

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 May 31, 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 as of May 31, 1998

Class A Common Stock, \$.01 Par Value - 1,020,930 shares as of
May 31, 1998

CCA INDUSTRIES, INC. AND SUBSIDIARIES

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>
CONSOLIDATED BALANCE SHEETS

A S S E T S

<CAPTION>

	May 31, 1998 (Restated) <C>	November 30, 1997 (Restated) <C>
Current Assets		
Cash and cash equivalents	\$ 1,771,748	\$ 3,649,774
Short-term investments and marketable securities (Note 10)	1,692,614	1,926,513
Accounts receivable, net of allowances of \$1,070,630 and \$664,325, respectively	6,437,960	3,931,273
Inventories	8,131,371	6,014,672
Prepaid expenses and sundry receivables	480,494	248,553
Due from officers - Current	1,500	1,500
Deferred income taxes	763,558	699,294
Deferred advertising	889,090	-
Total Current Assets	20,168,335	16,471,579
Property and Equipment, net of accumulated depreciation and amortization	540,851	486,029
Intangible Assets, net of accumulated amortization of \$56,997 at May 31, 1998 and \$47,956 at November 30, 1997	260,251	163,640
Other Assets		
Marketable securities	2,159,809	1,874,175
Due from officers - Non-current	65,250	65,250
Deferred income taxes	124,342	111,006
Other	53,432	52,612
Total Other Assets	2,402,833	2,103,043
Total Assets	\$23,372,270	\$19,224,291

</TABLE>

See Notes Consolidated to Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

<CAPTION>

	May 31, 1998 (Restated)	November 30, 1997 (Restated)
<S>	<C>	<C>
Current Liabilities		
Notes payable	\$ 697,380	\$ -
Accounts payable and accrued liabilities	6,732,380	5,053,665
Income taxes payable	690,765	86,104
Total Current Liabilities	8,120,525	5,139,769
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	10,759,128	9,578,329
Unrealized gains (losses) on marketable securities	4,911 (2,737)	
Minority deficiency of consolidated subsidiary (21,224)		-
	15,269,714	14,102,491
Less: Treasury Stock (7,500 shares at May 31, 1998)	17,969	17,969
Total Shareholders' Equity	15,251,745	14,084,522
Total Liabilities and Shareholders' Equity	\$23,372,270	\$19,224,291

</TABLE>

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

<CAPTION>

	Three Months Ended		Six Months Ended	
	May 31, 1998 (Restated)	1997 (Restated)	May 31, 1998 (Restated)	1997 (Restated)
<S>	<C>	<C>	<C>	<C>

Revenues				
Sales of Health and Beauty Aid Products - Net				
	\$10,770,270	\$10,552,412	\$20,122,701	\$19,169,701
Other income	97,272	72,935	183,526	154,163
	10,867,542	10,625,347	20,306,227	19,323,864
Costs and Expenses				
Costs of sales				
	4,127,413	3,940,006	7,714,527	7,016,633
Selling, general and administrative expenses				
	3,291,583	2,895,449	6,177,049	5,659,790
Advertising, cooperative and promotions				
	1,947,555	2,341,726	4,108,340	4,511,451
Research and development				
	171,740	201,316	305,320	335,180
Provision for doubtful accounts				
	15,703	31,562	78,940	66,396
Interest expense				
	967	2,077	967	4,906
	9,554,961	9,412,136	18,385,143	17,594,356
Income before Income Taxes				
	1,312,581	1,213,211	1,921,084	1,729,508
Provision for Income Taxes				
	529,161	506,499	761,709	712,795
Net Income Including Minority Deficiency of Consolidated Subsidiary				
	783,420	706,712	1,159,375	1,016,713
Minority Deficiency in Net Loss of Consolidated Subsidiary				
	21,424	-	21,424	-
Net Income				
	\$ 804,844	\$ 706,712	\$ 1,180,799	\$ 1,016,713
Earnings per Share (Note 3)				
Basic	\$.11	\$.10	\$.16	\$.14
Diluted	\$.10	\$.09	\$.15	\$.13

</TABLE>

See Notes to Consolidated Financial Statements.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

<CAPTION>

	Six Months Ended May 31, 1998 (Restated)	Six Months Ended May 31, 1997 (Restated)
	<C>	<C>
Cash Flows from Operating Activities:		
Net income	\$1,180,799	\$1,016,713
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	155,328	183,059
Minority deficiency in consolidated subsidiaries	(21,424)	-
Amortization of bond premium	942	1,994
(Gain) on sale of marketable securities	(4,727)	(5,693)
Loss on sale of machinery	-	6,701
(Increase) in deferred income taxes	(77,600)	(608)

(Increase) in accounts receivable - Net	(2,506,687)	(1,089,484)
(Increase) in inventory	(2,116,699)	(226,633)
(Increase) decrease in prepaid expenses and miscellaneous receivables	(231,740)	119,450
(Increase) in deferred advertising	(889,090)	(697,391)
Increase in accounts payable and accrued liabilities	1,678,715	1,642,867
Increase in taxes payable	604,661	486,388
(Increase) decrease in security deposits	(820)	375

Net Cash (Used in) Provided by Operating Activities	(2,228,342)	1,437,738
--	--------------	-----------

Cash Flows from Investing Activities:

Acquisition of property, plant and equipment	(306,762)	(128,571)
Proceeds from sale of equipment	-	40,960
Proceeds of money due from officers	-	400
Purchase of marketable securities	(1,076,706)	(1,867,252)
Proceeds from sale of investments	1,036,404	1,830,925
Purchase of treasury stock	-	(5,469)

Net Cash (Used in) Investing Activities	(347,064)	(129,007)
--	------------	------------

Cash Flows from Financing Activities:

Proceeds from borrowings	1,083,539	-
Payment on debt	(386,159)	(136,250)

Net Cash Provided by (Used in) Financing Activities	697,380	(136,250)
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Net (Decrease) Increase in Cash	(1,878,026)	1,172,481
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Cash at Beginning of Period	3,649,774	1,422,783
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Cash at End of Period	\$1,771,748	\$2,595,264
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</TABLE>

See Notes to Consolidated Financial Statements.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(UNAUDITED)

<CAPTION>

Six Months	Six Months
Ended	Ended
May 31,	May 31,
1998	1997
(Restated)	(Restated)

<S>

<C>

<C>

Supplemental Disclosures of Cash Flow
Information:

Cash paid during the period for:

Interest	\$ 967	\$ 6,217
Income taxes	150,000	127,850

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)

</TABLE>

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 six month period ended May 31, 1998 are not necessarily indicative of the results that may be expected for the year ended November 30, 1998. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended November 30, 1997.

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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation:

The consolidated financial statements include the accounts of CCA and the following subsidiaries:

Subsidiary Name	Ownership %	
CCA Cosmetics, Inc.	100%	Currently Inactive
CCA Labs, Inc.	100%	Currently Inactive
Berdell, Inc.	100%	Currently Inactive
Fragrance Corporation of America, Ltd.	80%	Acquired March 19, 1998

All significant intercompany 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.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 options to purchase 60,000 and 70,000 options, respectively, in exchange for 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. Goodwill represents the excess of cost over the fair value of the net assets acquired and is amortized over 60 months.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Reclassifications:

Certain amounts in the 1997 financial statements have been reclassified to conform to the 1998 presentation.

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:

	May 31, 1998	November 30, 1997
Raw materials	\$ 4,835,981	\$ 4,017,838
Finished goods	3,295,390	1,996,834
	\$ 8,131,371	\$ 6,014,672

At May 31, 1998 and November 30, 1997, the Company had a reserve for obsolescence of \$889,444 and \$860,417, respectively.

NOTE 5 - PROPERTY AND EQUIPMENT

The components of property and equipment consisted of the following:

	May 31, 1998	November 30, 1997	
Machinery and equipment	\$ 237,468	\$ 236,582	
Furniture and equipment	364,597	329,526	
Tools, dies, and masters	1,749,499	1,584,346	
Leasehold improvements	108,474	108,474	
	2,460,038	2,258,928	
Less: Accumulated depreciation and amortization	1,919,187	1,772,899	
Property and Equipment - Net	\$ 540,851	\$ 486,029	

Depreciation and amortization expense for the six months ended May 31, 1998 amounted to \$146,288 and for the year ended November 30, 1997 amounted to \$364,536.

NOTE 6 - INTANGIBLE ASSETS

Intangible assets consist of the following:

	May 31, 1998	November 30, 1997	
Goodwill	\$ 75,652	\$ -	
Patents and trademarks	241,595	211,596	
	317,247	211,596	
Less: Accumulated amortization	56,996	47,956	
Intangible Assets - Net	\$ 260,251	\$ 163,640	

Amortization expense for the six months ended May 31, 1998 amounted to \$9,040 and for the year ended November 30, 1997 amounted to \$11,845.

In March 1998, the Company acquired an 80% interest in the newly formed Fragrance Corporation of America, Ltd. (FCA). The Company recorded \$75,652 of goodwill in connection with the transaction representing the cost over the fair market value of the assets acquired. FCA subsequently acquired certain assets (inventory and intangibles) from Shiara, Inc. Since the price paid by FCA to Shiara was only equal to the fair market value of the inventory obtained, no value was assigned to the intangibles as a result of the purchase.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 \$889,090 is accordingly reflected in the balance sheet for the interim period. This deferral is the result of the Company's \$5,000,000 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	1997
(In Millions)	(In Millions)

Media advertising budget for the fiscal year	\$5.00	\$5.20
Pro-rata portion for six months	\$2.50	\$2.60
Media advertising spent	3.03	3.03
Accrual (deferral)	(\$.53)	(\$.43)
Anticipated Co-op advertising commitments	\$3.00	\$3.00
Pro-rata portion for six months	\$1.50	\$1.50
Co-op advertising spent	1.86	1.77
Accrual (deferral)	(\$.36)	(\$.27)

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:

	May 31, 1998 (In 000's)	November 30, 1997 (In 000's)
a) Media advertising	\$1,474	\$ 401
b) Coop advertising	676	375
c) Accrued returns	975	712
d) Bonuses	*	286
e) Royalty payable	*	269
	\$3,125	\$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 May 31:

	1998	1997
Interest income	\$173,734	\$144,215
Dividend income	1,137	8,741
Miscellaneous	8,655	1,207
	\$183,526	\$154,163

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 May 31, 1998 and November 30, 1997 were as follows:

<TABLE>

<CAPTION>

	May 31, 1998	November 30, 1997
Current:	COST	MARKET
<S>	<C>	<C>
Corporate obligations	\$ 339,006	\$ 342,000
Government obligations (including mortgage		\$ 99,006
		\$ 99,448

backed securities)	1,349,282	1,350,614	1,827,503	1,827,065
Total	1,688,288	1,692,614	1,926,509	1,926,513
Non-Current:				
Corporate obligations	1,366,571	1,369,344	741,893	744,921
Government obligations	792,653	790,465	1,135,023	1,129,254
Total	2,159,224	2,159,809	1,876,916	1,874,175
Total	\$3,847,512	\$3,852,423	\$3,803,425	\$3,800,688

</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)

The market value at May 31, 1998 was \$3,852,423 as compared to \$3,800,688 at November 30, 1997. The cost and market values of the investments at May 31, 1998 were as follows:

<CAPTION>

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 Market Of Equity Security Value of Issues and Each Other Security at Balance Sheet Date	Issue Carried in Balance Sheet

CORPORATE OBLIGATIONS:

<S>	<C>	<C>	<C>	<C>	<C>	<C>
GMAC	2/22/00	5.450 %	\$200,000	\$ 199,226	\$ 197,998	\$ 197,998
Dreyfus Fund High Yield Strategies			240,000	240,000	242,000	242,000
GTE Southwest Deb	12/01/99	5.820%	100,000	99,851	99,654	99,654
AT&T	6/01/98	4.750%	100,000	99,006	100,000	100,000
Florida Power & Light	7/01/99	5.500%	300,000	295,776	298,800	298,800
Virginia Electric & Power	4/01/00	5.875%	250,000	246,117	249,890	249,890
GMAC Smartnotes	10/15/99	5.950%	200,000	200,000	199,612	199,612
Florida Power & Light	4/01/00	5.375%	200,000	199,850	198,234	198,234
T.V.A. - Callable	8/01/99	6.250%	125,000	125,751	125,156	125,156
			1,705,577	1,711,344	1,711,344	

</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)

<CAPTION>

COL. A	COL. B	COL. C	COL. D	COL. E	COL. F	COL. G	COL. H		
Name of Issuer and Title of Each Issue	Maturity Date	Interest Rate	Number of Units-Principal Amount of Notes	Bonds and Each Issue	Amount at Which Each Portfolio Market Of Equity Security Value of Issues and Each Other Security		Cost of Sheet Date	at Balance Date	Issue Carried in Balance Sheet
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
GOVERNMENT OBLIGATIONS:									
US Treasury Note	10/31/98	4.750%	100,000	\$ 99,684	\$ 99,688	\$ 99,688	\$ 99,688		
US Treasury Note	10/31/98	4.750	200,000	199,992	199,376	199,376	199,376		
US Treasury Note	10/15/98	7.125	250,000	250,000	251,720	251,720	251,720		
US Treasury Note	7/31/98	5.250	250,000	249,834	250,080	250,080	250,080		
US Treasury Note	2/28/99	5.875	250,000	249,953	250,625	250,625	250,625		
US Treasury Note	11/15/99	5.875	250,000	249,141	251,095	251,095	251,095		
US Treasury Zero Coupon	8/15/99	5.920	148,000	136,038	138,601	138,601	138,601		
US Treasury Note	2/15/99	5.000	100,000	99,869	99,625	99,625	99,625		

</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)

<CAPTION>

COL. A	COL. B	COL. C	COL. D	COL. E	COL. F	COL. G	COL. H		
Name of Issuer and Title of Each Issue	Maturity Date	Interest Rate	Number of Units-Principal Amount of Notes	Bonds and Each Issue	Amount at Which Each Portfolio Market Of Equity Security Value of Issues and Each Other Security		Cost of Sheet Date	at Balance Date	Issue Carried in Balance Sheet
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
GOVERNMENT OBLIGATIONS: (Continued)									
Federal Nat. Mtg. Note	7/30/99	5.860%	100,000	\$ 99,883	\$ 100,142	\$ 100,142	\$ 100,142		
FHLMC 1628-N	12/15/2023	6.500	50,000	48,024	47,325	47,325	47,325		
EE Bonds	-	7.180	90,000	101,754	101,754	101,754	101,754		
FNMA 93-G-26-B	8/25/2022	7.000	10,000	6,134	5,041	5,041	5,041		
FNMA 93-224-D	11/25/2023	6.500	104,000	101,873	97,676	97,676	97,676		
FNMA 92-2-N	1/25/2024	6.500	52,000	47,424	46,895	46,895	46,895		
FHLMC 1702-U	3/24/2024	7.000	4,000	2,382	1,936	1,936	1,936		
FNMA	11/10/98	5.050	200,000	199,950	199,500	199,500	199,500		
			2,141,935	2,141,079	2,141,079				
			\$3,847,512	\$3,852,423	\$3,852,423				

</TABLE>

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CCA INDUSTRIES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS
OF OPERATIONS AND FINANCIAL CONDITION

(UNAUDITED)

For the six month period ended May 31, 1998, the Company had net sales of \$20,122,701 and net income of \$1,180,799 after a provision for income taxes of \$745,992 (net of consolidated subsidiary's deficiency of \$14,283), as compared to net sales of \$19,169,701 and net income of \$1,016,713 after a provision for income taxes of \$712,795 for the six month period ended May 31, 1997. Gross margins of 62% for the six months were down from the 63% of the prior year. Advertising, cooperative and promotional allowance expenditures decreased during the six month period from \$4,511,451 to \$4,108,340. Advertising expenditures were 20% of sales for the six months ended May 31, 1998 as compared with 23.5% for the period ended May 31, 1997. 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. 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 \$889,000 is accordingly reflected in the balance sheet for the interim period, as compared to \$697,000 at May 31, 1997. This deferral is the result of the Company's \$5 million 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 lower expenditures in the 3rd and 4th quarters. Specifically, the Company spent approximately \$3.03 million in the first six months on media advertising and, therefore, expensed \$2.5 million and deferred \$.53 million as of May 31, 1998. Similarly, as of May 31, 1998 the Company's co-op advertising commitments for the year ended November 30, 1997 totaled approximately \$3 million of which approximately \$1.86 million was spent in the first six months resulting in an expense of \$1.5 million and a deferral of approximately \$.36 million as of May 31, 1998.

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

Comparatively as of May 31, 1997, the Company had anticipated media advertising expense in fiscal year 1997 of \$5.2 million and spent approximately \$3.03 million in the first six months resulting in a deferral of approximately \$.43 million (\$3.03MM-\$2.6MM). The anticipated Co-op commitments as of May 31, 1997 were \$3 million for the year of which \$1.77 million were spent for the six months resulting in a \$.27 million deferral (\$1.77MM-\$1.5MM).

Selling, general and administrative expenses ("SG&A") increased compared to the prior year. The increase to 30.5% from 29.5% was due mostly to salary increases and the "SG&A" expense incurred by the Company's newly formed subsidiary relative to its initial two months' disproportionate sales volume.

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CCA INDUSTRIES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS
OF OPERATIONS AND FINANCIAL CONDITION

(UNAUDITED)

For the three month period ended May 31, 1998, net sales were \$10,770,270 as compared to \$10,552,412 for May 31, 1997. Income for the quarter before taxes increased to \$804,844 from \$706,712. Gross margins of 62% for the three months ended May 31, 1998 were down from 63% in 1997. Advertising, cooperative and promotional allowance expense during the quarter decreased to \$1,947,555 from \$2,341,726. Advertising expenses were 18% of sales for the quarter in 1998 as compared to 22% in 1997. Selling, general and administrative expenses were approximately 30.5% in the current quarter as

compared to 27.5% in 1997.

Research and development expense was down for the three month and six month periods due to the Company's shift from outsourcing its research and development to using in-house personnel more.

Interest expense was down for the three month and six month periods due to the reduction of the Company's long-term debt.

All of the Company's sales were primarily to drugstore chains, food chains and mass merchandisers throughout the United States.

The Company's financial position as at May 31, 1998 consists of current assets of \$20,168,335 and current liabilities of \$8,120,525. During the six month period ended May 31, 1998, shareholders' equity increased from \$14,084,522 at November 30, 1997 to \$15,272,969 at May 31, 1998. This was due primarily to the net income generated for the period.

During the six months, the Company used \$2.23 million in operations, generated \$697,000 from new borrowings, and used approximately \$347,000 to purchase fixed assets and additional marketable securities. These factors resulted in a net decrease in the Company's cash of about \$1,880,000.

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 Form 8K filed on April 16, 1998 is incorporated by reference.

PART II, ITEM 6. (Continued)

EXHIBIT 11

CCA INDUSTRIES, INC. AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE

(UNAUDITED)

	Three Months Ended		Six Months Ended	
	May 31,		May 31,	
	1998	1997	1998	1997
	(Restated)	(Restated)	(Restated)	(Restated)
Item 6.				
Weighted average shares				
outstanding - Basic	7,259,581	7,206,051	7,242,323	7,215,628
Net effect of dilutive stock				
options--based on the				
treasury stock method				
using average market				
price	930,907	939,309	826,929	877,283
Weighted average shares				
outstanding - Diluted	8,190,488	8,145,360	8,069,252	8,092,911
Net income	\$ 804,844	\$ 706,712	\$1,180,799	\$1,016,713
Per share amount				
Basic	\$.11	\$.10	\$.16	\$.14
Diluted	\$.10	\$.09	\$.15	\$.13

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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