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 August 31, 1998

Commission File Number 2-85538

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

Delaware	04-2795439
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification Number)

200 Murray Hill Parkway East Rutherford, NJ	07073
(Address of principal executive offices)	(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 X 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 August 31, 1998

Class A Common Stock, $.01 Par Value - 1,154,930 shares as of August 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>

<S>	August 31, 1998 (Unaudited) (Restated) <C>	November 30, 1997 (Restated) <C>
Current Assets		
Cash and cash equivalents	$ 429,813	$ 3,649,774
Short-term investments and marketable securities	1,948,771	1,926,513
Accounts receivable, net of allowances of $1,008,942 and $664,325, respectively	7,367,375	3,931,273
Inventories	8,985,700	6,014,672
Prepaid expenses and sundry receivables	341,073	248,553
Due from officers - Current	1,500	1,500
Deferred income taxes	1,105,374	699,294
Deferred advertising	1,575,814	-
Total Current Assets	21,755,450	16,471,579
Property and Equipment, net of accumulated depreciation and amortization	745,101	486,029
Intangible Assets, net of accumulated amortization of $64,184 at August 31, 1998 and $47,956 at November 30, 1997	253,063	163,640
Other Assets		
Marketable securities	1,793,353	1,874,175
Due from officers - Non-current	65,250	65,250
Deferred income taxes	118,895	111,006
Other	55,185	52,612
Total Other Assets	2,032,683	2,103,043
Total Assets	$24,786,297	$19,224,291

</TABLE>

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

<CAPTION>

<S>	August 31, 1998 (Unaudited) (Restated) <C>	November 30, 1997 (Restated) <C>
Current Liabilities		
Notes payable - Current portion	$ 810,811	$ -
Accounts payable and accrued liabilities	7,689,895	5,053,665
Income taxes payable	645,804	86,104
Total Current Liabilities	9,146,510	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	61,926
Class A common stock, $.01 par; authorized 5,000,000 shares; issued and outstanding 1,020,930 shares, respectively	10,209	10,209
Additional paid-in capital	4,454,228	4,454,763
Retained earnings	11,199,484	9,578,329
Unrealized (losses) on marketable securities	(42,930)	(2,737)
Minority deficiency of consolidated subsidiary	(25,697)	-
	15,657,756	14,102,491
Less: Treasury Stock (7,500 shares at August 31, 1998 and November 30, 1997)	17,969	17,969
Total Shareholders' Equity	15,639,787	14,084,522
Total Liabilities and Shareholders' Equity	$24,786,297	$19,224,291

</TABLE>

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

<CAPTION>

<S>	Three Months Ended August 31, 1998 (Restated) <C>	1997 (Restated) <C>	Nine Months Ended August 31, 1998 (Restated) <C>	1997 (Restated) <C>
Revenues				
Sales of health and beauty products, net	$11,147,343	$10,227,594	$31,270,044	$29,397,295
Other income	71,418	81,609	254,944	235,772
	11,218,761	10,309,203	31,524,988	29,633,067
Costs and Expenses				
Costs of sales	4,006,010	3,850,509	11,720,537	10,867,142
Selling, general and				

administrative expenses	3,596,643	3,257,666	9,773,692	8,917,456
Advertising, cooperative and promotions	2,769,556	1,814,930	6,877,896	6,326,381
Research and development	152,425	215,102	457,745	550,282
Provision for doubtful accounts	53,495	(12,485)	132,435	53,911
Interest expense	3,338	750	4,305	5,656
	10,581,467	9,126,472	28,966,610	26,720,828
Income before Income Taxes	637,294	1,182,731	2,558,378	2,912,239
Provision for Income Taxes	201,412	456,478	963,121	1,169,273
Net Income Including Minority Deficiency Of Consolidated Subsidiary	435,882	726,253	1,595,257	1,742,966
Minority Deficiency in Net Loss of Consolidated Subsidiary	(4,473)	-	(25,897)	-
Net Income	$ 440,355	$ 726,253	$ 1,621,154	$ 1,742,966
Earnings Per Share (Note 2):				
Basic	$.06	$.10	$.22	$.24
Diluted	$.05	$.09	$.20	$.22

</TABLE>
See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES
<TABLE>
CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE NINE MONTHS ENDED AUGUST 31,

(UNAUDITED)
<CAPTION>

<S>	1998 (Restated) <C>	1997 (Restated) <C>
Cash Flows from Operating Activities:		
Net income	$1,621,154	$1,742,966
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	244,689	277,646
Minority deficiency in consolidated subsidiaries	(25,897)	-
Amortization of bond premium	1,415	1,994
(Gain) on sale of securities	(5,707)	(5,693)
Loss on sale of machinery	-	6,701
(Increase) decrease in deferred income taxes	(413,999)	56,965
(Increase) in accounts receivable	(3,436,102)	(861,223)
(Increase) in inventory	(2,971,028)	(217,195)
(Increase) in deferred expenses and miscellaneous receivable	(1,668,334)	(1,390,533)
Increase in accounts payable and accrued liabilities	2,747,041	1,551,257
Increase in taxes payable	559,701	106,874
(Increase) decrease in security deposits	(820)	350
Net Cash (Used in) Provided by Operating Activities	(3,347,887)	1,270,109
Cash Flows from Investing Activities:		
Acquisition of property, plant and equipment	(487,533)	(143,965)

Acquisition of intangible assets	(105,651)	-
Purchase of short-term investments and securities	(1,492,833)	(2,749,685)
Advances of money to officers	-	(40,000)
Proceeds of money due from officers	-	2,400
Proceeds from sale of equipment	-	40,960
Proceeds from sale of investments	1,513,943	2,455,968
Purchase of treasury stock	-	(5,469)
Net Cash (Used in) Investing Activities	(572,074)	(439,791)
Cash Flows from Financing Activities:		
Proceeds from borrowings	700,000	-
Payment on debt	-	(163,500)
Net Cash Provided by (Used in) Financing Activities	700,000	(163,500)
Net (Decrease) Increase in Cash	(3,219,961)	666,818
Cash at Beginning of Period	3,649,774	1,422,783
Cash at End of Period	$ 429,813	$2,089,601

</TABLE>

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE NINE MONTHS ENDED AUGUST 31,

(UNAUDITED)

<CAPTION>

	1998 (Restated)	1997 (Restated)
<S>	<C>	<C>
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	$ 4,305	$ 6,793
Income taxes	725,000	1,052,850
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.

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 nine month period ended August 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
Nutra Care Corporation	100%	Currently Inactive
Fragrance Corporation of America, Ltd.	80%	Acquired March 19, 1998

All significant intercompany accounts and transactions have been eliminated.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 options to purchase 60,000 and 70,000 shares, respectively, 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.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Depreciation and Amortization

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

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

Machinery and equipment	7-10 Years
Furniture and fixtures	5-7 Years
Tools, dies and masters	2-7 Years
Transportation equipment	7 Years

Leasehold improvements of lease, whichever is shorter	7-10 Years or life

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.

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.

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:

	August 31, 1998	November 30, 1997
Raw materials	$5,521,003	$ 4,017,838
Finished goods	3,464,697	1,996,834
	$8,985,700	$ 6,014,672

As at August 31, 1998 and November 30, 1997, the Company had reserves for inventory obsolescence and excess of inventory of $1,448,859 and $860,417, respectively.

NOTE 5 - PROPERTY AND EQUIPMENT

The components of property and equipment consisted of the following:

	August 31, 1998	November 30, 1997
Machinery and equipment	$ 259,352	$ 236,582
Furniture and equipment	584,421	329,526
Tools, dies, and masters	1,783,296	1,584,346
Transportation equipment	10,918	-
Leasehold improvements	108,474	108,474
	2,746,461	2,258,928
Less: Accumulated depreciation and amortization	2,001,360	1,772,899
Property and Equipment - Net	$ 745,101	$ 486,029

NOTE 5 - PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation and amortization expense for the nine months ended August 31, 1998 amounted to $228,461 and for the year ended November 30, 1997 amounted to $364,536.

NOTE 6 - INTANGIBLE ASSETS

Intangible assets consist of the following:

	August 31, 1998	November 30, 1997
Goodwill	$ 75,652	$ -
Patents and trademarks	241,595	211,596
	317,247	211,596
Less: Accumulated amortization	64,184	47,956
Intangible Assets - Net	$ 253,063	$ 163,640

Amortization expense for the nine months ended August 31, 1998 amounted to $16,228 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.

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 $1,575,814 is accordingly reflected in the balance sheet for the interim period. This deferral is the result of the Company's $5,500,000 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.

NOTE 7 - DEFERRED ADVERTISING (CONTINUED)

The table below sets forth the calculation:

	1998 (In Millions)	1997 (In Millions)
Media advertising budget for the fiscal year	$5.50	$5.20
Pro-rata portion for nine months	$4.13	$3.90
Media advertising spent	5.25	5.00
Accrual (deferral)	($1.12)	($1.10)
Anticipated Co-op advertising commitments	$3.10	$3.00
Pro-rata portion for nine months	$2.33	$2.25
Co-op advertising spent	2.78	2.60
Accrual (deferral)	($ .45)	($ .35)

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:

	August 31, 1998 (In 000's)	November 30, 1997 (In 000's)
a) Media advertising	$1,418	$ 401
b) Coop advertising	769	375
c) Accrued returns	1,023	712
d) Bonuses	*	286
e) Royalty payable	*	269
	$3,210	$2,043

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 August 31:

	1998	1997
Interest income	$242,038	$216,761
Dividend income	7,198	13,318
Miscellaneous	5,708	5,693
	$254,944	$235,772

NOTE 10 - FRAGRANCE CORPORATION OF AMERICA

On March 19, 1988, the Company acquired 80% of the newly formed company, Fragrance Corporation of America, Inc. ("FCA") (a New Jersey corporation), for an initial investment of $800. As of August 31, 1998, the Company has advanced approximately $1,825,000 to aid FCA in the purchase of inventory and certain tangible and intangible assets, as well as providing FCA with working capital. The intercompany transactions have been eliminated in the consolidating financial statements and all of the accounts of FCA have been included in the consolidated financial statements of the Company. Accordingly, the minority deficiency has also been recorded.

NOTE 11 - MINORITY DEFICIENCY

The minority deficiency shown in the accompanying consolidated balance sheets primarily represents the minority shareholders' share of Fragrance Corporation of America, Inc.'s ("FCA") losses in excess of its investment for all periods prior to August 31, 1998. The minority deficiency is expected to be restored through allocations of future income.

NOTE 12- 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 invest ments at August 31, 1998 and November 30, 1997 were as follows:

	August 31, 1998		November 30, 1997	
Current:	COST	MARKET	COST	MARKET
Corporate obligations	$ 656,776	$ 606,184	$ 99,006	$ 99,448
Government obligations (including mortgage backed securities)	1,339,468	1,342,587	1,827,503	1,827,065
Total	1,996,244	1,948,771	1,926,509	1,926,513
Non-Current:				
Corporate obligations	1,230,044	1,234,630	741,893	744,921
Government obligations	558,766	558,723	1,135,023	1,129,254
Total	1,788,810	1,793,353	1,876,916	1,874,175
Total	$3,785,054	$3,742,124	$3,803,425	$3,800,688

<TABLE>
NOTE 12 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (CONTINUED)

The market value at August 31, 1998 was $3,742,124 as compared to $3,800,688 at November 30, 1997. The cost and market values of the investments at August 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	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 Carried in Balance Sheet
CORPORATE OBLIGATIONS:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
GMAC	2/22/00	5.450%	$200,000	$ 199,226	$ 198,990	$ 198,990
Dreyfus Fund High Yield Strategies			361,000	361,000	306,658	306,658
GTE Southwest Deb	12/01/99	5.820%	100,000	99,851	100,159	100,159
Florida Power & Light	7/01/99	5.500%	300,000	295,776	299,526	299,526
Virginia Electric & Power	4/01/00	5.875%	250,000	246,117	251,035	251,035
GMAC Smartnotes	10/15/99	5.950%	200,000	200,000	200,098	200,098
Florida Power & Light	4/01/00	5.375%	200,000	199,850	199,348	199,348
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

	1,886,820	1,840,814	1,840,814

</TABLE>

<TABLE>
NOTE 12 - 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 Carried in Balance Sheet
GOVERNMENT OBLIGATIONS:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
US Treasury Note	10/31/98	4.750%	100,000	$ 99,684	$ 99,906	$ 99,906
US Treasury Note	10/31/98	4.750	200,000	199,992	199,812	199,812
US Treasury Note	10/15/98	7.125	250,000	250,000	250,705	250,705
US Treasury Note	2/28/99	5.875	250,000	249,953	250,860	250,860
US Treasury Note	11/15/99	5.875	250,000	249,141	252,188	252,188
US Treasury Zero Coupon	8/15/99	5.920	148,000	140,137	141,072	141,072
US Treasury Note	2/15/99	5.000	100,000	99,869	99,906	99,906

</TABLE>

<TABLE>
NOTE 12 - 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 Carried in Balance Sheet
GOVERNMENT OBLIGATIONS: (Continued)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Federal Nat. Mtg. Note	7/30/99	5.860%	100,000	$ 99,883	$ 100,450	$ 100,450
FHLMC 1628-N	12/15/2023	6.500	50,000	48,024	48,873	48,873
EE Bonds	-	7.180	90,000	103,788	103,788	103,788
FNMA 93-G-26-B	8/25/2022	7.000	10,000	6,134	3,069	3,069
FNMA 93-224-D	11/25/2023	6.500	104,000	101,873	101,067	101,067
FNMA 92-2-N	1/25/2024	6.500	52,000	47,424	48,313	48,313
FHLMC 1702-U	3/24/2024	7.000	4,000	2,382	1,425	1,425
FNMA	11/10/98	5.050	200,000	199,950	199,876	199,876

1,898,234	1,901,310	1,901,310
$3,785,054	$3,742,124	$3,742,124

</TABLE>

CCA INDUSTRIES, INC.

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

(UNAUDITED)

For the nine month period ended August 31, 1998, the Company had revenues of $31,524,988 and net income of $1,621,154 after a provision for income taxes of $963,121 (net of consolidated subsidiary's deficiency of $25,897), as compared to net revenues of $29,633,067 and net income of $1,742,966 after a provision for income taxes of $1,169,273 for the nine month period ended August 31, 1997. Sales for the nine months ended August 31, 1998 were up approximately $1.87 million primarily due to the sales of the Company's new subsidiary, Fragrance Corporation of America, Inc. (FCA), whose sales consist of newly licensed perfumes. FCA's net sales for the nine months were $1.82 million. Sales returns continue to run approximately 7% to 8% of gross sales. Other income ($255,000 vs. $236,000) was approximately the same for both years. Gross margins of 62.5% for the nine months were approximately the same as the 63% of the prior year. Advertising, cooperative and promotional allowance expenditures increased during the six month period from $6,326,381 to $6,877,896. Advertising expenditures were 22% of sales for the nine months ended August 31, 1998as compared with 21.5% for the period ended August 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 $1,575,814 is accordingly reflected in the balance sheet for the interim period, as compared to $1,457,838 at August 31, 1997. This deferral is the result of the Company's $5.5 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 4th quarter. Specifically, the Company spent approximately $5.25 million in the nine months on media advertising and, therefore, expensed $4.125 million and deferred $1.125 million as of August 31, 1998. Similarly, as of August 31, 1998 the Company's co-op advertising commitments for the year ended November 30, 1998 totaled approximately $3.1 million of which approximately $2.75 million was spent in the first nine months resulting in an expense of $2.325 million and a deferral of approximately $.45 million as of August 31, 1998.

Comparatively as of August 31, 1997, the Company had anticipated media advertising expense in fiscal year 1997 of $5.2 million and spent approximately $5 million in the first nine months resulting in a deferral of approximately $1.1 million ($5MM-$3.9MM). The anticipated Co-op commitments as of August 31, 1997 were $3 million for the year of which $2.6 million were spent for the nine months resulting in a $.35 million deferral ($2.6MM-$2.25MM).

Selling, general and administrative expenses ("SG&A") increased compared to the prior year. The increase to $9,774,000 from $8,917,000 was due mostly to the "SG&A" expenses ($883,000) incurred by the Company's newly formed subsidiary.

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

(UNAUDITED)

For the three month period ended August 31, 1998, total revenue was $11,218,761 as compared to $10,309,203 for August 31, 1997. CCA's sales for the quarter were down approximately $500,000 due to significantly lower international sales and slightly lower sales of most of its core products. However, FCA's net sales of approximately $1,400,000 resulted in the increase of approximately $900,000. Income for the quarter before taxes decreased from $1,182,731 to $637,294. Gross margins of 64% for the three months ended August 31, 1998 were up from 62.5% in 1997. This was primarily the result of the product mix for the quarter. Advertising, cooperative and promotional allowance expense during the quarter increased to $2,769,556 from $1,814,930. Advertising expenses were 25% of sales for the quarter in 1998 as compared to 18% in 1997. This was largely due in part to the impact to the current quarter of the revision in the Company's advertising budgets resulting in a catch-up of approximately $300,000 from the prior quarters and higher anticipated spending. Selling, general and administrative expenses were approximately the same at 32% in the current quarter as well as in 1997.

Research and development expenses for the nine months and three months were less due to the economies of utilizing the services of more in-house staff rather than outside consultants.

Bad debt expense for the periods increased due to the necessary reserves on the increased accounts receivable. Actual write-offs were approximately $20,000 in 1998 as compared to approximately $3,000 in 1997. The Company continued to have virtually no interest expense for the periods.

The Company's sales were primarily to drugstore chains, food chains and mass merchandisers .

The Company's financial position as at August 31, 1998 consists of current assets of $21,755,450 and current liabilities of $9,146,510. The Company's cash position decreased significantly due to the significant increase in its accounts receivable primarily caused by the sales of its new subsidiary as well as a slight increase in its own receivables. The Company's inventory and accounts payable also increased due to FCA's new business. During the nine month period ended August 31, 1998, shareholders' equity increased from $14,084,522 at November 30, 1997 to $15,639,787 at August 31, 1998. This was due primarily to the net income generated for the period.

During the nine months, the Company used $3.35 million in operations, generated $700,000 from new borrowings, and used approximately $570,000 to purchase assetsand additional marketable securities. These factors resulted in a net decrease in the Company's cash of about $3,220,000.

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

(UNAUDITED)

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.

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, some of these costs should be offset by a grant applied for 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.

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 August 31, 1998.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE

(UNAUDITED)

	Three Months Ended August 31, 1998 (Restated)	Three Months Ended August 31, 1997 (Restated)	Nine Months Ended August 31, 1998 (Restated)	Nine Months Ended August 31, 1997 (Restated)
Item 6.				
Weighted average shares outstanding - Basic	7,259,581	7,206,051	7,243,417	7,217,952
Net effect of dilutive stock options--based on the treasury stock method using average market price	812,644	916,688	777,515	874,908
Weighted average shares outstanding - Diluted	8,072,225	8,122,739	8,020,932	8,092,860
Net income	$ 440,355	$ 726,253	$1,621,153	$1,742,966
Per share amount				
Basic	$.06	$.10	$.22	$.24
Diluted	$.05	$.09	$.20	$.22

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:
John Bingman, Treasurer

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