SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the Fiscal Year Ended	Commission File Number
November 30, 1998	2-85538-B

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

DELAWARE	04-2795439
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

200 Murray Hill Parkway, East Rutherford, New Jersey 07073
(Address of principal executive offices, including zip code)

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

Securities registered pursuant to Section 12(b) of the Act: NONE

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, par value $.01 per share
(Title of Class)

Class A Common Stock, par value $.01 per share
(Title of Class)

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 filed such reports), and (2) has been subject to such filing requirement for the past 90 days. Yes X . No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K 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].

The aggregate market value of the voting stock held by non-affiliates of the Registrant (i.e., by persons other than officers and directors of the Registrant), at the average bid and asked prices, at February 8, 1999, was as follows:

Class of Voting Stock	Market Value	
5,667,937 shares; Common	Bid	Asked
Stock, $.01 par value	$7,616,290	$7,793,413

At February 8, 1999 there were an aggregate of 7,177,562 shares of Common Stock and Class A Common Stock of the Registrant outstanding.

CROSS REFERENCE SHEET

Form 10-K Item No.	Headings in this Form 10-K for Year Ended November 30, 1998
1. Business	Business
2. Properties	Property
3. Legal Proceedings	Legal Proceedings
4. Submission of Matters to a Vote of Security Holders	Submission of Matters to a Vote of Security Holders
5. Market for Registrant's Common Equity and Related Stockholder Matters	Market for the Company's Common Stock and Related Shareholder Matters
6. Selected Financial Data	Selected Financial Data
7. Management's Discussion and Analysis of Financial Condition and Results of Operation	Management's Discussion and Analysis of Financial Condition and Results of Operations
8. Financial Statements and Supplementary Data	Financial Statements and Supplementary Data
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PART I

Item 1. BUSINESS

(a) General

CCA INDUSTRIES, INC. was incorporated in Delaware in 1983. (Hereinafter, CCA Industries, Inc. and its 80%-owned subsidiary, Fragrance Corporation of America, Ltd., a New Jersey corporation incorporated in 1998, will be referenced together as the "Company"; and, separately, as "CCA" and "Fragrance Corp.")

The Company operates in one industry segment, in what may be generally described as the health-and-beauty aids business, selling numerous products, in several health-and-beauty categories. Almost all are manufactured by contract manufacturers, pursuant to the Company's specifications and formulations.

The Company owns (or owns license to use) registered trademarks for all of its brand-name products. Its nail treatment products are sold under the trademarked names "Nutra Nail" and "Nutra 60"; hair treatment products are sold under the names "Pro Perm," "Wash 'n Curl," "Wash n Tint" and "Wash 'n Straight"; depilatory products under the name "Hair Off"; skin care products under the name "Sudden Change"; oral health-care products under the name "Plus+White"; dietary products under the names "Eat 'n Lose," "Hungrex Plus" and "Permathene"; and perfume products, through Fragrance Corp., under the names "Cherry Vanilla," "Mandarin Vanilla," "Cloud Dance," "Vision," "Sunset Cafe," and "Amber Musk."

The Fragrance Corp. perfume-products result from the Company's 1998 purchase of inventory and other assets, including perfume formulas, previously owned by Shiara, Inc., and a March 1998 License Agreement with Shiara Holdings, Inc., pursuant to which the Company acquired exclusive license to use the trademark names used by Fragrance Corp. (See "Business-License Agreements")

In May of 1998, the Company entered into a License Agreement with Solar Sense, Inc., for the marketing of sun care products under trademark names. (See "Business-License Agreements") The Company only commenced the marketing of such products in November of 1998.

All of the products sold under licensed names, including Fragrance Corp.'s perfumes, and all of the Company's "wholly-owned" products, are sold to major drug and food chains, mass merchandisers, and wholesale beauty-aids distributors throughout the United States and Canada.

The Company's total sales revenues in fiscal 1998 were approximately $41 million. Foreign sales accounted for approximately 5% of sales.

Including the principal members of management (see Directors and Executive Officers), the Company, at November 30, 1998, had 139 sales, administrative, creative, accounting, receiving, and warehouse personnel in its employ. Included are the three employees of Fragrance Corp. who are, in aggregate, owners of 20% of that subsidiary, pursuant to a Shareholder Agreement with the Company, Fragrance Corp.'s 80% owner. The services of those three Fragrance Corp. shareholder-employees are solely dedicated to Fragrance Corp. (None of them is a member of CCA's management, and none had any prior relationship with the Company.)

In 1998, the Company advanced approximately $3,000,000 to Fragrance Corp., for inventory, other assets and working capital. Sales of Fragrance Corp. products produced approximately $3.7 million of revenues during fiscal 1998.

(b) Manufacturing and Shipping

The Company manufactures its hot-wax depilatory 'in house.' Otherwise, the Company creates formulations, chooses colors and mixtures, and arranges with independent contractors for the manufacture of its products pursuant to Company specifications. Manufacturing and component-supply arrangements are maintained with several manufacturers and suppliers. Almost all orders and other product shipments are delivered from the Company's own warehouse facilities, which results in more effective inventory control, more efficient shipping procedures, and the realization of related economies.

(c) Marketing

The Company markets its products through an in-house sales force of employees, and independent sales representatives throughout the United States. Major drug, food and mass-merchandise retail chains, and leading wholesalers, are the primary focus of the overall sales effort.

The Company sells its products to approximately 600 accounts, most of which have numerous outlets. (The Company estimates that at least one of its brands is sold in approximately 40,000 stores.) During the fiscal year ended November 30, 1998, the Company's two largest customers were WalMart (approximately 29% of sales) and Walgreen (approximately 9%). The loss of either of these principal customers could materially and negatively effect the Company's earnings. The Company has no short or long-term contracts with either company except for co-op advertising contracts written in the normal course of business.

Sales of the Company's products are not seasonally dependent. Nevertheless, certain products are sensitive to seasonal trends. For example, sales of depilatories, sun care products and diet aids, customarily, are considerably stronger in Spring and Summer

months, and fragrance-product sales are considerably stronger in the Fall and Winter.

The Company has an in-house advertising department. The advertising staff designs point-of-purchase displays (including 'blister cards'), sales brochures and packaging layouts. Actual production of displays, brochures, layouts and the like is accomplished through contract suppliers.

(d) License Agreements

i. Alleghany Pharmacal

On March 3, 1986, the Company entered into a license agreement with Alleghany Pharmacal Corporation (the "Alleghany Pharmacal License"). Under the terms of the Alleghany Pharmacal License, the Company was granted, and yet retains, the exclusive right to manufacture subject products, and to use their trademarks: "Nutra Nail," "Nutra 60," "Pro Perm," "Hair Off," "Permathane", "Hungrex Plus," and "IPR 3."

The Alleghany Pharmacal license requires the Company (a) to pay royalties of 6% per annum on net sales of nail-enamel products sold under the "Nutra Nail" trademark, hair-care products ("Pro-Perm") and dietary products ("Permathane," "Hungrex Plus" and "IPR 3"); and (b) to pay a 1% royalty for nail-enamel products sold under the name "Nutra 60," and for a mitten product sold for use in connection with the "Hair-Off" line of depilatory products.

The Company is required to pay not less than $360,000 per annum in order to maintain exclusive rights under the Alleghany Pharmacal License. (Royalties have always exceeded the minimum; but, if they did not, the Company would be entitled to maintain exclusive license rights by electing to pay the 'difference.' At the same time, the Company would not be required to pay any fee in excess of actual royalties if sales did not yield 'minimum royalties' and the Company chose in such circumstance to concede the exclusive license-rights.)

The Alleghany Pharmacal License agreement provides that if, and when, in aggregate, $9,000,000 in royalties has been paid thereunder, the royalty-rate for those products now 'charged' at 6% will be reduced to 1%. As at November 30, 1998, the Company had paid or accrued $6,263,831 in royalty payments.

The products subject of the Alleghany-Pharmacal License accounted for approximately $15,700,000, and 38% of net sales in the fiscal year ended November 30, 1998. "Nutra Nail" and "Nutra 60" combined accounted for approximately $5.9 million(approximately 14.5% of net sales) in the aggregate. "Hair-Off" accounted for approximately $4.5 million (approximately 11% of net sales).

ii. Shiara

The Shiara-Holdings, Inc. license requires the Company to pay royalties of 5% per annum on net sales of all products sold under the "Cherry Vanilla," "Mandarin Vanilla," and "Cloud Dance" trademarks (see above, "Business-General") until royalties totaling $2,000,000 are paid, and royalties of one-half of 1% thereafter. (No royalties are payable in respect of sales of products under these Shiara license trademarks: "Vision," "Sunset Cafe," and "Amber Musk.") A minimum of $100,000 is required to be paid for the period from commencement (April 1998) through June 1999, and a minimum of $150,000 for each subsequent twelve-month period, in order to retain the exclusive license-rights.

"Cloud Dance" accounted for approximately one-half of the sales revenues from products subject of the Shiara license, and Fragrance Corp. operations. Total sales of Fragrance Corp. products accounted for approximately 9% of the Company's sales.

iii. Solar Sense, Inc.

The Company's License Agreement with Solar Sense, Inc. is for the exclusive use of the trademark names "Solar Sense" and "Kids Sense," in connection with the commercial exploitation of sun care products that the Company only recently commenced marketing. The Company will pay a 5% royalty. If minimum royalties of $100,000 do not result, the license may be terminated unless the Company chooses to pay the 'difference' between realized royalties and $100,000.

iv. Other Licenses

The Company has entered into various other license agreements, none of which has had material impact upon the Company's sales or financial results.

(e) "Wholly-Owned" Products

The overwhelming majority of sales revenues other than those realized 'under' the Alleghany-Pharmacal and Shiara licenses, are from sales of the Company's own, "wholly owned" and trademarked products, including "Plus+White" toothpaste, "Sudden Change" skin treatment, "Bikini Zone" analgesic cream, "Wash-n-Curl" hair treatment, "Young 'n Lovely" nail polish for children, "Mood Magic" lipstick, "Femback," a pill-form product for women's periodic back-pain, and "Hair-Off" depilatories.

Of all of the Company's wholly-owned products, only "Plus+White" (approximately 24%) and "Sudden Change" (approximately 19%) accounted for as much as 10% of sales.

(f) Advertising

The Company primarily utilizes local and national television advertisements to promote its leading brands. On occasion, print and radio advertisements are engaged. In addition and more-or-less continuously, store-centered product promotions are co-operatively undertaken with customers.

Each of the Company's brand-name products has attraction for a particular demographic segment of the consumer market, and advertising campaigns are directed to the respective market-segments.

The Company's in-house staff is responsible for the 'traffic' of its advertising. Placement is accomplished directly and through media-service companies.

(g) Trademarks

The Company's own trademarks and its licensed-use trademarks serve to identify the products and the Company's proprietary interests, for and in respect of domestic and international sales.

The Company considers these marks to be valuable assets, but there can be no assurance that trademark registration results, or will result, in 'enforceable' marketplace advantages.

(h) Competition

The market for cosmetics and perfumes, and health-and-beauty aids products in general, including patent medicines, is characterized by vigorous competition among producers, many of which have substantially greater financial, technological and marketing resources than the Company. Competitors such as Revlon, L'Oreal, Colgate, Del Laboratories, Unilever, and Procter & Gamble, have Fortune 500 or like status, and public recognition of their products is immediate and 'universal.' Moreover, the Company and its products compete with a large number of manufacturers and distributors of lesser renown that may also have greater resources than the Company.

(i) Government Regulation

All of the products that the Company markets, or which the Company may develop and plan for the market, are subject or potentially subject to particular regulation by government agencies, such as the U.S. Food and Drug Administration, the Federal Trade Commission, and various state and/or local regulatory bodies. In the event that any future regulation were to require particular regulatory approvals, the Company would attempt to obtain necessary approvals and/or licenses, assuming reasonable and sufficient market expectations for the regulated product(s) or planned product(s), but there can be no assurance, in the absence

of particular circumstances, that any such regulatory requirements will result in approvals and issuance of licenses. In the event such license-requirement circumstances should arise, delays inherent in any application-and-approval process could have a material adverse affect upon any subject operations ('existing' products) or plan of operations.

Item 2. PROPERTY

The principal executive offices of the Company are located at 200 Murray Hill Parkway, East Rutherford, New Jersey. There, under a net lease, the Company occupies approximately 62,500 square feet of space. Approximately 45,000 square feet in such premises is used for warehousing and 17,500 for offices. The annual rental is $259,284. The lease expires on March 31, 2001, but the Company has a five-year renewal option.

The Company leases an additional 45,000 square feet of warehouse space in Paterson, New Jersey, on a net lease basis, for $9,999 a month. That lease expires on November 30, 1999.

Item 3. LEGAL PROCEEDINGS

The Company is not engaged in any material litigation, but is involved in various legal proceedings in the ordinary course of its business activities.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On June 16, 1998, the Company held its annual meeting of shareholders. Approximately 6,000,000 shares were voted, in person or by proxy. The actions and voting were as follows:

(1) David Edell, Ira W. Berman, Jack Polak, and Stanley Kreitman were elected as directors by the holders of Class A Common

Stock. (No proxy was solicited therefor, whereas Messrs. Berman, Polak and David Edell own more than 98% of the Class A Common Stock, and they proposed themselves and Mr. Kreitman.) As proposed by the Board, Sidney Dworkin, Dunnan Edell and Rami Abada were elected as directors by the holders of the Common Stock, with 5,212,832 votes "For" the slate.

(2) The Board's proposal, for authorization to amend the Company's Certificate of Incorporation, to authorize the Board of Directors to issue up to 20,000,000 shares of Preferred Stock,

$1.00 par value, in one or more series and with such preferences, limitations and relative rights as the Board should determine, was approved, with 4,180,000 votes "For." (The Certificate of Incorporation has not as yet been amended as permitted by the vote, and will not be amended until such time, if ever, as issuance of preferred shares should be required or deemed advisable, so as to avoid related expenditures in the absence of need.)

(3) The Board's appointment of Sheft Kahn & Company LLP as the Company's independent certified public accountants for the 1998 fiscal year was approved, with 5,393,000 votes "For."

The Company has not submitted any matter to a vote of security holders since the 1998 Annual Meeting.

PART II

Item 5. MARKET FOR THE COMPANY'S COMMON STOCK AND RELATED SHAREHOLDER MATTERS

The Company's Common Stock is traded on NASDAQ. The range of high and low bids during each quarter of the 1998 and 1997 fiscal years is as follows:

bought

Quarter Ended	1998	1997
February 28	2 11/16 - 2 1/16	3 3/8 - 2 1/16
May 31	3 5/16 - 2 3/8	3 9/16 - 2 1/8
August 31	2 3/4 - 1 5/8	3 3/8 - 2 9/16
November 30	1 7/8 - 1 1/16	3 5/8 - 2 3/8

The published bid and asked for February 8, 1999 was 1 11/32 bid, 1 3/8 asked.

The only unregistered securities sold by the Company during the 1998 fiscal year resulted from sales of common stock effected upon exercises of stock options previously issued pursuant to the Company's stock option plans (see "Executive Compensation") as follows:

Date	Purchaser	Number of Shares	Per Share Consideration
December 1997	David Edell	50,000	$.50
December 1997	Ira W. Berman	20,000	.50

Each of the Purchasers is a director and/or officer (see "Directors and Executive Officers"). The registration exemption relied upon is that afforded by Section 4(2) of the Securities Act of 1933.

As at February 8, 1999, there were approximately 290 holders of shares of the Company's equity stock. (There are a substantial number of shares held of record in various street and depository trust accounts which represent approximately 1000 additional shareholders.)

The Company has never paid any Common Stock dividend.

Item 6. SELECTED FINANCIAL DATA

<TABLE>
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	Year Ended November 30,				
	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Statement of Income					
Sales	$41,083,974	$ 37,708,922	$39,469,098	$36,849,803	$47,311,591
Other income	318,296	293,953	235,925	316,928	357,080
	41,402,270	38,002,875	39,705,023	37,166,731	47,668,671
Costs and Expenses	38,570,096	34,730,052	37,790,397	39,397,255	42,956,794
Income (Loss) Before Provision for Income Taxes	2,832,174	3,272,823	1,914,626	(2,230,524)	4,711,877
Minority Interest in Consolidated Subsidiary	7,598	-	-	-	-
Net Income (Loss)	1,660,375	2,031,494	1,051,334	(1,354,584)	2,846,750
Earnings Per Share:					
Basic	$ .23	$ .28	$ .15	($ .20)	$ .42
Diluted	$ .21	$ .25	$ .13	($ .20)	$ .35
Weighted Average Number of Shares Outstanding	7,243,956	7,205,904	7,120,099	6,794,368	6,777,241
Weighted Average Number of Shares and Common Stock Equivalents Outstanding	8,075,169	8,108,482	7,989,383	6,794,368	8,116,489
Balance Sheet Data:					
	As At November 30,				
	1998	1997	1996	1995	1994
Working Capital	$12,067,263	$11,331,810	$ 9,367,639	$ 8,191,830	$ 7,777,269
Total Assets	24,010,136	19,224,291	17,038,752	18,138,359	20,236,182
Total Liabilities	8,410,687	5,139,769	4,983,870	7,287,570	8,293,534
Total Stockholders' Equity	15,591,651	14,084,522	12,054,882	10,850,788	11,942,648

</TABLE>

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Under the terms of the Alleghany Pharmacal License (see "Business-License Agreements"), the royalty-rate for those Alleghany Pharmacal License products now 'charged' at 6% will be reduced to 1% after the sum of $9,000,000 in royalties has been paid thereunder. (Certain products subject of the license are, even now, 'charged' at only 1%. See "Business-License Agreements")

As at November 30, 1998, the Company had paid or accrued $6,263,831 in royalty payments.

Comparison of Results for Fiscal Years 1998 and 1997

The Company's revenues increased from $38,002,875 in fiscal 1997 to $41,402,270 in fiscal 1998, due to approximately $3,700,000 of sales generated from the perfume products sold pursuant to the license acquired by its newly formed majority-owned subsidiary, Fragrance Corporation of America, Ltd.(Fragrance Corp.). CCA's own sales for the year were down slightly due to lower international sales as well as a small drop in sales of a few of its core products. There were no significant changes in the products sold in either volume or price, or in the history of returns.

Gross margins for the year were 63% in 1998, up from 62% in fiscal 1997. This was due primarily to the gross margins realized from the sales of Fragrance Corp.

Management kept its advertising, cooperative, and promotional budget in line with its sales projections for fiscal 1998 by keeping its expense to $8,882,106 and 22% of net sales in 1998 similar to the $8,450,461, and 22% of net sales in 1997.

Research and development expenses for fiscal 1998 were lower than fiscal 1997 by approximately $120,000 due to the economies of utilizing the services of more in-house staff rather than outside consultants.

Bad debt expense for fiscal 1998 were up significantly from fiscal 1997 [$201,630 vs. ($17,779)] due to the necessary reserves on the increased accounts receivable. Actual write-offs were approximately $50,000 in 1998 as compared to approximately $6,000 in 1997.

The Company's interest expense also increased in fiscal 1998 due to its use of its credit line to absorb approximately half of its approximate $3,000,000 advance to Fragrance Corp. for working capital and initial purchase of inventory.

The increase in selling, general and administrative expenses of $2,432,288 [$13,579,182 in fiscal 1998 as compared to $11,146,894 in fiscal 1997] accounted for the offset to the higher sales and better margins, however, and resulted in a slightly lower pre-tax profit of $2,832,175, down from $3,272,823 in 1997. The increase in SG&A was mostly due to the costs associated with the start-up of Fragrance Corp. and the increased overhead of the new operations, as well as the increase in royalties and commissions on CCA's own products due to fluctuations in the product mix of sales.

Comparison of Results for Fiscal Years 1997 and 1996

The Company's revenues decreased from $39,705,023 in fiscal 1996, to $38,002,875 in fiscal 1997, due in part to the mergers and consolidations of major customers, which impacted upon previously planned sales promotions. There were no significant changes in the products sold in either volume or price, or in the history of returns.

Gross margins for the year were 62% in both 1997 and 1996. Advertising, cooperative and promotional expenses were $8,450,461 and 22% of sales, in 1997, and $10,655,495 and 27% of sales, in 1996.

Research and development costs were up approximately $225,000 for the year due to the Company's increased efforts to find new products and improve existing lines.

Selling, general and administrative expenses were $11,146,894 and 29.5% of sales in 1997, and $11,408,154 and 29% of sales in 1996.

The provision for doubtful accounts decreased for the year due to the decrease in accounts receivable.

Interest expense for the year decreased due to the repayment of the Company's long-term debt and its improved working capital position due to its increased profits.

Liquidity and Capital Resources

As at November 30, 1998, the Company had working capital of $12,067,263 as compared to $11,331,810 at November 30, 1997. The ratio of total current assets to current liabilities was 2.4 to 1 as compared to a ratio of 3.2 to 1 for the prior year. This was due to the borrowing of $1,550,000 under the Company's $5,000,000 line of credit to help finance the significant increase in the Company's accounts receivable and inventory. Stockholders' equity increased to $15,591,651 from $14,084,522.

The Company's cash position at year end decreased to $542,289 from $3,649,774 as at November 30, 1997. The decrease was due

mostly to the cash used in operations (approximately $3.7 million) largely due to the acquisition of inventory for its new subsidiary (Fragrance Corp.)of approximately $1.6 million. The Company utilized approximately $699,000 in the acquisition of property and equipment, $106,000 for intangible assets,$138,000 to buy back treasury stock and $30,000 to increase its marketable security portfolio. The Company accessed $1,550,000 of its $5,000,000 available credit line to help offset these cash needs.

Inventories [$9,059,456 vs. $6,014,672] were up $3,044,784, and accounts receivable [$7,878,000 vs. $3,931,273] increased $3,946,727. Both increases were largely due to the new receivables and inventory acquired by Fragrance Corp. Current liabilities [$8,410,687 vs. $5,139,769] increased by $3,270,918.

As at November 30, 1998, the Company was utilizing $1,550,000 of the funds available under its $5,000,000 credit line. The Company has issued a security agreement in connection with the bank financing.

Year 2000 Issue

Like many other companies, the Year 2000 computer issue creates risks for the Company. If internal systems do not correctly recognize and process date information beyond the year 1999, the Company's operations could be adversely impacted as the result of the system failures and business process interruption.

The Company has been addressing the Year 2000 computer issue since early 1997. To coordinate its Year 2000 program, the Company has focused its efforts in three areas.

1) Its own in house information technology, including computer hardware, third-party and internally developed software and databases, electronic interfaces and end user extracts, and operating systems.

2) External relationships including suppliers and customers.

3) Manufacturing, warehousing, and distribution equipment.

The Company has put its EDP department in charge of overseeing the identification, testing, and remediation of all the Year 2000 issues in the various departments of the Company. The EDP department is also responsible for the execution of contingency plans, if need be, in case the implementation of corrective actions and verification of successful implementation is not completed in a timely manner.

As of November 30, 1998, the identification steps were essentially complete for all three areas of focus. The testing of

the in house functions was also substantially completed due mostly in part to its decision to upgrade almost all of its accounting software and most of the Company's hardware to completely new, Year 2000 compliant, systems. The Company is currently working with suppliers of products and services to determine and monitor their level of compliance and Compliance Testing. The Company feels that the effect of any non-compliant embedded technology in the Company's manufacturing, warehousing, and distribution equipment would be immaterial to the Company's operations. Year 2000 readiness of significant customers is also being assessed. The

Company's evaluation of Year 2000 compliance as it relates to the Company's external relationships is expected to be completed by mid-1999.

The cost of addressing the Company's Year 2000 issues is expected to be approximately $400,000 to $500,000. However, approximately $140,000 of these costs should be offset by a grant obtained from the State of New Jersey to help pay for the retraining of the Company's staff. The net cost should not have a material adverse effect on the Company's cash flow or financial position. It could possibly, however adversely effect the Company's earnings in the year the majority of costs are incurred. The Company is executing its Year 2000 plan through its own employees as well as various computer consultants and vendors. The Year 2000 testing and reprogramming is being done in conjunction with other ongoing maintenance and reprogramming efforts.

With respect to remediation, the Company has a contingency plan in place in case its new Y2K compliant hardware and software fail, which would consist of replacing the Company's existing non-compliant servers and Novell software with new Year 2000 compliant ones and updating the existing databases beginning with the accounts receivable, accounts payable, and order entry systems. The Company believes that with a concentrated effort, these systems can be converted in a relatively short period. Externally, the Company's Year 2000 plan includes identification of alternative sources for providers of goods and services. The Company expects it contingency plans to be complete by mid-1999.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company invests its excess cash in interest-bearing investment-grade securities. The Company holds all such securities for the remaining term of the security. Therefore, the Company believes that it is not subject to material interest rate risks on such investments, other than the credit worthiness of the issuer of such securities. In addition, the Company does not utilize risk-sensitive market instruments, positions or transactions in any material fashion and does not believe it is subject to any material exposure to market-risk sensitivities.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Financial Statements are listed under Item 14 in this Form 10-K. The following financial data is a summary of the quarterly results of operations (unaudited) during and for the years ended November 30, 1998 and 1997:

	Three Months Ended			
Fiscal 1998	Feb. 28	May 31	Aug. 31	Nov. 30
Net Sales	$9,352,431	$10,770,270	$11,147,343	$9,813,930
Total Revenue	9,438,685	10,867,542	11,218,761	9,877,282
Cost of Products Sold	3,587,114	4,127,413	4,006,010	3,601,039
Net Income	375,955	804,844	440,355	39,221
Earnings per common share				
Basic	.05	.11	.06	.01
Diluted	.05	.11	.05	.01

Three Months Ended

Fiscal 1997	Feb. 28	May 31	Aug. 31	Nov. 30
Net Sales	$8,617,289	$10,552,412	$10,227,594	$8,311,627
Total Revenue	8,698,517	10,625,347	10,309,203	8,369,808

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Cost of Products Sold	3,076,627	3,940,006	3,850,509	3,593,222
Net Income	310,001	706,712	726,253	288,528
Earnings per common share				
Basic	.04	.10	.10	.04
Diluted	.04	.09	.09	.03

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Company did not change its accountants within the twenty-four months prior to the date of the most recent financial statements (nor since), and had no reported disagreement with its accountants on any matter of accounting principles or practices.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS

The Executive Officers and Directors of the Company are as follows:

NAME	POSITION	YEAR OF FIRST COMPANY SERVICE
David Edell	President and Chief Executive Officer, Director	1983
Ira W. Berman	Chairman of the Board of Directors, Secretary, Executive Vice President	1983
Dunnan Edell	Executive Vice Pres.-Sales, Director	1984
Drew Edell	Vice President-Manufacturing and New Product Development	1983
Stanley Kreitman	Director	1996
John Bingman	Treasurer	1986

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Jack Polak	Director	1983
Sidney Dworkin	Director	1985
Rami G. Abada	Director	1997

David Edell, age 67, is a director, and the Company's President and Chief Executive Officer. Prior to his association with the Company he was a marketing and financial consultant; and, by 1983, he had extensive experience in the health and beauty aids field as an executive director and/or officer of Hazel Bishop, Lanolin Plus and Vitamin Corporation of America.

Ira W. Berman, age 67, is the Company's Executive Vice

President and Corporate Secretary. He is also Chairman of the Board of Directors. Mr. Berman is an attorney who has been engaged in the practice of law since 1955. He received a Bachelor of Arts Degree (1953) and Bachelor of Laws Degree (1955) from Cornell University, and is a member of the American Bar Association.

Dunnan Edell is the 43 year-old son of David Edell. He has been a director since 1994. A Senior Vice President-Sales, he joined the Company in 1984 and was appointed Divisional Vice-President in 1986. He was employed by Alleghany Pharmacal Corporation from 1982 to 1984, and by Hazel Bishop from 1977 to 1981.

Drew Edell, the 41 year-old son of David Edell, is a graduate of Pratt Institute, where he received a Bachelor's degree in Industrial Design. He joined the Company in 1983, and in 1985 he was appointed Vice President-Product Development and Production.

John Bingman, age 47, received a Bachelor of Science degree from Fairleigh Dickenson University in 1973. He is a certified public accountant who practiced with the New Jersey accounting firm of Zarrow, Zarrow & Klein from 1976 to 1986.

Jack Polak, age 86, has been a private investment consultant since April 1982, and holds a tax consultant certification in The Netherlands. From 1977 until 1995, he was a director of Petrominerals Corporation, a public company engaged in oil and gas production, located in Tustin, California. From August 1993 until February 1995, he was a director of Convergent Solutions, Inc. Since February 1995 (upon a merger involving Convergent Solutions), he has been a director of K.T.I. Industries, Inc. of Guttenberg, NJ, and a member of its Board's Audit and Compensation Committee. K.T.I. is a public company engaged in the waste - to - energy business.

Stanley Kreitman, age 67, has been Vice Chairman of the Board of Manhattan Associates, an equity - investment firm, since 1994. He is also a director of Medallion Financial Corp., an SBIC. Mr. Kreitman has been Chairman of the Board of Trustees of the New York Institute of Technology since 1989, and of Crime-Stoppers Nassau County (NY), since 1994. He is also a director and/or executive committee member of the following organizations: The New York City Board of Corrections, The New York City Police Foundation, St. Barnabas Hospital, The New York College of Osteopathic Medicine, and the Police Athletic League. From 1975 until 1993, he was President of United States Banknote Corporation, a securities printer.

Sidney Dworkin, age 78, has been a director since 1985. He was one of the founders, and from 1966 until 1987, was the President and Chairman of the Board of Revco D.S., Inc., one of the largest drug store chains in the United States. (He terminated his association with Revco in September 1987.) Mr. Dworkin is a certified public accountant and a graduate of Wayne State University. He is also a director of Northern Technologies International, Inc., Crager Industries, Inc., Entile Company, Inc., Q.E.P. Company, Inc. and Viragen Inc., and is Chairman of the boards of Comtrex Systems, Inc., MarbleEdge Group, Inc., and Interactive Technologies, Inc. He was a director of Neutrogena Corp. until its acquisition by Johnson & Johnson, and is a former Chairman of the National Association of Chain Drug Stores.

Rami G. Abada, age 39, is the President and Chief Operating Officer of the publicly-owned Jennifer Convertibles, Inc. He has been its Chief Operating Officer since April of 1994. From 1982 to 1994, he was a Vice President of Operations in the Jennifer Convertibles organization. Mr. Abada, who is Ira Berman's son-in-law, earned a B.B.A. in 1981 upon his graduation from Bernard Baruch College of The City University of New York.

Item 11. EXECUTIVE COMPENSATION

i. Summary Compensation Table

The following table summarizes compensation earned in fiscal years 1998, 1997 and 1996 by all of the executive officers whose fiscal 1998 compensation exceeded $100,000, including the Chief Executive Officer (the "named officers").

		Annual Compensation			Long-Term Compensation	
Name and Principal Position	Year	Salary	Bonus	All Other Annual Compensation(1)	Number of Shares Covered by Stock Options Granted(2)	Other Long-Term compensation
David Edell, President and Chief Executive Officer	1998	$378,743	151,604	19,429	-	0
	1997	357,305	171,254	24,812	100,000	0
	1996	337,080	131,896	21,560	-	0
Ira W. Berman, Secretary and Executive Vice President	1998	$378,743(3)	151,604	16,403	-	0
	1997	357,305(3)	171,254	22,345	100,000	0
	1996	337,080(4)	131,896	22,876	-	0
Dunnan Edell, Executive Vice President - - Sales	1998	$200,000	-	9,787	-	0
	1997	200,000	25,000	14,898	50,000	0
	1996	185,096	25,000	15,659	-	0
Drew Edell, Vice President-Manufacturing	1998	$150,000	-	2,508	-	0
	1997	131,800	15,000	2,283	50,000	0
	1996	112,100	15,000	12,063	-	0

- -------------------------

(1) Includes the personal-use value of Company-leased automobiles, the value of Company-provided life insurance, and health insurance that is made available to all employees, plus directors fees paid to Messrs. David Edell, Ira Berman and Dunnan Edell.

(2) Information in respect of stock option plans appears below in the sub-topic, Employment Contracts/Executive Compensation Program.

(3) Includes $99,396 paid to Ira W. Berman & Associates, P.C.

(4) Includes $110,046 paid to Ira W. Berman & Associates, P.C.

ii. 1998 Option Grants, Fiscal Year Option Exercises, Year-End Option Valuation, Option Repricing

No new options were issued to any of the Named Officers in fiscal 1998.

The next table identifies 1998 fiscal-year option exercises by named officers, and reports a valuation of their options.

Fiscal 1998 Aggregated Option Exercises
and November 30, 1998 Option Values

Number of Shares
Value of Unexer-

	Number of Shares Acquired On Exercise	Value Realized	Covered by Unexercised Options at November 30, 1998	cised In-the-Money Options at November 30, 1998(1)
David Edell	50,000	81,250	517,500	1,484,563
Ira W. Berman	50,000	32,500	542,000	1,555,000

- ---------------------

(1) Represents the difference between market price and the respective exercise prices of options at November 30, 1998.

Repriced Options

The following table identifies the stock options held by the named officers and all other officers and directors, the exercise prices of which have been reduced during the past 10 years.

	Original Number of Shares	Grant Date	Original Price	Date Repriced	New Price
David Edell	100,000	Aug. 1, 1997	$2.50	Nov. 3, 1998	1.50
Ira W. Berman	100,000	Aug. 1, 1997	2.50	Nov. 3, 1998	1.50
Dunnan Edell	50,000	Aug. 1, 1997	2.50	Nov. 3, 1998	1.50
Drew Edell	50,000	Aug. 1, 1997	2.50	Nov. 3, 1998	1.50
Stanley Kreitman	25,000	Aug. 1, 1997	2.50	Nov. 3, 1998	1.50
Jack Polak	25,000	Aug. 1, 1997	2.50	Nov. 3, 1998	1.50
Sidney Dworkin	25,000	Aug. 1, 1997	2.50	Nov. 3, 1998	1.50
Rami Abada	25,000	Aug. 1, 1997	2.50	Nov. 3, 1998	1.50

- ---------------------

(1) The full Board of Directors authorized the repricing in consequence a declining market valuation, inconsistent with the Company's realizable value. (See "Compensation of Directors") The market price of the Common Stock at the date of repricing was $1.50; and, at that date, the original option terms (10 years from August 1, 1997) had approximately 8 years and 10 months to run. When the options were originally issued, on August 1, 1997, the market price of the Company's Common Stock was $2.50.

iii. Compensation of Directors

Each director was paid $2,000 per meeting for attendance of board meetings in fiscal 1998 (without additional compensation for committee meetings). No options were granted to any director, but options issued to each of them in fiscal 1997 were re-priced in 1998. The old and new prices, issuance dates and at-issuance market prices are as reported above in respect of the four Directors who are named officers. The same information and terms apply to the re-priced options of there Directors, each of whom (Messrs. Kreitman, Abada and Polak) had 25,000 options re-priced.

The full Board of Directors met three times in 1998.

iv. Executive Compensation Principles;
Audit and Compensation Committee

The Company's Executive Compensation Program is based on guiding principles designed to align executive compensation with Company values and objectives, business strategy, management initiatives, and financial performance. In applying these principles the Audit and Compensation Committee of the Board of Directors, comprised of David Edell, Ira W. Berman, Stanley Kreitman, Jack Polak and Rami Abada, which met three times in 1998, has established a program to:

* Reward executives for long-term strategic management and the enhancement of shareholder value.

* Integrate compensation programs with both the Company's annual and long-term strategic planning.

* Support a performance-oriented environment that rewards performance not only with respect to Company goals but also Company performance as compared to industry performance levels.

v. Employment Contracts/Compensation Program

The total compensation program consists of both cash and equity based compensation. The Audit and Compensation Committee (the "Committee") determines the level of salary and bonuses, if any, for key executive officers other than Messrs. David Edell and Ira Berman. The Committee determines the salary or salary range based upon competitive norms. Actual salary changes are based upon performance.

Bonuses (see the Summary Compensation Tables), for David Edell and Ira Berman are determined by contracts (next referenced), Other bonuses were awarded by the Committee, in consideration of the Company's performance during 1998.

On March 17, 1994, the Board of Directors approved 10-year employment contracts for David Edell and Ira Berman (with Mr. Edell and Mr. Berman abstaining). Pursuant thereto, each was provided a base salary of $300,000 in fiscal 1994, with a year-to-year CPI or 6% increment, and each is paid 2-1/2% of the Company's pre-tax income, less depreciation and amortization, plus 20% of the base salary, as bonus.

In February of 1999, the David Edell and Ira Berman employment contracts were amended to provide that their respective (and equivalent) bonuses shall be 2.5% of the Company's earnings before income taxes, depreciation, amortization, and all expenditures for media and cooperative advertising and promotion in excess of $8,000,000, plus 20% of the base salary.

Long-term incentives are provided through the issuance of stock options.

vi. Stock Option Plans

The Company's 1984 Stock Option Plan covered 1,500,000 shares of its Common Stock.

The Company's 1986 Stock Option Plan covered 1,500,000 shares of its Common Stock.

The Company's 1994 Stock Option Plan covers 1,000,000 shares of its Common Stock.

The 1994 Option Plan provides (as had the 1984 and 1986 plans) for the granting of two (2) types of options: "Incentive Stock Options" and "Nonqualified Stock Options". The Incentive Stock Options (but not the Nonqualified Stock Options) are intended to qualify as "Incentive Stock Options" as defined in Section 422(a) of The Internal Revenue Code. The Plans are not qualified under Section 401(a) of the Code, nor subject to the provisions of the Employee Retirement Income Security Act of 1974.

Options may be granted under the Options Plans to employees

(including officers and directors who are also employees) and consultants of the Company, provided, however, that Incentive Stock

Options may not be granted to any non-employee director or consultant.

Option plans are administered and interpreted by the Board of Directors. (Where issuance to a Board member is under consideration, that member must abstain.) The Board has the power, subject to plan provisions, to determine the persons to whom and the dates on which options will be granted, the number of shares subject to each option, the time or times during the term of each when options may be exercised, and other terms. The Board has the power to delegate administration to a Committee of not less than two (2) Board members, each of whom must be disinterested within the meaning of Rule 16b-3 under the Securities Exchange Act, and ineligible to participate in the option plan or in any other stock purchase, option or appreciation right under plan of the Company or any affiliate. Members of the Board receive no compensation for their services in connection with the administration of option plans.

Option Plans permit the exercise of options for cash, other property acceptable to the Board or pursuant to a deferred payment arrangement. The 1994 Plan specifically authorizes that payment may be made for stock issuable upon exercise by tender of Common Stock of the Company; and the Executive Committee is authorized to make loans to option exercisers to finance optionee tax-consequences in respect of option exercise, but such loans must be personally guaranteed and secured by the issued stock.

The maximum term of each option is ten (10) years. No option granted is transferable by the optionee other than upon death.

Under the plans, options will terminate three (3) months after the optionee ceases to be employed by the Company or a parent or subsidiary of the Company unless (i) the termination of employment is due to such person's permanent and total disability, in which case the option may, but need not, provide that it may be exercised at any time within one (1) year of such termination (to the extent the option was vested at the time of such termination); or (ii) the optionee dies while employed by the Company or a parent or subsidiary of the Company or within three (3) months after termination of such employment, in which case the option may, but need not provide that it may be exercised (to the extent the option was vested at the time of the optionee's death) within eighteen (18) months of the optionee's death by the person or persons to whom the rights under such option pass by will or by the laws of descent or distribution; or (iii) the option by its terms specifically provides otherwise.

The exercise price of all nonqualified stock options must be at least equal to 85% of the fair market value of the underlying

stock on the date of grant. The exercise price of all Incentive Stock Options must be at least equal to the fair market value of the underlying stock on the date of grant. The aggregate fair market value of stock of the Company (determined at the date of the option grant) for which any employee may be granted Incentive Stock Options in any calendar year may not exceed $100,000, plus certain carryover allowances. The exercise price of an Incentive Stock Option granted to any participant who owns stock possessing more than ten (10%) of the voting rights of the Company's outstanding capital stock must be at least 110% of the fair market value on the date of grant and the maximum term may not exceed five (5) years.

Consequences to the Company: There are no Federal income tax consequences to the Company by reason of the grant or exercise of an Incentive Stock Option.

As at November 30, 1998, 1,284,500 stock options, yet exercisable, to purchase 1,284,500 shares of the Company's Common Stock, were outstanding.

vii. Performance Graph

Set forth below is a line graph comparing cumulative total shareholder return on the Company's Common Stock, with the cumulative total return of companies in the NASDAQ Stock Market (U.S.) and the cumulative total return of Dow Jones's Cosmetics/Personal Care Index.

Cumulative Total Return

	11/93	11/94	11/95	11/96	11/97	11/98
CCA Industries, Inc.	100	57	22	35	36	21
DJ Equity Market	100	101	139	178	228	280
DJ Cosmetics/Personal Care	100	121	164	220	267	279

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of the Company's Common Stock and/or Class A Common Stock as of February 6, 1999 by (i) all those known by the Company to be owners of more than five percent of the outstanding shares of Common Stock or Class A Common Stock, (ii) the "named officers," including the Chief Executive Officer (see Executive Compensation-Summary Compensation Table); (iii) each officer and director; and (iv) all officers and directors as a group. Unless otherwise indicated, each of the shareholders has sole voting and investment power with respect to the shares owned (subject to community property laws, where applicable), and is beneficial owner of them.

Name and Address	Number of Shares Owned:		Ownership, As A Percentage of All Shares Outstanding
	Common Stock	Class A	
David Edell c/o CCA Industries, Inc. 200 Murray Hill Parkway East Rutherford, NJ 07073	166,450	484,615	9.07
Ira W. Berman c/o CCA Industries, Inc.	159,745	473,615	8.82
Jack Polak	25,000	47,700	1.01

90 Park Avenue
New York, NY 10016

Rami G. Abada c/o CCA Industries, Inc.	-	-	-
Stanley Kreitman c/o CCA Industries, Inc.	-	-	-
Dunnan Edell c/o CCA Industries, Inc.	51,250	-	.71
Drew Edell c/o CCA Industries, Inc.	51,250	-	.71
Sidney Dworkin 1550 No. Powerline Road Pompano, FL 33069	50,000	-	.70
John Bingman c/o CCA Industries, Inc.	-	-	-
Officers and Directors as a group (9 persons)	503,695		21.02

____

(1) David Edell, Ira Berman and Jack Polak own over 98% of the outstanding shares of Class A Common Stock. Messrs. David Edell, Dunnan Edell and Ira Berman are officers and directors. Messrs. Bingman and Drew Edell are officers. Messrs. Abada, Kreitman, Polak, and Dworkin are directors.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

As at November 30, 1998, Company loans, to Drew Edell, an officer, and Dunnan Edell, a director and officer, in the principal sums of $40,000 and $25,250, respectively, were outstanding. The loans, secured by second mortgages upon real properties, carry interest at 1% over prime, payable semi-annually.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES AND REPORTS ON FORM 8-K

Financial Statements:

Table of Contents, Independent Auditors' Report, Consolidated Balance Sheets as of November 30, 1998 and 1997, Consolidated Statements of Income for the years ended November 30, 1998, 1997 and 1996, Consolidated Statements of Shareholders' Equity for the periods November 30, 1998, 1997 and 1996, Consolidated Statements of Cash Flows for the years ended November 30, 1998, 1997 and 1996, Notes to Consolidated Financial Statements.

Financial Statement Schedules:

Schedule II Valuation Accounts; Years Ended Nov. 30, 1998, 1997 and 1996

Exhibits:

(a) The Company's Articles of Incorporation and Amendments
thereof, and its By-Laws, are incorporated by reference
to their filing with the Form 10-K A filed April 5, 1995.
(Exhibit pages 000001-23).

(b) The February 1999 Amendments to the Amended and Restated
Employment Agreements of David Edell and Ira Berman
(1994) are incorporated by reference to the filing of
those Amendments, as an Exhibit, with this 10-K for the
1998 fiscal year. (Exhibit pages 00001-00002)

The Following Material Contracts and Amendments are
incorporated by reference to their filing with the Form 10-KA
filed April 5, 1995: Amended and Restated Employment
Agreements of 1994, with David Edell and Ira Berman; License
Agreement made February 12, 1986 with Alleghany Pharmacal
Corporation.

(c) The Company's 1994 Stock Option Plan is incorporated by
reference to its filing as an exhibit printed in the 1994
Proxy Statement, filed on or about May 15, 1994.

No Form 8-K was filed during the last quarter of 1998.

Shareholders may obtain a copy of any exhibit not filed herewith by writing to CCA Industries, Inc., 200 Murray Hill Parkway, East Rutherford, New Jersey 07073.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(A) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report to be signed on its behalf by the undersigned thereunto duly authorized.

CCA INDUSTRIES, INC.

By: s/ David Edell
DAVID EDELL, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
s/ David Edell DAVID EDELL	President, Director, Chief Executive Officer, and Chief Financial Officer	February 25, 1999
s/ Ira W. Berman IRA W. BERMAN	Chairman of the Board of Directors, Executive Vice President, Secretary	February 25, 1999
s/ Dunnan Edell DUNNAN EDELL	Vice President, Director	February 25, 1999
s/ Stanley Kreitman STANLEY KREITMAN	Director	February 25, 1999
s/ Rami Abada RAMI ABADA	Director	February 25, 1999

s/ Jack Polak Director February 25, 1999
JACK POLAK

s/ Sidney Dworkin Director February 25, 1999
SIDNEY DWORKIN

AMENDMENT TO AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

Agreement effective as of December 31, 1998, between CCA Industries, Inc., and Ira W. Berman.

FIRST: Section 3 (b) is amended as follows:

3. Employment Term Compensation; Base Salary and Annual Bonus.

(b) For each year of the Employment Term and as additional consideration for his Employment Term services, the Company shall pay the Executive, on or before the fifteenth (15th) day after the Company's year-end audited financial statements are available, and annual bonus (the "Bonus") equal to 2.5% for the Company's earnings before income taxes, depreciation and amortization, (all expenditures for advertising, promotion and co-op in excess of $8,000,000.00 shall not be deducted as expenses in computing the earnings for the purposes of this Section), plus 20% of the Executive's Base Salary for the year then 'in progress.'

IN WITNESS WHEREOF, the parties have set their hands this day of February 1999.

CCA INDUSTRIES, INC.

By:
David Edell, President

By:
APPROVED: Ira W. Berman

Dunnan Edell, Director

Jack Polak, Director

Sidney Dworkin, Director

Stanley Kreitman, Director

Rami Abada, Director

AMENDMENT TO AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

Agreement effective as of December 31, 1998, between CCA Industries, Inc., and David Edell.

FIRST: Section 3 (b) is amended as follows:

3. Employment Term Compensation; Base Salary and Annual Bonus.

(b) For each year of the Employment Term and as additional consideration for his Employment Term services, the Company shall pay the Executive, on or before the fifteenth (15th) day after the Company's year-end audited financial statements are available, and annual bonus (the "Bonus") equal to 2.5% for the Company's earnings before income taxes, depreciation and amortization, (all expenditures for advertising, promotion and co-op in excess of $8,000,000.00 shall not be deducted as expenses in computing the earnings for the purposes of this Section), plus 20% of the Executive's Base Salary for the year then 'in progress.'

IN WITNESS WHEREOF, the parties have set their hands this day of February 1999.

CCA INDUSTRIES, INC.

By:
David Edell, President

By:
APPROVED: Ira W. Berman

Dunnan Edell, Director

Jack Polak, Director

Sidney Dworkin, Director

Stanley Kreitman, Director

Rami Abada, Director

CCA INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 1998 AND 1997

C O N T E N T S

INDEPENDENT AUDITORS' REPORT

Board of Directors
CCA Industries, Inc.
East Rutherford, New Jersey

We have audited the consolidated balance sheets of CCA Industries, Inc. and Subsidiaries as of November 30, 1998 and 1997, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended November 30, 1998. These consolidated financial statements are the responsibility of management. Our responsibility is to express an opinion on these consolidated financial statements and related schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain a reasonable assurance about whether the financial statements and related schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and related schedules. 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 consolidated financial position of CCA Industries, Inc. and Subsidiaries as of November 30, 1998 and 1997, and the consolidated results of their operations and their cash flows for each of the three years in the period ended November 30, 1998, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedules listed in the index to Item 14 are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic consolidated financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, present fairly, in all material respects, in relation to the basic consolidated financial statements.

SHEFT KAHN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

February 8, 1999
Jericho, New York

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>
CONSOLIDATED BALANCE SHEETS

A S S E T S
<CAPTION>

	November 30, 1998	November 30, 1997
<S>	<C>	<C>
Current Assets		
Cash and cash equivalents	$ 542,289	$ 3,649,774
Short-term investments and marketable securities (Notes 2 and 6)	1,633,452	1,926,513
Accounts receivable, net of allowances of $1,318,185 and $664,325, respectively (Note 7)	7,878,000	3,931,273
Inventories (Notes 2, 3 and 7)	9,059,456	6,014,672
Prepaid expenses and sundry receivables	317,318	248,553
Due from officers - Current	-	1,500
Prepaid income taxes and refunds due	72,513	-
Deferred income taxes (Note 8)	974,922	699,294
Total Current Assets	20,477,950	16,471,579
Property and Equipment, net of accumulated depreciation and amortization (Notes 2 and 4)	866,663	486,029
Intangible Assets, net of accumulated amortization (Notes 2 and 5)	245,875	163,640
Other Assets		
Marketable securities (Notes 2 and 6)	2,172,253	1,874,175
Due from officers - Non-current (Note 13)	65,250	65,250
Deferred income taxes (Note 8)	127,256	111,006
Other	54,889	52,612
Total Other Assets	2,419,648	2,103,043
Total Assets	$24,010,136	$19,224,291

</TABLE>

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES
<TABLE>
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

<CAPTION>

	November 30, 1998	November 30, 1997
<S>	<C>	<C>
Current Liabilities		
Notes payable - Current portion (Note 7)	$ 1,550,000	$ -
Accounts payable and accrued liabilities (Note 10)	6,259,967	5,053,665
Income taxes payable (Note 8)	600,720	86,104
Total Current Liabilities	8,410,687	5,139,769
Minority Interest in Consolidated Subsidiary	7,798	-
Commitments and Contingencies (Note 12)		

Shareholders' Equity		
Common stock, $.01 par; authorized 15,000,000 shares; issued and outstanding 6,246,151 and 6,192,621 shares, respectively	62,462	61,927
Class A common stock, $.01 par; authorized 5,000,000 shares; issued and outstanding 1,020,930 and 1,020,930 shares, respectively	10,209	10,209
Additional paid-in capital	4,454,228	4,454,763
Retained earnings	11,238,704	9,578,329
Unrealized gains (losses) on marketable securities (Note 6)	(18,343)	(2,737)
	15,747,260	14,102,491
Less: Treasury Stock (89,519 and 7,500 shares at November 30, 1998 and November 30, 1997, respectively)	155,609	17,969
Total Shareholders' Equity	15,591,651	14,084,522
Total Liabilities and Shareholders' Equity	$24,010,136	$19,224,291

</TABLE>
See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF INCOME

<CAPTION>

	Years Ended November 30,		
	1998	1997	1996
<S>	<C>	<C>	<C>
Revenues			
Sales of health and beauty aid products, net	$41,083,974	$37,708,922	$39,469,098
Other income	318,296	293,953	235,925
	41,402,270	38,002,875	39,705,023
Costs and Expenses			
Cost of sales	15,321,576	14,460,364	15,171,055
Selling, general and administrative expenses	13,579,182	11,146,894	11,408,154
Advertising, cooperative and promotions	8,882,106	8,450,461	10,655,495
Research and development	562,708	684,224	459,082
Provision for doubtful accounts	201,630	(17,779)	45,855
Interest expense	22,894	5,888	50,756
	38,570,096	34,730,052	37,790,397
Income before Provision for Income Taxes	2,832,174	3,272,823	1,914,626
Provision for Income Tax	1,164,201	1,241,329	863,292
Net Income Including Minority Interest of Consolidated Subsidiary	1,667,973	2,031,494	1,051,334
Minority Interest in Net Income of Consolidated Subsidiary	7,598	-	-
Net Income	$ 1,660,375	$ 2,031,494	$ 1,051,334
Weighted Average Shares Outstanding			
Basic	7,243,956	7,205,904	7,120,099
Diluted	8,075,169	8,108,482	7,989,383
Earnings Per Common Share (Note 2):			
Basic	$ .23	$ .28	$ .15

Diluted	$ .21	$ .25	$ .13

</TABLE>

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED NOVEMBER 30, 1998, 1997 AND 1996

<CAPTION>

<S>	Common Stock Shares <C>	Common Stock Amount <C>	Additional Paid-In Capital <C>	Retained Earnings <C>	Unrealized Gain (Loss) on Marketable Securities <C>	Treasury Stock <C>
Balance - December 1, 1995	6,795,151	$67,952	$4,282,007	$ 6,495,501	$ 5,328	$ -
Issuance of common stock	372,400	3,724	173,216	-	-	-
Net income for the year	-	-	-	1,051,334	-	-
Unrealized (loss) on marketable securities	-	-	-	-	(11,681)	-
Purchase of 5,000 shares of treasury stock	-	-	-	-	-	(12,500)
Balance - December 1, 1996	7,167,551	71,676	4,455,223	7,546,835	(6,353)	(12,500)
Issuance of common stock	46,000	460	(460)	-	-	-
Net income for the year	-	-	-	2,031,494	-	-
Unrealized gain on marketable securities	-	-	-	-	3,616	-
Purchase of 2,500 shares of treasury stock	-	-	-	-	-	(5,469)
Balance - December 1, 1997	7,213,551	72,136	4,454,763	9,578,329	(2,737)	(17,969)
Issuance of common stock	53,530	535	(535)	-	-	-
Net income for the year	-	-	-	1,660,375	-	-
Unrealized (loss) on marketable securities	-	-	-	-	(15,606)	-
Purchase of 82,019 shares of treasury stock	-	-	-	-	-	(137,640)
Balance - November 30, 1998	7,267,081	$72,671	$4,454,228	$11,238,704	($18,343)	($155,609)

</TABLE>

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED NOVEMBER 30,

<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
Cash Flows from Operating Activities:			
Net income	$1,660,375	$2,031,494	$1,051,334
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			

Minority interest in consolidated subsidiary	7,598	-	-
Depreciation and amortization	342,132	376,381	400,790
Amortization of bond discount	1,884	1,948	2,041
Loss on sale of securities	7,635	-	-
Decrease (increase) in deferred income taxes	(291,878)	71,932	244,263
Loss (gain) on disposal of assets	-	1,009	(18,237)
(Increase) decrease in accounts receivable	(3,946,727)	86,227	26,920
(Increase) decrease in inventory	(3,044,784)	(138,930)	538,355
(Increase) decrease in prepaid expenses and sundry receivables	(141,278)	355,399	288,741
Increase (decrease) in accounts payable and accrued liabilities	1,206,302	258,800	(2,083,560)
Increase in income taxes payable	514,616	148,150	25,505
(Increase) decrease in security deposits	(2,277)	1,605	8,447
Net Cash (Used in) Provided by Operating Activities	(3,686,402)	3,194,015	484,599
Cash Flows from Investing Activities:			
Acquisition of property and equipment	(699,349)	(168,520)	(407,206)
Proceeds from sale of property	-	40,960	-
Acquisition of intangible assets	(105,652)	(20,448)	(36,664)
Purchase of available for sale securities	(2,298,993)	(3,269,674)	(1,102,669)
Proceeds from sale of available for sales securities	2,268,851	2,657,227	2,253,778
Proceeds of money due from officers	1,500	2,400	-
Loan to officers	-	(40,000)	-
Net Cash (Used in) Provided by Investing Activities	(833,643)	(798,055)	707,239
Cash Flows from Financing Activities:			
Proceeds from borrowings	1,950,000	-	1,769,152
Payment on debt	(400,000)	(163,500)	(2,014,797)
Proceeds from exercise of stock options	-	-	176,940
Purchase of treasury stock	(137,640)	(5,469)	(12,500)
Proceeds from issuance of stock	200	-	-
Net Cash Provided by (Used In) Financing Activities	1,412,560	(168,969)	(81,205)
Net (Decrease) Increase In Cash	(3,107,485)	2,226,991	1,110,633
Cash at Beginning of Year	3,649,774	1,422,783	312,150
Cash at End of Year	$ 542,289	$3,649,774	$1,422,783
Supplemental Disclosures of Cash Flow Information:			
Cash paid during the year for:			
Interest	$ 14,589	$ 7,025	$ 54,487
Income taxes	1,013,975	1,052,850	26,245

</TABLE>

See Notes to Consolidated Financial Statements

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

CCA Industries, Inc. ("CCA") was incorporated in the State of Delaware on March 25, 1983.

CCA manufactures and distributes health and beauty aid products.

CCA has several wholly-owned subsidiaries (CCA Cosmetics, Inc., CCA Labs, Inc., Berdell, Inc., and Nutra Care Corporation), all of which are currently inactive.

In March of 1998 CCA acquired 80% of the newly organized Fragrance Corporation of America, Ltd. which manufactures and distributes perfume products.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation:

The consolidated financial statements include the accounts of CCA and its majority-owned subsidiaries (collectively the "Company"). The minority interest in consolidated subsidiaries is reflected in the financial statements. All significant inter-company accounts and transactions have been eliminated.

Use of Estimates:

The consolidated financial statements include the use of estimates, which management believes are reasonable. The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Short-Term Investments and Marketable Securities:

Short-term investments and marketable securities consist of corporate and government bonds 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 shareholders' equity.

Statements of Cash Flows Disclosure:

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.

During fiscal 1997 and 1998, two officers/shareholders exercised in the aggregate 60,000 and 70,000 options, respectively, in exchange for previously issued common stock. The common shares were put into treasury and were subsequently cancelled.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, whichever 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. Goodwill represents the excess of the cost over the fair value of the net assets acquired and is amortized over 60 months.

Financial Instruments:

The carrying value of assets and liabilities considered financial instruments approximate their respective fair value.

Income Taxes:

Income tax expense includes federal and state taxes currently payable and deferred taxes arising from temporary differences between income for financial reporting and income tax purposes.

Tax Credits:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Earnings Per Common Share:

The Company adopted Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share" in 1998. Basic earnings per share is calculated using the average number of shares of common stock outstanding during the year. Diluted earnings per share is computed on the basis of the average number of common shares outstanding plus the effect of outstanding stock options using the "treasury stock method" and convertible debentures using the "if-converted" method. Common stock equivalents consist of stock options.

Recently Issued Accounting Standards:

In June 1997, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income". SFAS No. 130 establishes standards for the reporting of comprehensive income and its components in a full set of general purpose financial statements. Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The adoption of SFAS No. 130 is effective for the Company in 1999.

In June 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information". SFAS No. 131 requires publicly-held companies to report financial and other information about key revenue-producing segments of the entity for which such information is available and is utilized by the chief operation decision maker. Specific information to be reported for individual segments includes profit or loss, certain revenue and expense items and total assets. A reconciliation of segment financial information to amounts reported in the financial statements is also to be provided. SFAS No. 131 is effective for the Company in 1999.

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. The statement requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. SFAS No. 133 is effective for the Company in 1999. Implementation of SFAS No. 133 is required for the Company by the first quarter of 2000.

Revenue Recognition:

The Company recognizes sales at the time delivery occurs. Although no legal right of return exists between the customer and the Company, it is an industry-wide practice to accept returns from customers. The Company, therefore, records a reserve for returns equal to its gross profit on its historical percentage of returns on its last five months sales.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Costs:

The Company's policy for fiscal financial reporting is to charge advertising cost to operations as incurred.

NOTE 3 - INVENTORIES

At November 30, 1998 and 1997, inventories consist of the following:

	1998	1997
Raw materials	$5,828,257	$4,017,838
Finished goods	3,231,199	1,996,834
	$9,059,456	$6,014,672

At November 30, 1998 and 1997, the Company had a reserve for obsolete inventory of $836,805 and $860,417, respectively.

NOTE 4 - PROPERTY AND EQUIPMENT

At November 30, 1998 and 1997, property and equipment consisted of the following:

	1998	1997
Machinery and equipment	$ 297,615	$ 236,582
Furniture and equipment	721,296	329,526
Transportation equipment	10,918	-
Tools, dies, and masters	1,819,974	1,584,346
Leasehold improvements	108,474	108,474
	2,958,277	2,258,928
Less: Accumulated depreciation and amortization	2,091,614	1,772,899
Property and Equipment - Net	$ 866,663	$ 486,029

Depreciation and amortization expense for the years ended November 30, 1998, 1997 and 1996 amounted to $318,715, $364,536 and $390,625, respectively.

NOTE 5 - INTANGIBLE ASSETS

Intangible assets consist of the following at November 30, 1998 and 1997:

	1998	1997
Patents and trademarks	$241,596	$211,596
Goodwill	75,652	-
	317,248	211,596

Less: Accumulated amortization	71,373	47,956
Intangible Assets - Net	$245,875	$163,640

Amortization expense for the years ended November 30, 1998, 1997 and 1996 amounted to $23,417, $11,845 and $10,165, respectively.

NOTE 6 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES

Short-term investments and marketable securities, which consist of stock and various corporate and government obligations, are stated at market value. The Company has classified its investments as Available-for-Sale securities and considers as current assets those investments which will mature or are likely to be sold in the next fiscal year. The remaining investments are considered non-current assets. The cost and market values of the investments at November 30, 1998 and 1997 were as follows:

	1998		1997	
Current:	COST	MARKET	COST	MARKET
Corporate obligations	$ 780,776	$ 786,233	$ 99,006	$ 99,448
Government obligations (including mortgage backed securities)	841,067	847,219	1,827,503	1,827,065
Total	1,621,843	1,633,452	1,926,509	1,926,513
Non-Current:				
Corporate obligations	1,030,044	1,038,450	741,893	744,921
Government obligations	298,600	298,931	1,135,023	1,129,254
Preferred stock	512,561	511,500	-	-
Other equity investments	361,000	323,372	-	-
Total	2,202,205	2,172,253	1,876,916	1,874,175
Total	$3,824,048	$3,805,705	$3,803,425	$3,800,688

The market value at November 30, 1998 was $3,805,705 as compared to $3,800,688 at November 30, 1997. The cost and market values of the investments at November 30, 1998 were as follows:

<TABLE>

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	Interest Rate	Number of Units-Principal Amount of Bonds and Notes	Cost of Each Issue	Market Value of Each Issue at Balance Sheet Date	Amount at Which Each Portfolio Of Equity Security Issues and Each Other Security Issue Is Carried in Balance Sheet
CORPORATE OBLIGATIONS:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
GMAC	2/22/00	5.450%	$200,000	$ 199,226	$ 199,886	$ 199,886
GTE Southwest Deb	12/01/99	5.820%	100,000	99,851	100,617	100,617
Florida Power & Light	7/01/99	5.500%	300,000	295,776	300,585	300,585

Virginia Electric & Power	4/01/00	5.875%	250,000	246,117	252,315	252,315
GMAC Smartnotes	10/15/99	5.950%	200,000	200,000	200,648	200,648
Florida Power & Light	4/01/00	5.375%	200,000	199,850	200,632	200,632
Mid American-NB & TC-CD	8/07/01	5.600%	95,000	95,000	95,000	95,000
Mid First Bank-CD	8/14/00	5.550%	95,000	95,000	95,000	95,000
MBNA-CD	8/13/01	5.650%	95,000	95,000	95,000	95,000
First Federal of California	4/21/99	4.800%	95,000	95,000	95,000	95,000
Flagstar Bank	10/21/99	4.900%	95,000	95,000	95,000	95,000
Progress Fed Svgs Bank	10/25/99	4.800%	95,000	95,000	95,000	95,000
				1,810,820	1,824,683	1,824,683

</TABLE>

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<CAPTION>

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

GOVERNMENT OBLIGATIONS:

<S> <C> <C> <C> <C> <C> <C>

COL. A			COL. B	COL. C	COL. D	COL. E
Name of Issuer and Title of Each Issue	Maturity Date	Interest Rate	Number of Units-Principal Amount of Bonds and Notes	Cost of Each Issue	Market Value of Each Issue	Amount at Which Each Portfolio Of Equity Security Issues and Each Other Security Issue Is Carried in at Balance Sheet Date Balance Sheet
US Treasury Note	2/28/99	5.875	250,000	$ 249,953	$ 250,703	$ 250,703
US Treasury Note	11/15/99	5.875	250,000	249,141	252,658	252,658
US Treasury Zero Coupon	8/15/99	5.920	148,000	142,221	143,310	143,310
US Treasury Note	2/15/99	5.000	100,000	99,869	100,031	100,031
Federal Nat. Mtg. Note	7/30/99	5.860	100,000	99,883	100,517	100,517
FHLMC 1628-N	12/15/2023	6.500	50,000	46,366	46,942	46,942
EE Bonds	-	7.180	90,000	101,772	101,772	101,772
FNMA 93-G-26-B	8/25/2022	7.000	10,000	420	465	465
FNMA 93-224-D	11/25/2023	6.500	104,000	101,873	100,876	100,876
FNMA 92-2-N	1/25/2024	6.500	52,000	47,424	48,132	48,132
FHLMC 1702-U	3/24/2024	7.000	4,000	745	744	744
				1,139,667	1,146,150	1,146,150

</TABLE>

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<CAPTION>

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

EQUITY:

<S> <C> <C> <C> <C> <C> <C>

Preferred Stock:

COL. A			COL. B	COL. C	COL. D	COL. E
Name of Issuer and Title of Each Issue	Next Call Date	Dividend Rate	Number of Shares	Cost of Stock	Market Value of Stock at Balance Sheet Date	Amount at Which Each Portfolio Of Equity Security Issues and Each Other Security Issue Is Carried in Balance Sheet
Tennessee Valley Authority (QIDS) Qtrly Income Debt Secs - Matures 3/31/2045	3/31/00	8.00%	13,600	$ 362,561	$ 357,000	$ 357,000
Merrill Lynch Trust	9/30/08	7.28%	6,000	150,000	154,500	154,500

Other Equity Investments:

Dreyfus Premier Limited Term High Income CL B	121,000	113,294	113,294
Dreyfus High Yield Strategies Fund	240,000	210,078	210,078
	873,561	834,872	834,872
	$3,824,048	$3,805,705	$3,805,705

</TABLE>

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

During the year ended November 30, 1998 available-for-sale securities were liquidated and proceeds amounting to $2,268,851 were received, with resultant realized losses totaling $7,635. Cost of available-for-sale securities includes unamortized premium or discount.

NOTE 7 - NOTES PAYABLE

In May 1996 the Company refinanced $327,000 (representing the balance on its term note) at prime. The note was due in installments of $27,250 plus interest through May 1997.

The Company has an available line of credit of $5,000,000. Interest is calculated on the outstanding balance at prime minus 1% or Libor plus 150 basis points. The line of credit is collateralized by the Company's accounts receivable and inventory. As of November 30, 1998, the Company was utilizing $1,550,000 of its available line.

NOTE 8 - INCOME TAXES

CCA and its subsidiaries file a consolidated federal income tax return. No returns have been examined by the Internal Revenue Service.

At November 30, 1998 and 1997, respectively, the Company has temporary differences arising from the following:

November 30, 1998

Type	Amount	Deferred Tax Asset (Liability)	Classified As Short-Term	Classified As Long-Term
Depreciation	$ 318,619	$127,256	$ -	$127,256
Reserve for bad debts	273,982	109,429	109,429	-
Reserve for returns	1,044,203	417,054	417,054	-
Reserve for obsolete inventory	836,805	334,220	334,220	-
Section 263A costs	285,977	114,219	114,219	-
Net deferred income tax	$2,759,586	$1,102,17	$974,922	$127,256

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 - INCOME TAXES (Continued)

November 30, 1997

Type	Deferred Amount	Classified As Tax Asset (Liability)	Short-Term	Long-Term
Depreciation	$ 276,221	$111,006	$ -	$111,006
Reserve for bad debts	120,131	48,278	48,278	-
Reserve for returns	544,194	218,698	218,698	-
Reserve for obsolete inventory	860,417	345,780	345,780	-
Section 263A costs	215,335	86,538	86,538	-
	$2,016,298	$810,300	$699,294	$111,006

Income tax expense (benefit) is made up of the following components:

November 30, 1998	Federal	State & Local	Total
Current tax expense	$1,136,235	$348,574	$1,484,809
Tax credits	(28,730)	-	(28,730)
Deferred tax expense	(228,328)	(63,550)	(291,878)
	$ 879,177	$285,024	$1,164,201

NOTE 8 - INCOME TAXES (Continued)

November 30, 1997	Federal	State & Local	Total
Current tax expense	$967,319	$244,553	$1,211,872
Tax credits	(42,475)	-	(42,475)
Deferred tax benefit	56,827	15,105	71,932
	$981,671	$259,658	$1,241,329

November 30, 1996	Federal	State & Local	Total
Current tax expense	$ 32,821	$ 27,695	$ 60,516
Deferred tax benefit	629,581	173,195	802,776
	$662,402	$200,890	$863,292

The current tax expense for the year ended 1996 includes a utilization of net operating loss carryforward for federal and state of approximately $492,000 and $50,000, respectively.

Income taxes payable are made up of the following components:

	Federal	State & Local	Total
November 30, 1998	$532,272	$68,448	$600,720

November 30, 1997	$ 44,453	$41,651	$ 86,104

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<CAPTION>

NOTE 8 - INCOME TAXES (Continued)

A reconciliation of income tax expense computed at the statutory rate to income tax expense at the effective rate for each of the three years ended November 30, 1998 is as follows:

	1998		1997		1996	
	Amount	Percent Of Pretax Income	Amount	Percent of Pretax Income	Amount	Percent of Pretax Income
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Income tax expense at statutory rate	$ 962,939	34.00%	$1,112,760	34.00%	$650,973	34.00%
Increases (decreases) in taxes resulting from:						
State income taxes, net of federal income tax benefit	179,068	6.32	155,378	4.75	167,667	8.76
Non-deductible expenses and other adjustments	50,924	1.79	15,666	.48	44,652	2.33
Utilization of tax credits	(28,730)	(1.00)	(42,475)	(1.30)	-	-
Income tax expense at effective rate	$1,164,201	41.11%	$1,241,329	37.93%	$863,292	45.09%

</TABLE>

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 - STOCK OPTIONS

On November 15, 1984, the Company authorized the granting of incentive stock options as well as non-qualified options. The plan was amended in 1986 and again in 1994. The following summarizes the stock options outstanding under these plans as of November 30, 1998:

Date Granted	Number Of Shares	Per Share Option Price	Expiration
December 1987	89,500	.50	2002
January 1988	370,000	.55	2002
March 1989	200,000	.75	1999
January 1990	200,000	.63	1999
June 1995	50,000	4.50	2000
August 1997	375,000	*1.50	2007
	1,284,500		

* These stock options were repriced from $2.50 on November 3, 1998.

The following summarizes the activity of shares under option for the two years ended November 30, 1998:

	Number Of Shares	Per Share Option Price	Value
Balance - November 30,			

1996	1,242,000	$ .50 - $4.50	$1,014,500
Granted	375,000	2.50	937,500
Exercised	(60,000)	.50	(30,000)
Expired	(27,500)	.50	(13,750)
Balance - November 30, 1997	1,529,500	.50 - 4.50	1,908,250
Granted	-	-	-
Repriced	-	-	(375,000)
Exercised	(70,000)	.50	(35,000)
Expired	(75,000)	.50	(37,500)
Cancelled	(100,000)	1.50	(150,000)
Balance - November 30, 1998	1,284,500	.50 - $4.50	$1,310,750

<TABLE>

<CAPTION>

NOTE 9 - STOCK OPTIONS (Continued)

Pro Forma Disclosure

The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation", issued in October 1995. Accordingly, compensation cost has been recorded based on the intrinsic value of the option only. The Company recognized no compensation cost in 1998 and 1997, respectively, for stock-based employee compensation awards. The pro forma compensation cost for stock-based employee compensation awards was $1.2 million, $1.2 million, and $.2 million in 1998, 1997 and 1996, respectively. If the Company had elected to recognize compensation cost based on the fair value of the options granted at grant date as prescribed by SFAS No. 123, net income and earnings per share would have been changed to the pro forma amounts indicated in the table below:

	1998		1997		1996	
	As Reported	Pro Forma	As Reported	Pro Forma	As Reported	Pro Forma
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net income	$1,660,375	$471,352	$2,031,494	$832,424	$1,051,334	$841,334
Diluted earnings per share	$.21	$.06	$.25	$.10	$.13	$.11

The above pro forma amounts, for purposes of SFAS No. 123, reflect the portion of the estimated fair value of awards earned in 1998 and 1997. The purposes of pro forma disclosures, the estimated fair value of the options is amortized over the options' vesting period (for stock options) and over the offering period for stock purchases under the Employee Stock Purchase Plans. The effects on pro forma disclosures of applying SFAS 123 are not likely to be representative of the effects on pro forma disclosures of future years. Because SFAS 123 is applicable only to options granted subsequent to August 31, 1995, the effect will not be fully reflected until 2000.

NOTE 9 - STOCK OPTIONS

The Company used the Black-Scholes model to value stock options for pro forma presentation. The assumptions used to estimate the value of the options included in the pro forma amounts and the weighted average estimated fair value of options granted are as follows:

	Stock Option Plan Shares		
	1998	1997	1996
Average expected life (years)	4.64	5.40	4.08
Expected volatility	214.39%	213.78%	217.58%
Risk-free interest rate (zero coupon U.S. Treasury note)	5.6%	6.2%	5.9%
Weighted average fair value at grant - Exercise price equal to market price	$1.29	$2.19	$2.10

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, the Black-Scholes model requires the input of highly subjective assumptions, including the expected stock price vola tility and option life. Because the Company's stock options granted to employees have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of its stock options granted to employees. For purposes of this model, no dividends have been assumed.

NOTE 10 - ACCRUED EXPENSES AND OTHER ACCOUNTS PAYABLE

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

	November 30, 1998	1997
	(In Thousands)	
Media advertising	$ 820	$ 401
Coop advertising	494	375
Accrued returns	1,107	712
Royalty payable	*	269
Bonus	*	286
	$2,421	$ 2,043

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

* Under 5%

NOTE 11 - OTHER INCOME

Other income was comprised of the following:

	November 30, 1998	1997	1996
Interest income	$286,805	$272,677	$195,234
Dividend income	16,963	15,131	16,511
Realized gain (loss) on disposal of assets	7,635	(1,009)	18,237
Miscellaneous	6,893	7,154	5,943
	$318,296	$293,953	$235,925

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Leases

The Company leases approximately 62,500 square feet of office and warehouse space at an annual rental of $259,284. This lease on the

Company's premises expires March 31, 2001, but has a renewal option for an additional five years. The Company leases an additional 45,000 square feet of warehouse space in Paterson, NJ on a net lease basis at a rental of $9,999 per month. This lease expires on November 30, 1999.

The Company has entered into various operating leases with expiration dates ranging through December 2001.

Rent expense for the years ended November 30, 1998, 1997 and 1996 was $588,083, $458,706 and $426,621, respectively.

Future commitments under noncancellable operating lease agreements for each of the next five (5) years and in the aggregate are as follows:

Year Ending November 30,	
1999	$ 478,381
2000	321,301
2001	110,098
2002	-
2003	-
Total	$909,780

Royalty Agreements

On March 3, 1986, the Company entered into a License Agreement (the "Agreement") with Alleghany Pharmacal Corporation ("Alleghany") under the terms of which the Company was granted the exclusive right to use the licensed products and trademarks for the manufacture and distribution of the products subject to the license. Under the terms of the Agreement, on July 5, 1986, the Company paid to Alleghany a non-refundable advance payment of $1,015,000. The license runs for an indeterminate period. An additional $525,000 non-refundable advance payment was paid to Alleghany on July 5, 1987.

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

From the period March 3, 1986 to June 3, 1986, the Company was required to pay a 7% royalty on all net sales. Thereafter, it is required to pay a 6% royalty on net sales but no less than $360,000 per annum to maintain its license. After the sum of $9,000,000 in royalties has been paid to Alleghany, the royalty is reduced to 1% of net sales. The Company has expanded the lines licensed from Alleghany and pays only 1% royalty on various new products created by the Company. As of November 30, 1998, $6,263,831 of royalties have been paid or accrued and only $2,736,169 still remains until the $9,000,000 level is reached.

In March 1998, the Company entered into a License Agreement with Shiara Holdings, Inc., pursuant to which the Company acquired exclusive license to use the trademark names used by Fragrance Corporation of America, Ltd. The Shiara-Holdings, Inc. license requires the Company to pay royalties of 5% per annum on net sales of all products sold under the "Cherry Vanilla", "Mandarin Vanilla", and "Cloud Dance" trademarks until royalties totaling $2,000,000 are paid, and royalties of one-half of 1% thereafter. (No royalties are payable in respect of sales of products under these Shiara license trademarks: "Vision", Sunset Cafe", and "Amber Musk".) A minimum of $100,000 is required to be paid for the period from commencement (April 1998) through June 1999, and a minimum of $150,000 for each subsequent twelve-month period, in order to retain the exclusive license-rights.

"Cloud Dance" accounted for approximately one-half of the sales revenues from products subject to the Shiara license, and Fragrance Corporation of America, Ltd. operations. Total sales of Fragrance Corporation of America, Ltd. products accounted for approximately 9% of the Company's sales.

In May of 1998, the Company entered into a License Agreement with Solar

Sense, Inc. for the marketing of sun care products under trademark names. The Company's License Agreement with Solar Sense, Inc. is for the exclusive use of the trademark names "Solar Sense" and "Kids Sense", in connection with the commercial exploitation of sun care products that the Company only recently commenced marketing. The Company will pay a 5% royalty. If minimum royalties of $100,000 do not result, the license may be terminated unless the Company chooses to pay the "difference" between realized royalties and $100,000. The Company only commenced the marketing of such products in November of 1998.

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

All of the products sold under licensed names, including Fragrance Corporation of America, Ltd.'s perfumes, and all of the Company's "wholly-owned" products, are sold to major drug and food chains, mass merchandisers, and wholesale beauty-aids distributors throughout the United States and Canada.

The Company's total sales revenue in fiscal 1998 were approximately $41 million. Foreign sales accounted for approximately 5% of sales.

The Company has entered into various other License Agreements, none of which materially affect the Company's sales, financial results, financial condition, or should materially affect its future results of operations.

Employment Contracts

During fiscal 1994, the Board of Directors approved 10-year employment contracts for two officers/shareholders. Pursuant thereto, each was provided a base salary of $300,000 in fiscal 1994, with a year-to-year CPI or 6% increment, and each is paid 2 1/2% of the Company's pre-tax income, less depreciation and amortization, plus 20% of the base salary, as bonus. During 1998 the contracts were amended, commencing in fiscal 1999, to limit the amount of advertising expense charged against pre-tax income for purposes of the 2 1/2% calculation to $8,000,000.

In conjunction with the acquisition of certain assets of Shiara Inc., Fragrance Corporation of America, Ltd. entered into employment contracts with its three minority shareholders for a period of three years at an aggregate cost of $504,000 per year.

Litigation

There are various matters in litigation that arose out of the normal operations of the Company which, in the opinion of management, will not have a material adverse effect on the financial condition of the Company.

NOTE 13 - RELATED PARTY TRANSACTIONS

The Company has retained the law firm of Berman & Murray as its general counsel. Ira W. Berman, a former member of the firm, is the Secretary, Chairman of the Board and a principal shareholder of the Company.

The Company has outstanding loans of $25,250 and $40,000 from its Vice President in charge of Sales and Vice President in charge of Manufacturing, respectively; which were made to aid them in obtaining a first mortgage on their homes. The loans are secured by a second mortgage and carry an interest rate at 1% over prime. Interest is payable semi-annually. Both Vice Presidents are the sons of Mr. David Edell, the President of the Company.

NOTE 14 - CONCENTRATION OF RISK

During the years ended November 30, 1998, 1997 and 1996, certain customers each accounted for more than 5% of the Company's net sales, as follows:

Customer	1998	1997	1996
A	29%	24%	22%
B	9	12	9
C	8	6	*
D	7	7	*
E	6	6	7
F	*	7	6
Foreign Sales	5.00%	5.34%	7.57%

* Under 5%

The Company maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $100,000. In addition, the Company maintains accounts with several brokerage firms. The accounts contain cash and securities. Balances are insured up to $500,000 (with a limit of $100,000 for cash) by the Securities Investor Protection Corporation.

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NOTE 15 - EARNINGS PER SHARE
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Basic earnings per share is calculated using the average number of common shares outstanding. Diluted earnings per share is computed on the basis of the average number of common shares outstanding plus the effect of outstanding stock options using the "treasury stock method".

	Year Ended November 30,		
	1998	1997	1996
<S>	<C>	<C>	<C>
Net income available for common shareholders, basic and diluted	$1,660,375	$2,031,494	$1,051,334
Weighted average common stock outstanding- Basic	7,243,956	7,205,904	7,120,099
Net effect of dilutive stock options	831,213	902,578	869,284
Weighted average common stock and common stock equivalents - Diluted	8,075,169	8,108,482	7,989,383
Basic earnings per share	$ .23	$ .28	$ .16
Diluted earnings per share	$ .21	$ .25	$ .14

</TABLE>

NOTE 16 - FORMATION OF SUBSIDIARY

On March 19, 1998, the Company formed a majority-owned subsidiary, Fragrance Corporation of America, Ltd. (FCA). FCA is primarily engaged in the manufacture and distribution of perfume products. The results of operations of FCA is included in the accompanying financial statements since the date of inception.

CCA advanced FCA approximately $3,000,000 during fiscal 1998 for working capital and the initial purchase of the existing inventory of Shiara, Inc. in the amount of $1,141,711. In conjunction with the purchase of inventory, FCA entered into a license agreement with Shiara Holdings, Inc. for the right to sell the products acquired. Former accounts of Shiara have attempted to offset obligations due to FCA as a result of Shiara's obligations which FCA did not assume. FCA is attempting to collect these offsets. An agreement was entered into in February 1999 between Shiara Holdings, Inc. and FCA whereby all royalties due as of February 1, 1999 were deemed off-set by these contingent holdbacks. The amount of $75,652 was recorded on the books of CCA for the costs associated with the acquisition and is being amortized over 60 months.

NOTE 17 - IMPACT OF YEAR 2000

Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Company's computer programs that have time-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, send invoices, or engage in similar normal business activities.

Based on a recent assessment, the Company determined that it has to substantially modify or replace portions of its software so that its computer systems will function properly with respect to dates in the year 2000 and thereafter. The Company presently believes that with these modifications to existing software and conversions to new software, the Year 2000 Issue will not pose significant operational problems for its computer systems. However, if such modifications and conversions are not made, or are not completed timely, the Year 2000 Issue could have a material impact on the operations of the Company.

NOTE 17 - IMPACT OF YEAR 2000 (Continued)

The Company has initiated formal communications with all of its significant service providers and suppliers, including its clearing broker, to determine the extent to which the Company's interface systems are vulnerable to those third parties' failure to remediate their own Year 2000 issues. The Company's estimate to complete includes the estimated time associated with the impact of third party's Year 2000 Issues based on presently available information. However, there can be no guarantee that the systems of other companies on which the Company's systems rely will be timely converted and would not have an adverse effect on the Company's systems.

The Company does not believe that the Year 2000 issue will have a material effect on any of the embedded technology in its manufacturing, warehousing or distribution equipment.

The Company will utilize both internal and external resources to reprogram, or replace, and test the software for Year 2000 modifications.

The Company believes it will complete the Year 2000 modifications in a timely fashion based on management's best estimate, which was derived utilizing numerous assumptions of future events, including the continued availability of certain resources, third party modification plans and other factors. However, there can be no guarantee that this estimate will be achieved and actual results could differ materially from those anticipated. Specific factors that might cause such material differences include, but are not limited to, the availability and cost of personnel trained in this area, the ability to locate and correct all relevant computer codes, and similar uncertainties.

The cost of addressing the Company's Year 2000 issues is expected to be approximately $400,000 to $500,000. However, approximately $130,000 of these costs should be offset by a grant obtained from the State of New Jersey to help pay for the retraining of the Company's staff. The net cost should not have a material adverse effect on the Company's cash flow or financial position. It could possibly, however adversely effect the Company's earnings in the year the majority of costs are incurred. The Company is executing its Year 2000 plan through its own employees as well as various computer consultants and vendors. The Year 2000 testing and reprogramming is being done in conjunction with other ongoing maintenance and reprogramming efforts.

The Company has a contingency plan in place in the event their Year 2000 issue is not resolved timely.

SCHEDULE II

CCA INDUSTRIES, INC. AND SUBSIDIARIES

VALUATION ACCOUNTS

YEARS ENDED NOVEMBER 30, 1998, 1997 AND 1996

COL. A	COL. B	COL. C	COL. D	COL. E
Description	Balance at Beginning Of Year	Additions Charged To Costs and Expenses	Deductions	Balance At End Of Year
Year ended November 30, 1998:				
Allowance for doubtful accounts	$ 120,131	$ 201,630	$ 47,779	$ 273,982
Reserve for returns	$ 544,194	$3,455,118	$2,955,109	$1,044,203
Reserve for inventory obsolescence	$ 860,417	$ 149,052	$ 172,664	$ 836,805
Year ended November 30, 1997:				
Allowance for doubtful accounts	$ 143,647	($ 17,779)	$ 5,739	$ 120,131
Reserve for returns	$ 922,902	$3,465,866	$3,844,574	$ 544,194
Reserve for inventory obsolescence	$ 679,675	$ 486,742	$ 300,000	$ 860,417
Year ended November 30, 1996:				
Allowance for doubtful accounts	$ 157,204	$ 45,855	$ 59,412	$ 143,647
Reserve for returns	$ 747,749	$4,555,422	$4,380,269	$ 922,902
Reserve for inventory obsolescence	$ 1,147,627	$ 57,068	$ 525,020	$ 679,675

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