

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, 2003

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 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 - 6,592,669 shares of as May 31, 2003

Class A Common Stock, \$.01 Par Value - 958,230 shares as of
May 31, 2003

CCA INDUSTRIES, INC. AND SUBSIDIARIES

INDEX

	<u>Page Number</u>
PART I FINANCIAL INFORMATION:	
Consolidated Balance Sheets as of May 31, 2003 and November 30, 2002	1-2
Consolidated Statements of Operations for the three months and six months ended May 31, 2003 and 2002	3
Consolidated Statements of Comprehensive Income for the three months and six months ended May 31, 2003 and 2002	4
Consolidated Statements of Cash Flows for the six months ended May 31, 2003 and 2002	5
Notes to Consolidated Financial Statements	6-16
Management Discussion and Analysis of Results of Operations and Financial Condition	17-18
PART II OTHER INFORMATION	19-20

SIGNATURES

21

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF
FINANCIAL OFFICER PURSUANT TO TITLE 18, UNITED
STATES CODE, SECTION 1350, AS ADOPTED PURSUANT
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

22-23

CCA INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

A S S E T S

November 30, <u>2002</u>	May 31, <u>2003</u>
Current Assets	
Cash and cash equivalents	\$ 2,345,238
\$ 1,585,647	
Short-term investments and marketable securities	3,919,332
3,479,544	
Accounts receivable, net of allowances of \$1,677,200 and \$1,222,408, respectively	9,011,150
6,265,955	
Inventories	6,013,313
3,743,131	
Prepaid expenses and sundry receivables	602,428
363,457	
Deferred income taxes	1,337,872
1,287,568	
Prepaid income taxes and refunds due	1,703
1,703	
Deferred advertising	<u>2,573,105</u>
=	
Total Current Assets	25,804,141
16,727,005	
Property and Equipment, net of accumulated depreciation and amortization	<u>805,481</u>
<u>720,739</u>	
Intangible Assets, net of accumulated amortization	<u>554,595</u>
<u>577,414</u>	
Other Assets	
Marketable securities	5,510,556

6,723,518	
Other	<u>56,763</u>
<u>56,388</u>	
Total Other Assets	<u>5,567,319</u>
<u>6,779,906</u>	
Total Assets	<u>\$32,731,536</u>
<u>\$24,805,064</u>	

See Notes Consolidated to Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

November 30, <u>2002</u>	May 31, <u>2003</u>
Current Liabilities	
Accounts payable and accrued liabilities \$ 5,284,109	\$ 9,584,657
Income taxes payable <u>178,690</u>	<u>878,634</u>
Total Current Liabilities <u>5,462,799</u>	<u>10,463,291</u>
Subordinated Debentures <u>501,656</u>	<u>497,656</u>
Deferred Income Taxes <u>5,186</u>	<u>13,216</u>
Shareholders' Equity	
Preferred stock, \$1.00 par; authorized 20,000,000 shares; none issued	
Common stock, \$.01 par; authorized 15,000,000 shares; 6,592,669 and 6,440,523 shares issued and outstanding, respectively	65,927
64,405	
Class A common stock, \$.01 par; authorized 5,000,000 shares; 958,230 and 973,230 shares issued and outstanding, respectively	9,582
9,732	
Additional paid-in capital 3,832,796	3,831,424
Retained earnings 15,389,415	18,176,248
Unrealized gains (losses) on marketable	

securities	<u>32,898</u>
(<u>107,990</u>)	
	22,116,079
19,188,358	
Less: Treasury Stock (274,055 shares at May 31, 2003 and 271,155 shares at November 30, 2002, respectively)	<u>358,706</u>
<u>352,935</u>	
Total Shareholders' Equity	<u>21,757,373</u>
<u>18,835,423</u>	
Total Liabilities and Shareholders' Equity	<u>\$32,731,536</u>
<u>\$24,805,064</u>	

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Six Months Ended
	May 31, _____		_____ May 31,
	<u>2003</u>	<u>2002</u>	<u>2003</u> <u>2002</u>
Revenues			
Sales of Health and Beauty Aid Products - Net	\$17,439,253	\$13,213,844	\$29,802,038
\$23,372,230			
Other income	<u>171,597</u>	<u>98,503</u>	<u>323,994</u>
187,311			
	<u>17,610,850</u>	<u>13,312,347</u>	<u>30,126,032</u>
<u>23,559,541</u>			
Costs and Expenses			
Costs of sales	5,316,313	4,399,740	9,763,140
8,164,644			
Selling, general and administrative expenses	4,927,457	3,865,127	9,037,262
7,601,451			
Advertising, cooperative and promotions	2,633,688	2,858,396	5,356,258
5,121,922			
Research and development	202,077	138,259	431,773
228,061			
Provision for doubtful accounts	195,304	(41,801)	232,893
(146,161)			
Interest expense	<u>7,435</u>	<u>8,320</u>	<u>15,798</u>
17,235			
	<u>13,282,274</u>	<u>11,228,041</u>	<u>24,837,124</u>
<u>20,987,152</u>			
Income before Income Taxes	4,328,576	2,084,306	5,288,908
2,572,389			

Provision for Income			
Taxes	<u>1,744,481</u>	<u>866,320</u>	<u>2,131,187</u>
<u>1,054,340</u>			
Net Income	<u>\$ 2,584,095</u>	<u>\$ 1,217,986</u>	<u>\$ 3,157,721</u>
<u>\$ 1,518,049</u>			
Earnings per Share			
Basic	\$.36	\$.17	\$.44
\$.22			
Diluted	\$.34	\$.16	\$.41
\$.20			

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

Six Months Ended	Three Months Ended		
<u>May 31,</u>	<u>May 31,</u>		
<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>
Net Income	<u>\$2,584,095</u>	<u>\$1,217,986</u>	<u>\$3,157,721</u>
<u>\$1,518,049</u>			
Other Comprehensive Income			
Unrealized holding gains			
(loss) on investments	17,249	3,566	140,888
(8,449)			
Provision (Benefit) for Taxes	<u>6,971</u>	<u>1,266</u>	<u>56,758</u>
(3,362)			
Other Comprehensive			
Income (Loss) - Net	<u>10,278</u>	<u>2,300</u>	<u>84,130</u>
(5,087)			
Comprehensive Income	<u>\$2,594,373</u>	<u>\$1,220,286</u>	<u>\$3,241,851</u>
<u>\$1,512,962</u>			
Earnings per Share			
Basic	\$.36	\$.17	\$.45
\$.21			
Diluted	\$.34	\$.16	\$.42
\$.20			

See Notes to Consolidated Financial Statements.

-4-

CCA INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

Six Months Ended

May 31,

2003

2002

Cash Flows from Operating Activities:

Net income \$3,157,721

\$1,518,049

Adjustments to reconcile net income
to net cash provided by operating activities:

Depreciation and amortization 186,991

183,186

(Gain) on sale of marketable securities
and repurchase of debentures (22,758)

(3,025)

(Increase) decrease in deferred income

taxes	(42,274)
80,507	
(Increase) in accounts receivable	(2,745,195)
(2,400,695)	(Increase) decrease in inventory
(2,270,182)	320,161
(Increase) in prepaid expenses and miscellaneous receivables	(238,971)
(151,231)	
(Increase) in deferred advertising	(2,573,105)
(1,982,753)	(Increase) in other assets
(375)	-
Increase in accounts payable and accrued liabilities	4,300,548
4,251,495	Decrease in prepaid income taxes
- 220,286	
Increase in taxes payable	<u>699,944</u>
<u>519,259</u>	
Net Cash Provided by Operating Activities	<u>452,344</u>
<u>2,555,239</u>	

Cash Flows from Investing Activities:

Acquisition of property, plant and equipment	(247,732)
(136,932)	
Acquisition of intangible assets	(1,182)
(2,945)	
Proceeds of money due from officers	-
1,371	
Purchase of marketable securities	(3,623,972)
(3,387,647)	
Proceeds from sale and maturity of investments	<u>4,556,792</u>
<u>324,507</u>	
Net Cash Provided by (Used in) Investing Activities	<u>683,906</u>
(<u>3,201,646</u>)	

Cash Flows from Financing Activities:

Purchase of treasury stock	(5,771)
-	
Repurchase of outstanding debenture	-
(6,000)	
Dividends paid	(<u>370,888</u>)
=	

Net Cash (Used in) Financing Activities	(<u>376,659</u>)
(<u>6,000</u>)	
Net Increase (Decrease) in Cash	759,591
(652,407)	
Cash and Cash Equivalents at Beginning of Period	<u>1,585,647</u>
<u>2,555,938</u>	
Cash and Cash Equivalents at End of Period	\$2,345,238
\$1,903,531	
Supplemental Disclosures of Cash Flow Information:	
Cash paid during the period for:	
Interest	\$ 15,928
\$ 17,235	
Income taxes	1,460,687
324,810	

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 six month period ended May 31, 2003 are not necessarily indicative of the results that may be expected for the year ended November 30, 2003. 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, 2002.

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, CCA Online Industries, Inc., and CCA Industries Canada (2003) Inc. (incorporated February 25, 2003)], all of which are currently inactive.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation:

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

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.

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.

-7-

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	5-7 Years
Furniture and fixtures	3-10 Years
Tools, dies and masters	3 Years
Transportation equipment	5 Years

Leasehold improvements

4-10 Years or life
of lease, whichever is
shorter

Intangible Assets:

Intangible assets are stated at cost. Patents and trademarks are amortized on the straight-line method over a period of 17 years.

Financial Instruments:

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

Income Taxes:

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

Tax Credits:

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

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 weighted 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 upon shipment of merchandise. Net sales are comprised of gross sales 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 \$1,047,106 and \$695,824 as of May 31, 2003 and November 30, 2002,

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 \$1,672,134 and \$1,057,947 for the six months ended May 31, 2003 and 2002, 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 2003 presentation.

-9-

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - INVENTORIES

The components of inventory consist of the following:

	May 31, <u>2003</u>	November 30, <u>2002</u>
Raw materials	\$3,803,933	\$3,031,400
Finished goods	<u>2,209,380</u>	<u>711,731</u>
	<u>\$6,013,313</u>	<u>\$3,743,131</u>

At May 31, 2003 and November 30, 2002, the Company had a reserve for obsolescence of \$1,029,496 and \$976,788, respectively.

NOTE 5 - PROPERTY AND EQUIPMENT

The components of property and equipment consisted of the

following:

	November 30,	May 31,
	<u>2003</u>	<u>2002</u>
Machinery and equipment		\$ 102,393
\$ 97,003		
Furniture and equipment		666,085
552,615		
Transportation equipment		10,918
10,918		
Tools, dies, and masters		314,686
213,188		
Leasehold improvements		<u>250,020</u>
<u>222,646</u>		
1,344,102	1,096,370	
Less: Accumulated depreciation and amortization		<u>538,621</u>
	<u>375,631</u>	
Property and Equipment - Net		<u>\$ 805,481</u>
<u>\$ 720,739</u>		

Depreciation expense for the six months ended May 31, 2003 and 2002 amounted to \$162,990 and \$159,293, respectively.

NOTE 6 - INTANGIBLE ASSETS

Intangible assets consist of the following:

	November 30,	May 31,
	<u>2003</u>	<u>2002</u>
Patents and trademarks		\$757,730
\$756,548		
Less: Accumulated amortization		<u>203,135</u>
<u>179,134</u>		
Intangible Assets - Net		<u>\$554,595</u>
<u>\$577,414</u>		

Amortization expense for the six months ended May 31, 2003 and 2002 amounted to \$24,001 and \$23,893, respectively.

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 \$2,573,105 is accordingly reflected in the balance sheet for the interim period. This deferral is the result of the Company's media and co-op budget for the year which contemplates lower spending in the 4th quarter than in the other three quarters.

The table below sets forth the calculation:

	May 2002	May 2003
<u>2002</u>		<u>2003</u>
		(In Millions)
(In Millions)		
Media advertising budget for the fiscal year	\$7.50	<u>\$8.00</u>
Pro-rata portion for six months	\$3.75	\$4.00
Media advertising spent	<u>5.14</u>	<u>5.52</u>
Accrual (deferral)	<u>(\$1.39)</u>	<u>(\$1.52)</u>
Anticipated Co-op advertising commitments	<u>\$4.00</u>	<u>\$5.00</u>
Pro-rata portion for six months	\$2.00	\$2.50
Co-op advertising spent	<u>2.59</u>	<u>3.55</u>
Accrual (deferral)	<u>(\$.59)</u>	<u>(\$1.05)</u>

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, <u>2003</u> (In Thousands)	November 30, <u>2002</u> (In Thousands)
a) Vacation accrual	\$ *	\$ 320
a) Media advertising	1,100	*
b) Coop advertising	1,755	804
c) Accrued returns	1,110	878
d) Accrued bonuses	<u>739</u>	<u>467</u>
	\$4,704	\$2,469

* under 5%

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

-11-

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 - OTHER INCOME

Other income consists of the following at May 31:

	<u>2003</u>	<u>2002</u>
Interest and dividend income	\$241,556	\$156,522
Royalty income	58,699	27,480
Miscellaneous	<u>23,739</u>	<u>3,309</u>
	<u>\$323,994</u>	<u>\$187,311</u>

NOTE 10 - NOTES PAYABLE AND SUBORDINATED DEBENTURES

The Company has an available line of credit of \$7,000,000. Interest is calculated on the outstanding balance at prime minus 1% or Libor plus 150 basis points. The line of credit is collateralized by all the Company's assets. The Company was not utilizing their available credit line at May 31, 2003 or November 30, 2002.

On August 1, 2000, the Company repurchased (pursuant to a tender offer) 278,328 shares of its outstanding common stock by issuing subordinated debentures equal to \$2 per share, which accrue interest at 6% and are due to mature on August 1, 2005. The interest is payable semi-annually.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Litigation

The Company has been named as a defendant in 10 lawsuits alleging that the plaintiffs were injured as a result of their purchasing and ingesting a diet suppressant containing phenylpropanolamine (PPA), which the Company utilized as its active ingredient in its products prior to November 2000. The lawsuits brought against the Company are for unspecified amounts of compensatory and exemplary damages.

The Company is insured for three of the 10 cases. CCA has not renewed the product liability policy covering possible additional lawsuits that might commence against the Company in connection with PPA. Outside counsel has advised CCA that as a general matter the PPA cases are defensible, and the Company plans to vigorously defend its positions. However, there can be no assurances the current PPA litigations will not have a material adverse effect on the Company's operations.

Dividends

In January 2003, the Company announced its first dividend of \$0.12 per share payable to all holders of the Company's common stock, \$0.06 payable to shareholders of record on April 1, 2003 and \$0.06 payable to shareholders of record on November 1, 2003.

-12-

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 investments at May 31, 2003 and November 30, 2002 were as follows:

<u>2002</u>	<u>May 31, 2003</u>		<u>November 30,</u>
Current: MARKET	COST	MARKET	COST
Corporate obligations	\$ 2,276,900	\$ 2,295,389	\$2,066,040
	\$ 2,071,603		
Government obligations (including mortgage backed securities)	1,287,751	1,305,154	1,330,345
1,314,604			
Common stock	202,452	210,482	-
-			
Mutual funds	<u>174,573</u>	<u>108,307</u>	<u>169,589</u>
<u>93,337</u>			
Total	<u>3,941,676</u>	<u>3,919,332</u>	<u>3,565,974</u>
<u>3,479,544</u>			
Non-Current:			
Corporate obligations	1,875,000	1,880,588	1,025,806
1,016,715			
Government obli- gations	2,650,819	2,652,268	4,867,627
4,848,293			
Preferred stock	829,495	877,700	751,645
758,510			
Other equity invest- ments	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
<u>100,000</u>			
Total	<u>5,455,314</u>	<u>5,510,556</u>	<u>6,745,078</u>
<u>6,723,518</u>			
Total	<u>\$ 9,396,990</u>	<u>\$ 9,429,888</u>	<u>\$10,311,052</u>
<u>\$10,203,062</u>			

CCA INDUSTRIES, INC. AND

SUBSIDIARIES

NOTES TO CONSOLIDATED

FINANCIAL STATEMENTS

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

The market value at May 31, 2003 was \$9,429,888 as compared to \$10,203,062 at November 30, 2002. The gross unrealized gains and losses were \$149,190 and (\$116,292) for May 31, 2003 and \$58,411 and (\$166,401) for November 30, 2002, respectively. The cost and market values of the investments at May 31, 2003 were as follows:

COL. A	COL. B
COL. C	COL. D
COL. E	

Market	Each Portfolio	Amount at Which	
		Number of	Value of
Issues and Each	Of Equity Security Units-Principal		Amount of
Each Issue	Other Security		
Name of Issuer and Cost of	Maturity at Balance	Interest Issue Carried in	Bonds and
<u>Title of Each Issue</u>	<u>Date</u>	<u>Rate</u>	<u>Notes</u>
<u>Each Issue</u>	<u>Sheet Date</u>	<u>Balance Sheet</u>	

CORPORATE OBLIGATIONS:

GMAC Smartnotes	10/15/03	4.600%	250,000
	\$ 250,000	\$ 252,375	\$ 252,375
GMAC Smartnotes	10/15/03	4.750	325,000
	325,000	328,240	328,240
GMAC Smartnotes	6/15/03	4.750	300,000
	300,000	300,273	300,273
GMAC Smartnotes	7/15/03	4.650	200,000
	200,000	200,648	200,648
GMAC Smartnotes	8/15/03	4.250	499,000
	499,000	501,330	501,330
GMAC Smartnotes	5/15/04	4.250	250,000
	250,000	253,738	253,738

GMAC Smartnotes	5/15/05	5.000	175,000
	175,000	179,272	179,272
GMAC Smartnotes	8/15/04	2.650	250,000
	250,000	249,048	249,048
GMAC Smartnotes	5/15/06	4.050	400,000
	400,000	398,152	398,152
Household Finance Corp. Internotes	5/15/04	4.250	250,000
	250,000	255,585	255,585
International Business Machines	9/22/03	5.370	100,000
	102,040	101,211	101,211
Colgate-Palmolive	12/1/03	5.270	100,000
	100,860	101,989	101,989
Ford Motor Credit	5/22/06	4.750	250,000
	250,000	249,900	249,900
CIT Group Inc.	1/15/06	4.000	200,000
	200,000	205,758	205,758
CIT Group Inc.	3/15/05	3.200	100,000
	100,000	101,312	101,312
GE Capital Group Internotes	2/15/06	2.450	250,000
	250,000	251,228	251,228 Sears
Roebuck Acceptance Corp.	5/15/06	3.500	250,000
	<u>250,000</u>	<u>245,918</u>	<u>245,918</u>
	<u>4,151,900</u>	<u>4,175,977</u>	<u>4,175,977</u>

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED

FINANCIAL STATEMENTS

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

COL. A		COL. C COL. E		COL. B COL. D
	Amount at Which			
	Each Portfolio			Number of
Market	Of Equity Security			Units-Principal
Value of	Issues and Each			Amount of
Each Issue	Other Security		Interest	Bonds and
Name of Issuer and	Maturity	at Balance	Issue Is Carried in	Notes
Cost of	Date	Sheet	Rate	
<u>Title of Each Issue</u>	<u>Date</u>	<u>Sheet</u>	<u>Rate</u>	<u>Notes</u>
<u>Each Issue</u>	<u>Sheet</u>	<u>Date</u>	<u>Balance Sheet</u>	
GOVERNMENT OBLIGATIONS:				
FHLB	9/15/03		5.125	255,000
	266,200		257,869	257,869
FHLMC	2/27/07		2.000	100,000
	100,000		100,219	100,219
FHLMC	11/15/17		4.250	200,000
	200,000		201,312	201,312
FHLMC	2/27/12		4.000	225,000
	225,000		228,587	228,587
FHLMC	10/15/09		3.000	250,000
	250,000		251,173	251,173
FHLMC	11/15/09		3.000	250,000
	250,000		252,575	252,575
FNMA	8/15/12		4.000	250,000
	250,000		256,798	256,798
FHLMC	1/30/06		2.000	250,000
	250,000		251,328	251,328

Tennessee Valley Authority			
Power Bonds	5/1/29	6.500	26,000
	688,530	699,140	699,140
Tobacco Settlement Fin			
Corp. N	6/1/15	5.000	200,000
	198,500	176,542	176,542
NJ EDA Trans Sublease RV			
Lightrail 199A FSA	5/1/04	5.000	300,000
	317,444	310,812	310,812
Port Authority NY & NJ			
Cons 88 th SR BE	10/1/04	4.500	225,000
	238,789	234,594	234,594
CLOSED END MUNICIPAL BONDS/MUTUAL FUNDS:			
Muniyield New Jersey Insd Frd Inc.			6,500
	96,905	101,855	101,855
Muniholdings New Jersey Insd FD Inc.			6,900
	94,549	104,535	104,535
Nuveen New Jersey Invt Quality Municipal Fund			6,200
	95,162	98,704	98,704
Nuveen New Jersey Prem Inc Municipal Fund			5,200
	78,639	83,356	83,356
Van Kamp Amer Cap Inv Gr NJ			4,800
	80,502	85,680	85,680
Blackrock New Jersey Municipal Inc.			6,000
	87,989	87,840	87,840
Eaton Vance New Jersey Municipal Inc.			5,600
	85,506	87,920	87,920
Nuveen New Jersey Dividend Advantage			5,700
	<u>84,855</u>	<u>86,583</u>	<u>86,583</u>
	<u>3,938,570</u>	<u>3,957,422</u>	<u>3,957,422</u>

SUBSIDIARIES

CCA INDUSTRIES, INC. AND

FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED

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

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

EQUITY:

Preferred Stock:

Public Income NTS			
General Electric Cap Corp.	11/15/32	6.10%	14,800
	\$ 379,495	\$ 387,020	\$ 387,020
Merrill Lynch Trust	9/30/08	7.28	6,000
	150,000	163,680	163,680
Corporate Backed Trust			
Certificates For AIG			
Sun America	5/17/07	6.70	6,000
	150,000	162,000	162,000
Corporate Backed Trust			
Certificates For Bristol			
Myers Squibb	5/23/07	6.80	6,000
	<u>150,000</u>	<u>165,000</u>	<u>165,000</u>

	<u>829,495</u>	<u>877,700</u>	<u>877,700</u>
Common Stock:			
DTE Energy Co.			1,200
	51,649	51,996	51,996
Consolidated Edison Inc.			1,300
	51,558	55,887	55,887
Progress Energy Inc.			1,000
	48,000	47,050	47,050
Public Service Enterprise Group			1,300
	<u>51,245</u>	<u>55,549</u>	<u>55,549</u>
	<u>202,452</u>	<u>210,482</u>	<u>210,482</u>
Other Equity Investments:			
Aberdeen Asia Pacific Income Fund			
	100,000	100,000	100,000
Dreyfus Premier Limited Term High Income CL B			15,628.688
	<u>174,573</u>	<u>108,307</u>	<u>108,307</u>
	<u>274,573</u>	<u>208,307</u>	<u>208,307</u>
	<u>\$ 9,396,990</u>	<u>\$ 9,429,888</u>	<u>\$ 9,429,888</u>

-16-

CCA INDUSTRIES, INC.

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

(UNAUDITED)

For the three month period ending May 31, 2003, the Company had revenues of \$17,610,850 and net income of \$2,584,095 after a provision for taxes of \$1,744,481. Last year, for the May 31 quarter, the Company had \$13,312,347 of revenue and net income of \$1,217,986. This represents a 32% and 112% improvement for revenues and net income, respectively. Gross margins improved from 66.7% to 69.5%. This was primarily due to economies of scale derived as a result of the higher sales volume. Selling, general and

administrative (SG&A) expenses increased to \$4,927,457 from \$3,865,127 as a result of an increase in staff.

For the three month period ending May 31, 2003, advertising, cooperative and promotional allowance expenditures were \$2.63 million. Last year, for the same three-month period ending May 31, 2002, they were \$2.86 million. Advertising expenditures were 15.1% of sales compared to 21.6% 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 \$1.5 million for media expense and \$1.1 million for co-op expenditures for the six month period is reflected in the balance sheet. The Company deferred \$1.4 million of media costs in the prior year for the six-month period. The deferral is the result of the Company's current \$8.0 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 \$5 million for the year. Specifically, the Company spent \$5.5 million for media advertising in the six months and \$3.6 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, 2003, the Company had revenue of \$30,126,032 and a net income of \$3,157,721 after a provision for income taxes of \$2,131,187. In the prior year's period, the Company had revenues of \$23,559,541 and net income of \$1,518,049 after a provision for income taxes of \$1,054,340. Gross profit margins for the six month period ending May 31, 2003 increased from 65.1% in the prior year to 67.2%.

-17-

For the six month period ended May 31, 2003, advertising, cooperative and promotional allowance expenditures were \$5,356,258 as compared to \$5,121,922 for the six month period ending May 31, 2002. This is primarily due to an estimated increase in the national advertising budget from \$7.5 million to \$8 million annually. Advertising expenditures were 18.0% of sales vs. 21.9% last year.

For the six month period ending May 31, 2003, research and development

expenses were \$431,773 compared to \$228,061 last year.

The Company's financial position as of May 31, 2003 consists of current assets of \$25,804,141 and current liabilities of \$10,463,291. In addition, shareholders' equity increased from \$18,835,423 at November 30, 2002 to \$21,757,373 at May 31, 2003 primarily due to net income earned during the period.

The Company generated \$450,000 in cash from operations due to the six month net income of \$3.16 million, a \$4.3 million increase in accounts payable, and a \$700,000 net increase in income taxes due. Cash decreased due to an inventory increase of \$2.3 million, an increase in the Company's accounts receivable of \$2.7 million and an increase in deferred advertising of \$2.6 million. Both increases in deferred advertising and accounts receivable are "normal" seasonal increases.

The \$450,000 cash generated by operations, however, was used to pay dividends of \$371,000 and for the acquisition of computer equipment of \$114,000 and other fixed assets of \$134,000. The Company received net proceeds from the purchases and sales of marketable securities of \$930,000, leaving the Company with a net increase in its cash position of approximately \$760,000.

CCA INDUSTRIES, INC.

PART II OTHER INFORMATION

Additional Exhibits

Certifications of Chief Executive Officer and Chief Financial Officer
Pursuant to Title 18, United States Code, Section 1350, as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002.

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 six months
ended May 31, 2003.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE

(UNAUDITED)

	Three Months Ended Ended May 31,		Six Months May 31,
	<u>2003</u> <u>2002</u>	<u>2002</u>	<u>2003</u>
<u>Item 6.</u>			
Weighted average shares outstanding			
- Basic	7,215,128	7,045,557	7,178,242
	7,045,557		
Net effect of dilutive stock options--based on the treasury stock method using average market price	<u>439,401</u>	<u>533,691</u>	<u>463,918</u>
	<u>547,560</u>		
Weighted average shares outstanding - Diluted	<u>7,654,529</u>	<u>7,579,248</u>	<u>7,642,160</u>
	<u>7,593,117</u>		
Net income	<u>\$2,584,095</u>	<u>\$1,217,986</u>	<u>\$3,157,721</u>
	<u>\$1,518,049</u>		
Earnings per Share			
Basic	\$.36	\$.17	\$.44
\$.22			
Diluted	\$.34	\$.16	\$.41
\$.20			

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

CERTIFICATIONS

I, David Edell, certify that:

I have reviewed this quarterly report on Form 10-Q of CCA Industries, Inc.;

Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

/s/

David Edell

Chief Executive Officer

I, John Bingman, certify that;

I have reviewed this quarterly report on Form 10-Q of CCA Industries, Inc.;

Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the

registrant as of, and for, the periods presented in this quarterly report.

/s/

John Bingman

Treasurer - Chief Financial Officer

-22-

I, Ira Berman, certify that;

I have reviewed this quarterly report on Form 10-Q of CCA Industries, Inc.;

Based on my knowledge, this quarterly report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

/s/

Ira Berman

Chairman and Secretary

