

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

For Quarter Ended February 28, 1998

Commission File Number 2-85538

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

Delaware  
(State or other jurisdiction of  
Incorporation or organization)

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

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

07073  
(Zip Code)

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

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

Indicate by check mark whether the Registrant: (1) has filed all reports  
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the  
Registrant was required to file such reports), and (2) has been subject to such  
filing requirements for the past 90 days. Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS

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

Common Stock, \$.01 Par Value - \$6,246,151 shares of as February 28, 1998

Class A Common Stock, \$.01 Par Value - \$1,020,930 shares as of  
February 28, 1998

CCA INDUSTRIES, INC. AND SUBSIDIARIES

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February 28, 1998 and November 30, 1997  
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CCA INDUSTRIES, INC. AND SUBSIDIARIES	
CONSOLIDATED BALANCE SHEETS	
A S S E T S	
	February 28,    November 30, 1998            1997 (Restated)    (Restated)
Current Assets	
Cash and cash equivalents	\$ 2,568,863    \$ 3,649,774
Short-term investments and marketable securities (Note 4)	1,650,366    1,926,513
Accounts receivable, net of allowances of \$720,594 and \$664,325, respectively (Note 8)	6,316,133    3,931,273
Inventories	6,617,428    6,014,672
Prepaid expenses and sundry receivables	411,994    248,553
Due from officers - Current	1,500    1,500
Deferred income taxes	731,508    699,294
Deferred advertising	583,787    -
 Total Current Assets	 18,881,579    16,471,579
Property and Equipment, net of accumulated depreciation and amortization	520,513    486,029
Intangible Assets, net of accumulated amortization of \$51,068 at February 28, 1998 and \$47,956 at November 30, 1997	160,528    163,640
Other Assets	
Marketable securities	2,170,325    1,874,175
Due from officers - Non-current	65,250    65,250
Deferred income taxes	117,674    111,006
Other	52,612    52,612
 Total Other Assets	 2,405,861    2,103,043
 Total Assets	 \$21,968,481    \$19,224,291

See Notes Consolidated to Financial Statements.

## LIABILITIES AND SHAREHOLDERS' EQUITY

	February 28, 1998 (Restated)	November 30, 1997 (Restated)
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 7,149,405	\$ 5,053,665
Income taxes payable	352,416	86,104
<b>Total Current Liabilities</b>	<b>7,501,821</b>	<b>5,139,769</b>
<b>Shareholders' Equity</b>		
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	9,954,284	9,578,329
Unrealized (losses) on marketable securities	3,446 ( 2,737)	14,484,629
Less: Treasury Stock (7,500 shares at February 28, 1998)	17,969	17,969
<b>Total Shareholders' Equity</b>	<b>14,466,660</b>	<b>14,084,522</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$21,968,481</b>	<b>\$19,224,291</b>

See Notes to Consolidated Financial Statements.

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### CCA INDUSTRIES, INC. AND SUBSIDIARIES

#### CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

	Three Months Ended February 28, 1998 (Restated)	Three Months Ended February 28, 1997 (Restated)
Sales of health and beauty products, net	\$9,352,431	\$8,617,289
Other income	86,254	81,228
	<b>9,438,685</b>	<b>8,698,517</b>
<b>Costs and Expenses</b>		
Costs of sales	3,587,114	3,076,627
Selling, general and administrative expenses	2,885,466	2,764,341
Advertising, cooperative and promotions	2,160,785	2,169,725
Research and development	133,580	133,864
Provision for doubtful accounts	63,237	34,834
Interest expense	-	2,829

	8,830,182	8,182,220	
Income before Income Taxes	608,503	516,297	
Provision for Income Taxes	232,548	206,296	
Net Income	\$ 375,955	\$ 310,001	
Earnings per Share			
Basic	\$.05	\$.04	
Diluted	\$.05	\$.04	

See Notes to Consolidated Financial Statements.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

	Three Months Ended February 28, 1998 (Restated)	Three Months Ended February 28, 1997 (Restated)
Cash Flows from Operating Activities:		
Net income	\$ 375,955	\$ 310,001
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	73,996	93,060
Amortization of bond premium	472	266
Gain on sale of securities	( 2,976)	( 3,202)
(Increase) decrease in deferred income taxes	( 38,883)	11,613
(Increase) in accounts receivable	( 2,384,860)	( 161,791)
(Increase) in inventory	( 602,756)	( 357,776)
(Increase) in prepaid expenses	( 163,441)	( 293,735)
(Increase) in deferred advertising	( 583,787)	-
Increase in accounts payable	2,095,740	1,052,334
Increase in income taxes payable	266,312	66,833
Net Cash (Used in) Provided by Operating Activities	( 964,228)	717,603
Cash Flows from Investing Activities:		
Acquisition of property, plant and equipment	( 105,368)	( 72,765)
Proceeds of monies due from officers	-	2,400
Decrease in other assets	-	350
Purchase of short-term investments	( 532,119)	( 1,236,702)
Proceeds from sale of investments	520,804	794,915
Purchase of treasury stock	-	( 5,469)
Net Cash (Used in) Investing Activities	( 116,683)	( 517,271)
Cash Flows from Financing Activities:		
Payment on debt	-	( 81,750)
Net (Decrease) Increase in Cash	( 1,080,911)	118,582
Cash and Cash Equivalents at Beginning of Period	3,649,774	1,422,783

Cash and Cash Equivalents at End			
of Period	\$2,568,863	\$1,541,365	
Supplemental Disclosures of Cash Flow			
Information:			
Cash paid during the period for:			
Interest	\$ -	\$ 1,667	
Income taxes	5,119	127,850	

See Notes to Consolidated Financial Statements.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(UNAUDITED)

	Three Months	Three Months
	Ended	Ended
	February 28,	February 28,
	1998	1997
	(Restated)	(Restated)

Supplemental Schedule of Noncash Investing and Financing Activities:

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

Common stock retired	\$35,000	\$30,000
Common stock issued	( 35,000)	( 30,000)

\$ - \$ -

See Notes to Consolidated Financial Statements.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended February 28, 1998 are not necessarily indicative of the results that may be expected for the year ended November 30, 1997. For further information, refer to the consoli-

dated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended November 30, 1996.

#### NOTE 2 - 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 subsidiaries (CCA Cosmetics, Inc., CCA Labs, Inc., and Berdell, Inc.), all of which are currently inactive.

#### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Principles of Consolidation:

The consolidated financial statements include the accounts of CCA and its wholly-owned subsidiaries (collectively the "Company"). 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.

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#### CCA INDUSTRIES, INC. AND SUBSIDIARIES

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### 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 options to purchase 60,000 and 70,000 shares of stock by exchanging 14,000 and 16,470 shares, respectively, previously issued shares of common stock. The common shares were put into treasury and were subsequently cancelled.

#### 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.

#### 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.

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### CCA INDUSTRIES, INC. AND SUBSIDIARIES

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Tax Credits:

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

##### Earnings Per 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.

##### 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 4 - INVENTORIES

The components of inventory consist of the following:

	February 28, 1998	November 30, 1997
Raw materials	\$4,477,416	\$ 4,017,838
Finished goods	2,140,012	1,996,834
	\$6,617,428	\$ 6,014,672

At February 28, 1998 and November 30, 1997, the Company had a reserve for obsolescence of \$819,159 and \$860,417, respectively.

#### NOTE 5 - PROPERTY AND EQUIPMENT

The components of property and equipment consisted of the following:

	February 28, 1998	November 30, 1997
Machinery and equipment	\$ 236,582	\$ 236,582
Furniture and equipment	329,526	329,526
Tools, dies, and masters	1,689,714	1,584,346
Leasehold improvements	108,474	108,474
	2,364,296	2,258,928
Less: Accumulated depreciation and amortization	1,843,783	1,772,899
Property and Equipment - Net	\$ 520,513	\$ 486,029

Depreciation and amortization expense for the three months ended February 28, 1998 amounted to \$70,884 and for the year ended November 30, 1997 amounted to \$364,536.

#### NOTE 6 - INTANGIBLE ASSETS

Intangible assets consist of the following:

	February 28, 1998	November 30, 1997
Patents and trademarks	\$ 211,596	\$ 211,596
Less: Accumulated amortization	51,068	47,956
Intangible Assets - Net	\$ 160,528	\$ 163,640

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 6 - INTANGIBLE ASSETS (Continued)

Amortization expense for the three months ended February 28, 1998 amounted \$3,112 and for the year ended November 30, 1997 amounted to \$11,845.

#### NOTE 7 - DEFERRED ADVERTISING

In accordance with APB 28 Interim Financial Reporting the Company expenses its advertising and related costs proportionately over the interim periods based on its total expected costs per its various advertising programs. Consequently a deferral of \$583,787 is accordingly reflected in the balance sheet for the interim period. This deferral is the result of the Company's \$-0- media budget for the year which contemplates lower spending in the 4th quarter than in the other three quarters; as well as the Company's Co-op advertising commitments which also anticipates a lower



expenditure in the 4th quarter.

The table below sets forth the calculation:

	1998 (In Millions)	1997 (In Millions)
Media advertising budget for the fiscal year	\$5.00	\$5.20
Pro-rata portion for three months	\$1.25	\$1.30
Media advertising spent	1.61	1.48
Accrual (deferral)	(\$ .36)	(\$ .18)
Anticipated Co-op advertising commitments	\$3.00	\$3.00
Pro-rata portion for three months	\$ .75	\$ .75
Co-op advertising spent	.97	.87
Accrual (deferral)	(\$ .22)	(\$ .12)

#### NOTE 8 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	February 28, 1998	November 30, 1997
a) Media advertising	\$1,900	\$ 401
b) Coop advertising	537	375
c) Accrued returns	926	712
d) Bonuses	*	286
e) Royalty payable	*	269
	\$3,363	\$2,043

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#### CCA INDUSTRIES, INC. AND SUBSIDIARIES

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 8 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (Continued)

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

\* under 5%

#### NOTE 9 - OTHER INCOME

Other income consists of the following at February 28:

	1998	1997
Interest income	\$ 89,725	\$71,864
Dividend income	343	4,217
Miscellaneous	( 3,814)	5,147
	\$86,254	\$81,228

#### NOTE 10 - 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 February 28, 1998 and November 30, 1997 were as follows:

	February 28, 1998	November 30, 1997
--	----------------------	----------------------

Current:	COST	MARKET	COST	MARKET
Corporate obligations	\$ 99,006	\$ 99,500	\$ 99,006	\$ 99,448
Government obligations (including mortgage backed securities)	1,549,288	1,550,865	1,827,503	1,827,065
Total	1,648,294	1,650,365	1,926,509	1,926,513

Non-Current:

Corporate obligations	1,167,345	1,170,360	741,893	744,921
Government obligations	1,001,609	999,966	1,135,023	1,129,254
Total	2,168,954	2,170,326	1,876,916	1,874,175
Total	\$3,817,248	\$3,820,691	\$3,803,425	\$3,800,688

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<TABLE>

NOTE 10 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (CONTINUED)

The market value at February 28, 1998 was \$3,820,691 as compared to \$3,800,688 at November 30, 1997. The cost and market values of the investments at February 28, 1998 were as follows:

<CAPTURE>

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

CORPORATE OBLIGATIONS:

<S>	<C>	<C>	<C>	<C>	<C>	<C>
GTE Southwest Deb	12/01/99	5.820%	\$100,000	\$ 99,851	\$ 99,796	\$ 99,796
AT&T	6/01/98	4.750%	100,000	99,006	99,500	99,500
Florida Power & Light	7/01/99	5.500%	300,000	295,776	298,492	298,492
Virginia Electric & Power	4/01/00	6.481%	250,000	246,117	249,588	249,588
GMAC Smartnotes	10/15/99	5.950%	200,000	200,000	199,428	199,428
Florida Power & Light	4/01/00	5.375%	200,000	199,850	197,900	197,900
T.V.A. - Callable	8/01/99	6.250%	125,000	125,751	125,156	125,156
			1,266,351	1,269,860	1,269,860	

</TABLE>

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<TABLE>

NOTE 10 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (CONTINUED)

<CAPTURE>

COL. A	COL. B	COL. C	COL. D	COL. E			
Name of Issuer and Title of Each Issue	Maturity Date	Interest Rate	Bonds and Notes	Amount at Which Each Portfolio		at Balance Sheet Date	Issue Carried in Balance Sheet
				Market Value of Each Issue	Of Equity Security Issues and Other Security		
GOVERNMENT OBLIGATIONS:							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	
Tennessee Valley Authority	3/04/98	5.125%	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
US Treasury Note	10/31/98	4.750	100,000	99,684	99,500	99,500	99,500
US Treasury Note	10/31/98	4.750	200,000	199,992	199,000	199,000	199,000
US Treasury Note	10/15/98	7.125	250,000	250,000	252,580	252,580	252,580
US Treasury Note	4/30/98	5.125	190,000	189,883	189,883	189,883	189,883
US Treasury Note	4/30/98	5.125	10,000	9,992	9,992	9,992	9,992
US Treasury Note	7/31/98	5.250	250,000	249,834	249,923	249,923	249,923
US Treasury Note	2/28/99	5.875	250,000	249,953	250,860	250,860	250,860
US Treasury Note	11/15/99	5.875	250,000	249,141	251,173	251,173	251,173
US Treasury Zero Coupon	8/15/99	5.920	148,000	136,038	136,604	136,604	136,604
US Treasury Zero Coupon	5/15/98	5.410	215,000	210,954	212,713	212,713	212,713

</TABLE>

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES - OTHER INVESTMENTS

<TABLE>

NOTE 10 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (CONTINUED)

<CAPTURE>

COL. A	COL. B	COL. C	COL. D	COL. E			
Name of Issuer and Title of Each Issue	Maturity Date	Interest Rate	Bonds and Notes	Amount at Which Each Portfolio		at Balance Sheet Date	Issue Carried in Balance Sheet
				Market Value of Each Issue	Of Equity Security Issues and Other Security		
GOVERNMENT OBLIGATIONS: (Continued)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	
Federal Nat. Mtg. Note	7/30/99	5.860%	100,000	\$ 99,883	\$ 100,156	\$ 100,156	\$ 100,156
FHLMC 1628-N	12/15/2023	6.500	50,000	48,024	47,127	47,127	47,127
EE Bonds	-	7.180	90,000	99,756	99,756	99,756	99,756
FNMA 93-G-26-B	8/25/2022	7.000	10,000	6,134	6,144	6,144	6,144
FNMA 93-224-D	11/25/2023	6.500	104,000	101,873	97,137	97,137	97,137
FNMA 92-2-N	1/25/2024	6.500	52,000	47,424	46,775	46,775	46,775
FHLMC 1702-U	3/24/2024	7.000	4,000	2,382	2,382	2,382	2,382
FNMA	11/10/98	5.050	200,000	199,950	199,126	199,126	199,126
			2,550,897	2,550,831	2,550,831		
			\$3,817,248	\$3,820,691	\$3,820,691		

</TABLE>

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CCA INDUSTRIES, INC.

## OF OPERATIONS AND FINANCIAL CONDITION

(UNAUDITED)

For the three month period ended February 28, 1998, the Company had net sales of \$9,352,431 and net income of \$375,955 after a provision for income taxes of \$232,548, as compared to net sales of \$8,617,289 and net income of \$310,001 after provision for income taxes of \$206,296 for the three month period ended February 28, 1998.

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

The cost of sales percentage for the quarter increased from 36% in 1997 to 38% in 1998 primarily due to the increase of product promotions for the period; as well as certain product mix fluctuations. Advertising, cooperative and promotional allowance expenditures during the quarter decreased as a percentage of sales from 25% in 1997 to 23% in 1998 due to the increase in the sales volume. As part of the registrant's business it is necessary to enter into co-operative advertising agreements and other promotional activities with its accounts, especially upon the introduction of a new product. Both co-op advertising and promotions have a material effect on the Company's operations. If the advertising and promotions are successful, revenues will be increased accordingly. Should the co-op and promotions not be successful, it will have a negative impact on the Company's promotional cost per sale, and have a negative effect on income. The Company attempts to anticipate its advertising and promotional commitments as a percent of gross sales in order to attempt to control its effect on its net income.

Research and development costs were almost identical for the first quarter of 1998 compared to the first quarter of 1997.

Income before taxes for the quarter increased to \$608,503 from \$516,297. This was primarily a result of the higher sales as compared to the prior year. Selling, general and administrative expenses ("SG&A") increased due to personnel costs as well as other normal inflationary costs. This increase in SG&A costs, however, was offset by the increase in sales and therefore the percentage to sales decreased from 32% in 1997 to 31% in 1998.

The provision for doubtful accounts increased due to reserve necessary on the increase in accounts receivable.

There was no interest expense for the period due to the Company's repayment of its long-term debt.

The Company's financial position as at February 28, 1998 consists of current assets of \$18,881,579 and current liabilities of \$7,501,821. Shareholders' equity increased for the three month period from \$14,084,522 on November 30, 1997 to \$14,466,660 as of February 28, 1998 primarily due to the income of \$375,955 for the period.

The Company's operations resulted in the use of approximately \$964,000 of cash. The Company also used approximately \$106,000 to buy fixed assets and \$12,000 to purchase "Available for Sale Securities". Due to its accessibility to funds, the Company believes that its current financial condition is sufficient to support its proposed operations for the near future.

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CCA INDUSTRIES, INC.

## PART II OTHER INFORMATION

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

The Company did not file any reports on Form 8-K during the three months ended February 28, 1998.

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PART II, ITEM 6. (Continued)

EXHIBIT 11

CCA INDUSTRIES, INC. AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE

(UNAUDITED)

	Three Months Ended February 28, 1998 (Restated)	Three Months Ended February 28, 1997 (Restated)
Item 6.		
Weighted average shares outstanding - Basic	\$7,238,993	\$7,208,551
Net effect of dilutive stock options--based on the treasury stock method using average market price	752,780	864,342
Weighted average shares outstanding - Diluted	\$7,991,772	\$8,072,893
Net income	\$ 375,955	\$ 310,001
Per share amount		
Basic	\$.05	\$.04
Diluted	\$.05	\$.04

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SIGNATURES

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

CCA INDUSTRIES, INC.

By: David Edell, President

By: Ira W. Berman, Secretary

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<TABLE> <S> <C>

<ARTICLE> 5

<MULTIPLIER> 1

<S>	<C>	<C>
<PERIOD-TYPE>	3-MOS	3-MOS
<FISCAL-YEAR-END>	NOV-30-1998	NOV-30-1997
<PERIOD-END>	FEB-28-1998	FEB-28-1997
<CASH>	2,568,863	3,649,774
<SECURITIES>	3,820,691	3,800,688
<RECEIVABLES>	7,036,727	4,595,598
<ALLOWANCES>	720,594	664,325
<INVENTORY>	6,617,428	6,014,672
<CURRENT-ASSETS>	18,881,579	16,163,889
<PP&E>	2,364,296	2,470,524
<DEPRECIATION>	1,843,783	1,820,855
<TOTAL-ASSETS>	21,968,481	18,867,759
<CURRENT-LIABILITIES>	7,501,821	5,139,768
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<COMMON>	72,671	72,135
<OTHER-SE>	14,393,989	13,673,825
<TOTAL-LIABILITY-AND-EQUITY>	21,968,481	18,861,759
<SALES>	9,352,431	8,617,289
<TOTAL-REVENUES>	9,438,685	8,698,517
<CGS>	3,587,114	3,076,627
<TOTAL-COSTS>	8,830,182	8,182,220
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<LOSS-PROVISION>	63,237	34,834
<INTEREST-EXPENSE>	0	2,829
<INCOME-PRETAX>	608,503	516,297
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<INCOME-CONTINUING>	375,955	310,001
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<EXTRAORDINARY>	0	0
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<EPS-PRIMARY>	.05	.04
<EPS-DILUTED>	.05	.04

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