: Ira W. Berman
Ira W. Berman, Secretary

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