

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, 2002

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 (I.R.S. Employer  
Incorporation or organization) 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 re-

quired 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 - 6,024,627 shares as of May 31,  
2002

Class A Common Stock, \$.01 Par Value - 1,020,930 shares as of  
May 31, 2002

CCA INDUSTRIES, INC. AND SUBSIDIARIES

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED BALANCE SHEETS

<CAPTION>

A S S E T S

	May 31, 2002 (Unaudited)	November 30, 2001
<S>	<C>	<C>
Current Assets		
Cash and cash equivalents	\$ 1,903,531	\$ 2,555,938
Short-term investments in marketable securities (Notes 3 and 10)	760,138	355,345
Accounts receivable, net of allowances of \$1,288,032 and \$1,295,085 respectively	6,865,686	4,464,991
Inventories	4,463,369	4,783,530
Prepaid expenses and sundry receivables	552,634	401,403
Deferred income taxes	1,538,487	1,617,403
Prepaid income taxes and refunds due	1,703	221,989
Deferred advertising	1,982,753	-
Total Current Assets	18,068,301	14,400,599
Property and Equipment, net of accumulated depreciation and amortization	459,899	482,261
Intangible Assets, net of accumulated amortization of \$155,216 at May 31, 2002 and \$131,323 at November 30, 2001	597,986	618,933
Other Assets		
Marketable securities (Notes 3 and 10)	7,630,681	4,979,758
Due from officers - Non-current	19,227	20,598
Deferred income taxes	38,514	40,105
Other	56,663	56,663

Total Other Assets	7,745,085	5,097,124
Total Assets	\$26,871,271	\$20,598,917

</TABLE>

See Notes Consolidated to Financial Statements.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED BALANCE SHEETS

<CAPTION>

LIABILITIES AND SHAREHOLDERS' EQUITY

	May 31, 2002 (Unaudited)	November 30, 2001
<S>	<C>	<C>
Current Liabilities		
Accounts payable and accrued liabilities	\$ 8,405,751	\$ 4,154,256
Income tax payable	528,625	9,366
Total Current Liabilities	8,934,376	4,163,622
Subordinate Debentures (Due August 1, 2005)	502,656	510,656
Shareholders' Equity		
Common stock, \$.01 par; authorized 15,000,000 shares; issued and outstanding 6,242,823 shares	62,428	62,428
Class A common stock, \$.01 par; authorized 5,000,000 shares; issued and outstanding 1,020,930	10,209	10,209
Additional paid-in capital	3,834,296	3,834,296
Retained earnings	13,833,111	12,315,062
Accumulated other comprehensive income	( 58,600)	( 50,151)
	17,681,444	16,171,844
Less: Treasury Stock (218,196 shares at May 31, 2002 and November 30, 2001, respectively)	247,205	247,205
Total Shareholders' Equity	17,434,239	15,924,639
Total Liabilities and Shareholders' Equity	\$26,871,271	\$20,598,917

</TABLE>

See Notes to Consolidated Financial Statements.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

<CAPTION>

Three Months Ended Six Months Ended

	May 31,		May 31,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Revenues				
Sales of Health and Beauty Aid Products - Net	\$13,213,844	\$12,787,878	\$23,372,230	\$22,884,407
Other income	98,503	76,605	187,311	158,161
	13,312,347	12,864,483	23,559,541	23,042,568
Costs and Expenses				
Costs of sales	4,399,740	4,372,263	8,164,644	8,616,410
Selling, general and administrative expenses	3,865,127	3,880,089	7,601,451	6,901,420
Advertising, cooperative and promotions	2,858,396	2,501,421	5,121,922	4,613,893
Research and development	138,259	249,272	228,061	340,220
Provision for doubtful accounts	( 41,801)	24,155	( 146,161)	114,673
Interest expense	8,320	10,895	17,235	51,201
	11,228,041	11,038,095	20,987,152	20,637,817
Income before Income Taxes	2,084,306	1,826,388	2,572,389	2,404,751
Provision for Income Taxes	866,320	688,609	1,054,340	930,126
Net Income	\$1,217,986	\$1,137,779	\$1,518,049	\$1,474,625
Earnings per Share				
Basic	\$.17	\$.17	\$.22	\$.21
Diluted	\$.16	\$.16	\$.20	\$.20

</TABLE>

See Notes to Consolidated Financial Statements.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(UNAUDITED)

<CAPTION>

	Three Months Ended		Six Months Ended	
	May 31,	May 31,	May 31,	May 31,
	2002	2001	2002	2001

<S>	<C>	<C>	<C>	<C>
Net Income	\$1,217,986	\$1,137,779	\$1,518,049	\$1,474,625

Other Comprehensive  
Income Unrealized

holding gains(loss) on investments	3,566	( 4,682)	( 8,449)	34,835
Provision (Benefit) for Taxes	1,266	( 2,527)	( 3,362)	13,473
Other Comprehensive Income (Loss) - Net	2,300	( 2,155)	( 5,087)	21,362
Comprehensive Income	\$1,220,286	\$1,135,624	\$1,512,962	\$1,495,987

Earnings Per Share:				
Basic	\$ .17	\$ .17	\$ .21	\$ .22
Diluted	\$ .16	\$ .16	\$ .20	\$ .21

</TABLE>

See Notes to Consolidated Financial Statements.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF CASH FLOWS

<CAPTION>

(UNAUDITED)

	Six Months Ended May 31, 2002	Six Months Ended May 31, 2001
<S>	<C>	<C>
Cash Flows from Operating Activities:		
Net income	\$1,518,049	\$1,474,625
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	183,186	202,615
(Gain) loss on sale of marketable securities	( 3,025)	1,642
Decrease (increase) in deferred income taxes	80,507	( 148,595)
(Increase) in accounts receivable - Net	( 2,400,695)	( 1,123,604)
Decrease (increase) in inventory	320,161	( 89,920)
(Increase) in prepaid expenses and miscellaneous receivables	( 151,231)	( 140,488)
(Increase) in deferred advertising	( 1,982,753)	( 2,155,380)
Increase in income taxes payable	519,259	265,751

Increase in accounts payable and accrued liabilities	4,251,495	3,760,271
Decrease in prepaid income taxes and refunds due	220,286	777,691
(Increase) in security deposits	-	( 2,550)
 Net Cash Provided by Operating Activities	 2,555,239	 2,822,058
 Cash Flows from Investing Activities:		
Acquisition of property, plant and equipment	( 136,932)	( 16,431)
Acquisition of intangible assets	( 2,945)	( 22,756)
Decrease (increase) of money due from officers	1,371	( 355)
Purchase of marketable securities	( 3,387,647)	( 3,189,974)
Proceeds from sale and maturity of investments	324,507	2,938,681
 Net Cash (Used in) Investing Activities	 ( 3,201,646)	 ( 290,835)
 Cash Flows from Financing Activities:		
Payment on debt	-	( 1,500,000)
Purchase of treasury stock	-	( 55,303)
Repurchase of outstanding debenture	( 6,000)	( 22,500)
 Net Cash (Used in) Financing Activities	 ( 6,000)	 ( 1,577,803)
 Net (Decrease) Increase in Cash	 ( 652,407)	 953,420
 Cash at Beginning of Period	 2,555,938	 804,508
 Cash at End of Period	 \$1,903,531	 \$1,757,928

Supplemental Disclosures of Cash Flow Information:

Cash paid during the period for:

Interest	\$ 17,235	\$ 52,271
Income taxes	324,810	51,806

</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, 2002 are not necessarily indicative of the results that may be expected for the year ended November 30, 2002. 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, 2001.

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

In March of 1998 CCA acquired 80% of the newly organized Fragrance Corporation of America, Ltd. which manufactures and distributes perfume products. In 1999, the Company adopted a formal plan to discontinue the operations of the subsidiary. As of November 30, 2001, the Company had completed its plan of dissolution.

## 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"). The minority interest in the discontinued consolidated subsidiary is no longer reflected in the financial statements. All significant inter-company accounts and transactions have been eliminated.

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## 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 in Marketable Securities:

Short-term investments in 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.

Inventories:

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

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

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

NOTE 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 trade marks 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.

Tax Credits:



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

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Earnings Per Common Share:

The Company adopted Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share" in 1998. Basic earnings per share is calculated using the average number of shares of common stock outstanding during the year. Diluted earnings per share is computed on the basis of the average number of common shares outstanding plus the effect of outstanding stock options using the "treasury stock method" and convertible debentures using the "if-converted" method. Common stock equivalents consist of stock options. In fiscal 2001, the Company repriced all of the outstanding stock options to \$.50.

Revenue Recognition:

The Company recognizes net sales upon shipment of merchandise. Net sales comprise gross revenues less expected returns, trade discounts, customer allowances and various sales incentives. 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.

Accounts Receivable:

Accounts receivable with credit balances have been included as a current liability in "Accounts payable and accrued liabilities" in the accompanying balance sheet.

The Company uses the allowance method to account for uncollectible accounts receivable. Accounts receivable are presented net of an allowance for doubtful accounts of \$439,602 and \$391,806 as of May 31, 2002 and November 30, 2001, respectively.

Shipping and Handling Costs:

The Company presents shipping and handling costs as part of Selling, general and administrative expense and not as part of Cost of sales. Freight costs were \$1,057,947 and \$1,271,719 for the six months ended May 31, 2002 and 2001, respectively.

Comprehensive Income:

The Company adopted SFAS #130, Comprehensive Income, which considers the Company's financial performance in that it includes all changes in equity during the period from transactions and events from non-owner sources.

## Reclassifications

Certain prior year amounts have been reclassified to conform to the 2002 presentation.

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### CCA INDUSTRIES, INC. AND SUBSIDIARIES

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

##### NOTE 4 - INVENTORIES

The components of inventory consist of the following:

	May 31, 2002	November 30, 2001
Raw materials	\$3,476,156	\$2,225,814
Finished goods	2,134,523	3,610,432
	\$5,610,679	\$5,836,246

At May 31, 2002 and November 30, 2001, the Company had a reserve for obsolescence of \$1,147,310 and \$1,052,716, respectively.

##### NOTE 5 - PROPERTY AND EQUIPMENT

The components of property and equipment consisted of the following:

	May 31, 2002	November 30, 2001
Machinery and equipment	\$ 171,196	\$ 168,421
Furniture and equipment	775,984	741,414
Transportation equipment	10,918	10,918
Tools, dies, and masters	583,004	550,825
Leasehold improvements	229,690	162,283
	1,770,792	1,633,861
Less: Accumulated depreciation and amortization	1,310,893	1,151,600
Property and Equipment - Net	\$ 459,899	\$ 482,261

Depreciation expense for the six months ended May 31, 2002 and 2001 amounted to \$159,293 and \$179,231, respectively.

##### NOTE 6 - INTANGIBLE ASSETS

Intangible assets consist of the following:

	May 31, 2002	November 30, 2001
Patents and trademarks	\$753,202	\$750,256
Less: Accumulated amortization	155,216	131,323
Intangible Assets - Net	\$597,986	\$618,933

Amortization expense for the six months ended May 31, 2002 and 2001 amounted to \$23,893 and \$23,384, respectively.

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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 \$1,982,753 is accordingly reflected in the balance sheet for the interim period. This deferral is the result of the Company's \$7,500,000 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.

The table below sets forth the calculation:

	May 2002 (In Millions)	May 2001 (In Millions)
Media advertising budget for the fiscal year	\$7.50	\$6.50
Pro-rata portion for six months	\$3.75	\$3.25
Media advertising spent	5.14	4.63
Accrual (deferral)	(\$1.39)	(\$1.38)
Anticipated Co-op advertising commitments	\$4.00	\$4.00
Pro-rata portion for six months	\$2.00	\$2.00
Co-op advertising spent	2.59	2.78
Accrual (deferral)	(\$ .59)	(\$0.78)

## 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, 2002 (In Thousands)	November 30, 2001 (In Thousands)
Vacation accrual	\$ *	\$ 254
Media advertising	1,904	424
Coop advertising	1,540	392
Accrued returns	686	301
Accrued bonuses	536	510
	\$4,666	\$1,881

\* under 5%

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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.

### NOTE 9 - OTHER INCOME

Other income consists of the following at May 31:

	2002	2001
Interest income	\$150,347	\$120,393
Dividend income	6,175	8,678

Miscellaneous	30,789	29,090
	\$187,311	\$158,161

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, 2002 and November 30, 2001 were as follows:

	May 31, 2002		November 30, 2001	
Current:	COST	MARKET	COST	MARKET
Corporate obligations	\$ 390,000	\$ 397,339	\$ -	\$ -
Mutual Funds	164,955	107,286	159,805	107,015
Government obligations including mortgage backed securities)	250,179	255,513	247,330	248,330
Total	805,134	760,138	407,135	355,345
Non-Current:				
Corporate obligations	2,701,846	2,713,737	2,416,846	2,434,080
Government obligations	4,184,485	4,163,004	2,311,273	2,294,058
Preferred stock	757,954	753,940	250,000	251,620
Total	7,644,285	7,630,681	4,978,119	4,979,758
Total	\$8,449,419	\$8,390,819	\$5,385,254	\$5,335,103

The market value at May 31, 2002 was \$8,390,819 as compared to \$5,335,103 at November 30, 2001. The gross unrealized gains and losses as at May 31, 2002 and November 30, 2001 were \$40,762 and (\$99,362) for May 31, 2002 and \$35,542 and (\$85,693) for November 30, 2001, respectively. The cost and market values of the investments at May 31, 2002 were as follows:

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<CAPTION>

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

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

## CORPORATE OBLIGATIONS:

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
GMAC Smartnotes	10/15/03	4.600%	250,000	\$ 250,000	\$ 251,825	\$ 251,825	
GMAC Smartnotes	10/15/03	4.750	325,000	325,000	327,831	327,831	
GMAC Smartnotes	1/15/03	5.550	250,000	250,000	254,483	254,483	
GMAC Smartnotes	2/15/03	5.750	140,000	140,000	142,856	142,856	
GMAC Smartnotes	6/15/03	4.750	300,000	300,000	302,895	302,895	
GMAC Smartnotes	7/15/03	4.650	200,000	200,000	201,692	201,692	
GMAC Smartnotes	8/15/03	4.250	499,000	499,000	500,697	500,697	
GMAC Smartnotes	5/15/04	4.250	250,000	250,000	249,245	249,245	
GMAC Smartnotes	5/15/05	5.000	175,000	175,000	174,967	174,967	
Household Finance Corp.							
Internotes	5/15/04	4.250	250,000	250,000	249,260	249,260	
International Business							
Machines	9/22/03	5.370	100,000	102,040	102,726	102,726	
Colgate-Palmolive	12/1/03	5.270	100,000	100,860	102,572	102,572	
Ford Motor Credit	3/20/04	6.125	245,000	249,946	250,027	250,027	
			3,091,846	3,111,076	3,111,076		

&lt;/TABLE&gt;

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## CCA INDUSTRIES, INC. AND SUBSIDIARIES

&lt;TABLE&gt;

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

&lt;CAPTION&gt;

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

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

## GOVERNMENT OBLIGATIONS:

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
FHLMC 1628-N	12/15/2023	6.500%	14,286	\$ 13,724	\$ 14,563	\$ 14,563	
FNMA 93-224-D	11/25/2023	6.500	1,676	2,133	1,684	1,684	
FHLB	9/15/2003	5.125	255,000	266,200	262,571	262,571	
FHLB	11/15/2005	4.250	750,000	753,004	748,245	748,245	
US Treasury Note	11/15/2003	4.250	200,000	199,891	202,366	202,366	
US Treasury Note	11/15/2003	4.250	250,000	250,169	257,056	257,056	
FNMA	11/6/2009	4.250	250,000	250,000	242,243	242,243	
FNMA	11/6/2009	4.250	500,000	500,000	485,565	485,565	
FHLMC	2/27/12	4.000	225,000	225,000	223,961	223,961	
FNMA	9/15/04	3.500	250,000	249,805	250,157	250,157	
FHLMC	12/6/05	4.600	225,000	225,000	226,055	226,055	
FNMA Global	10/15/06	4.375	200,000	199,559	198,812	198,812	
FNMA	11/23/04	4.000	250,000	250,000	250,860	250,860	
FNMA	2/24/05	4.100	200,000	200,000	201,062	201,062	
FNMA	5/20/05	3.500	200,000	200,000	199,100	199,100	
FNMA	11/15/05	4.250	200,000	200,000	199,602	199,602	
FNMA	5/16/06	4.000	200,000	200,000	199,102	199,102	
Muniyield NJ Insd Frd Inc.			3,500	50,945	52,185	52,185	
Muniholdings NJ Insd FD Inc.			3,700	49,502	50,024	50,024	
Nuveen NJ Invt Quality Mun Fd			3,300	49,686	50,589	50,589	
Nuveen NJ Invt Prem Inc Mun Fd			3,300	49,112	50,325	50,325	
Van Kamp Amer Cap Inv Gr NJ			3,100	50,934	52,390	52,390	
			4,434,664	4,418,517	4,418,517		

&lt;/TABLE&gt;

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## CCA INDUSTRIES, INC. AND SUBSIDIARIES

&lt;TABLE&gt;

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<CAPTION>

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

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	Amount at Which Each Portfolio		Issue Carried in Balance Sheet
					Market Value of Each Issue	Of Equity Security Issues and Each Other Security at Balance Sheet Date	
EQUITY:							
Preferred Stock:							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	
Merrill Lynch Trust Tennessee Valley Auth Ser A	9/30/08	7.28%	8,000	6,000	\$ 150,000	\$ 149,760	\$ 149,760
Corporate Backed Trust Certificates For Sun America	5/1/29	6.50	8,000	207,954	203,040		203,040
Corporate Backed Trust Certificates For Bristol Myers Squibb	5/17/07	6.70	6,000	150,000	151,140		151,140
	5/23/07	6.80	6,000	150,000	150,000		150,000
Other Equity Investments:							
Aberdeen Asia Pacific Income Fund				100,000	100,000		100,000
Dreyfus Premier Limited Term High Income CL B		9.96%*	12,824	164,955	107,286		107,286
			922,909	861,226	861,226		
*as of May 2002				\$8,449,419	\$8,390,819		\$8,390,819

</TABLE>

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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, 2002, the Company had revenues of \$13,312,347 and net income of \$1,217,986 after a provision for taxes of \$866,320. Last year, for the May 31 quarter, the Company had \$12,864,483 of revenue and net income of \$1,137,779. This represents a 3% and 7% improvement for sales and net income, respectively. Gross margins improved from 65.8% to 66.7%. This was primarily due to economies of scale derived as a result of the higher sales volume. Selling, general and administrative (SG&A) expenses remained the same at \$3.9 million.

For the three month period ending May 31, 2002, advertising, cooperative and promotional allowance expenditures were \$2.86 million. Last year, for the same three month period ending May 31, 2001, they were \$2.5 million. The increase was due to an estimated increase in advertising. Advertising expenditures were 21.6% of sales compared to 19.6% last year. Since both co-op advertising and promotions have a material effect on the Company's operation, the Company attempts to anticipate its advertising and promotional commitments as a percent of gross sales in order to control its effect on its net income. In accordance with APB No. 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 \$1.4 million for media expense and \$0.6 million for co-op expenditures for the six month period is reflected in the balance sheet. The Company deferred \$2.16 million of media costs in the prior year for the six month period. The deferral is the result of the Company's current \$7.5 million media budget for the entire year, which is predicated on substantially lower spending in the third and fourth quarters. Co-op expenditures are budgeted at \$4 million for the year. Specifically, the Company spent \$5.14 million for media advertising in the six months and \$2.6 million in co-op advertising. The difference between the actual expense and the budgeted expense is deferred or accrued over the subsequent six month period, and by the end of the year will be fully expensed.

For the six month period ended May 31, 2002, the Company had revenue of \$23,559,541 and a net income of \$1,518,049 after a provision of income taxes of \$1,054,340. In the prior year's period, the Company had revenues of \$23,042,568 and net income of \$1,474,625 after a provision for income taxes of \$930,126. Gross profit margins for the six month period ending May 31, 2002 increased from 62.4% in the prior year to 65%.

For the six month period ended May 31, 2002, advertising cooperative and promotional allowance expenditures was \$5,121,922 as compared to \$4,613,893 for the six month period ending May 31, 2001. This is primarily due to an estimated increase in the national advertising budget from \$6.5 million to \$7.5 million annually. Advertising expenditures were 21.9% of sales vs. 20.2% last year.

For the six month period ending May 31, 2002, research and development expenses were \$228,061 compared to \$340,200 last year.

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CCA INDUSTRIES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS  
OF OPERATIONS AND FINANCIAL CONDITION  
(UNAUDITED)

The Company's financial position as of May 31, 2002 consists of current assets of \$18,068,301 and current liabilities of \$8,934,376. In addition, shareholders' equity increased from \$15,924,639 at November 30, 2001 to \$17,434,239 at May 31, 2002 primarily due to net income earned during the period.

The Company generated \$2.56 million in cash from operations due to the six month net income of \$1.5 million, a \$4.25 million increase in accounts payable, a \$820,000 net increase in income taxes due, and an inventory reduction of \$320,000. Cash decreased due to the increase in the Company's accounts receivable of \$2.4 million and an increase in deferred advertising of \$2.0 million. Both the increase in deferred advertising and accounts receivable are "normal" seasonal increases.

The \$2.6 million cash generated by operations, however, was used to invest in liquid marketable securities of \$3.1 million and for the acquisition of computer equipment of \$135,000, leaving the Company with a net decrease in its cash position of approximately \$650,000.

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,

2002    2001    2002    2001

Item 6.

Weighted average shares outstanding - Basic	7,045,557	6,877,058	7,045,557	6,893,183
Net effect of dilutive stock options--based on the treasury stock method using average market price	533,691	399,909	547,560	316,814

Weighted average shares outstanding - Diluted	7,579,248	7,276,967	7,593,117	7,209,997
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Net income	\$1,217,986	\$1,137,779	\$1,518,049	\$1,474,625
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Per share amount				
Basic	\$.17	\$.17	\$.22	\$.21
Diluted	\$.16	\$.16	\$.20	\$.20



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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 filed a report on Form 8-K on May 23, 2002 which is hereby incorporated by reference.

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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