

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, 2002

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)

(21) 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 - 6,026,427 shares as of August 31, 2002

Class A Common Stock, \$.01 Par Value - 973,230 shares as of
August 31, 2002

CCA INDUSTRIES, INC. AND SUBSIDIARIES

INDEX

Page Number

PART I FINANCIAL INFORMATION:

Consolidated Balance Sheets as of August 31, 2002 and November 30, 2001	1-2
Consolidated Statements of Operations for the three months and nine months ended August 31, 2002 and 2001	3
Consolidated Statements of Comprehensive Income for the three months and nine months ended August 31, 2002 and 2001	4
Consolidated Statements of Cash Flows for the nine months ended August 31, 2002 and 2001	5-6
Notes to Consolidated Financial Statements	7-16
Report of Independent Accountants	17
Management's Discussion and Analysis of Results of Operations and Financial Condition	18-19
PART II OTHER INFORMATION AND REPORTS ON FORM 8-K	20-21
SIGNATURES	22
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.....	23-24

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and
Shareholders of CCA Industries, Inc.

We have reviewed the accompanying consolidated balance sheet of CCA Industries, Inc. (the "Company") and its subsidiaries as of August 31, 2002, and the related consolidated statements of income for the three months and nine months ended August 31, 2002 and August 31, 2001, respectively, and the consolidated statements of cash flows for the nine months ended August 31, 2002 and August 31, 2001. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet as of November 30, 2001, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended (not presented herein), and in our report dated February 1, 2002, we express an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of November 30, 2001, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

Sheft Kahn & Company LLP

September 30, 2002
Jericho, NY

-17-

CCA INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

A S S E T S

	August 31, <u>2002</u>	November 30, <u>2001</u>
Current Assets		
Cash and cash equivalents	\$ 2,007,441	\$ 2,555,938
Short-term investments and marketable securities	969,085	355,345
Accounts receivable, net of allowances of \$1,268,199 and \$1,295,085, respectively	5,866,051	4,464,991
Inventories	4,542,378	4,783,530
Prepaid expenses and sundry receivables	271,315	401,403
Deferred income taxes	1,493,561	1,617,403
Prepaid income taxes and refunds due	1,703	221,989
Deferred advertising	<u>944,111</u>	<u>-</u>
Total Current Assets	<u>16,095,645</u>	<u>14,400,599</u>
Property and Equipment, net of accumulated depreciation and amortization	<u>685,090</u>	<u>482,261</u>
Intangible Assets, net of accumulated amortization of \$167,167 at August 31, 2002 and \$131,323 at November 30, 2001	<u>586,035</u>	<u>618,933</u>
Other Assets		
Marketable securities	8,069,613	4,979,758
Due from officers - Non-current	18,528	20,598
Deferred income taxes	37,298	40,105
Other	<u>56,663</u>	<u>56,663</u>
Total Other Assets	<u>8,182,102</u>	<u>5,097,124</u>
Total Assets	<u>\$25,548,872</u>	<u>\$20,598,917</u>

See Notes Consolidated to Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

<u>2002</u>	<u>August 31, 2001</u>	November 30,
Current Liabilities		
Accounts payable and accrued liabilities	\$ 6,579,300	\$ 4,154,256
Income taxes payable	<u>351,490</u>	<u>9,366</u>
Total Current Liabilities	<u>6,930,790</u>	<u>4,163,622</u>
Subordinated Debentures (due August 1, 2005)	<u>502,656</u>	<u>510,656</u>
Shareholders' Equity		
Preferred stock, \$1.00 par; authorized 20,000,000 shares; none issued	-	-
Common stock, \$.01 par; authorized 15,000,000 shares; issued 6,290,523 and 6,242,823 shares, respectively	62,905	62,428
Class A common stock, \$.01 par; authorized 5,000,000 shares; issued and outstanding 973,230 and 1,020,930 shares, respectively	9,732	10,209
Additional paid-in capital	3,834,296	3,834,296
Retained earnings	14,555,932	12,315,062
Unrealized (losses) on marketable securities	(<u>12,274</u>)	(<u>50,151</u>)
	18,450,591	16,171,844
Less: Treasury Stock (264,096 and 218,196 shares at August 31, 2002 and November 30, 2001, respectively)	<u>335,165</u>	<u>247,205</u>
Total Shareholders' Equity	<u>18,115,426</u>	<u>15,924,639</u>
Total Liabilities and Shareholders' Equity	<u>\$25,548,872</u>	<u>\$20,598,917</u>

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2002	2001	2002	2001
Revenues				
Sales of Health and Beauty Aid Products - Net	\$11,391,258	\$10,024,875	\$34,763,488	\$32,909,282
Other income	<u>120,056</u>	<u>89,322</u>	<u>307,367</u>	<u>247,483</u>
	<u>11,511,314</u>	<u>10,114,197</u>	<u>35,070,855</u>	<u>33,156,765</u>
Costs and Expenses				
Costs of sales	3,559,990	3,368,589	11,724,634	11,984,999
Selling, general and administrative expenses	4,039,125	3,515,497	11,640,576	10,416,917
Advertising, cooperative and promotions	2,536,666	2,480,549	7,658,588	7,094,442
Research and development	184,203	238,498	412,264	578,718
Provision for doubtful accounts	6,287	(25,982)	(139,874)	88,691
Interest expense	<u>8,688</u>	<u>11,715</u>	<u>25,923</u>	<u>62,916</u>
	<u>10,334,959</u>	<u>9,588,866</u>	<u>31,322,111</u>	<u>30,226,683</u>
Income before Provision for Income Taxes	1,176,355	525,331	3,748,744	2,930,082
Provision for Income Taxes		<u>453,533</u>	<u>221,206</u>	<u>1,507,873</u>
<u>1,151,331</u>				
Net Income	<u>\$ 722,822</u>	<u>\$ 304,125</u>	<u>\$ 2,240,871</u>	<u>\$ 1,778,751</u>
Earnings per Share				
Basic	<u>\$.10</u>	<u>\$.04</u>	<u>\$.32</u>	<u>\$.26</u>
Diluted	<u>\$.10</u>	<u>\$.04</u>	<u>\$.30</u>	<u>\$.24</u>

See Notes to Consolidated Financial Statements.

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

	2002	Three Months Ended August 31, <u>2001</u>	2002	Nine Months Ended August 31, <u>2001</u>
Net Income	<u>\$ 722,822</u>	<u>\$ 304,125</u>	<u>\$2,240,871</u>	<u>\$1,778,751</u>
Other Comprehensive Income				
Unrealized holding gains (loss) on investments	46,326	3,248	37,877	38,083
Provision for Taxes	<u>18,591</u>	<u>1,367</u>	<u>15,229</u>	<u>14,963</u>
Other Comprehensive Income - Net	<u>27,735</u>	<u>1,881</u>	<u>22,648</u>	<u>23,120</u>
Comprehensive Income	<u>\$ 750,557</u>	<u>\$ 306,006</u>	<u>\$2,263,519</u>	<u>\$1,801,871</u>
Earnings Per Share:				
Basic	<u>\$.11</u>	<u>\$.04</u>	<u>\$.32</u>	<u>\$.26</u>
Diluted	<u>\$.10</u>	<u>\$.04</u>	<u>\$.30</u>	<u>\$.24</u>

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND

SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

Nine Months	Ended August 31, <u>2002</u>	Ended August 31, <u>2001</u>
Cash Flows from Operating Activities:		
Net income	\$2,240,871	\$1,778,751
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	275,175	289,201
Loss on sale of marketable securities	437	5,792
Decrease (increase) in deferred income taxes	126,650	(2,284)
(Increase) decrease in accounts receivable - Net	(1,401,060)	753,929
Decrease in inventory	241,152	97,485
Decrease in prepaid expenses and miscellaneous receivables	130,086	109,694
(Increase) in deferred advertising	(944,111)	(734,110)
Increase in accounts payable and accrued liabilities	2,425,044	980,946
Increase in taxes payable	342,124	76,096
(Increase) in security deposits	-	(1,221)
Decrease in prepaid income taxes and refunds due	<u>220,286</u>	<u>687,756</u>
Net Cash Provided by Operating Activities	<u>3,656,654</u>	<u>4,042,035</u>
Cash Flows from Investing Activities:		
Acquisition of property, plant and equipment	(442,160)	(24,292)
Acquisition of intangible assets	(2,946)	(24,029)
Proceeds of money due from officers	2,070	267
Purchase of marketable securities	(4,997,568)	(4,458,073)
Proceeds from sale and maturity of investments	<u>1,329,413</u>	<u>4,009,654</u>
Net Cash (Used in) Investing Activities	<u>(4,111,191)</u>	<u>(496,473)</u>
Cash Flows from Financing Activities:		
Payment on debt	-	(1,500,000)
Purchase of treasury stock	(87,960)	(70,973)
Repurchase of outstanding debentures	<u>(6,000)</u>	<u>(23,000)</u>
Net Cash (Used in) Financing Activities	<u>(93,960)</u>	<u>(1,593,973)</u>
Net (Decrease) Increase in Cash	(548,497)	1,951,589
Cash at Beginning of Period	<u>2,555,938</u>	<u>804,508</u>
Cash at End of Period	<u>\$2,007,441</u>	<u>\$2,756,097</u>

See Notes to Consolidated Financial Statements.

-5-

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

	Nine Months Ended August 31, <u>2002</u>	Nine Months Ended August 31, <u>2001</u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest	\$ 33,628	\$ 68,865
Income taxes	913,748	495,667
<u> </u>		

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, 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 manufactured and distributed 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 subsidiary is no longer reflected in the financial statements. All significant inter-company 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.

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.

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

Intangible Assets:

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

Financial Instruments:

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

Income Taxes:

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

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 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. On March 30, 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 \$410,707 and \$391,806 as of August 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 \$1,605,771 and \$1,873,027 for the nine months ended August 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.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - INVENTORIES

The components of inventory consist of the following:

	August 31, <u>2002</u>	November 30, <u>2001</u>
Raw materials		\$3,209,418
Finished goods		\$2,225,814
	<u>\$5,402,090</u>	<u>2,192,672</u>
		<u>3,610,432</u>
		<u>\$5,836,246</u>

At August 31, 2002 and November 30, 2001, the Company had a reserve for obsolescence of \$859,712 and \$1,052,716, respectively.

NOTE 5 - PROPERTY AND EQUIPMENT

The components of property and equipment consisted of the following:

	August 31, <u>2002</u>	November 30, <u>2001</u>
Machinery and equipment	\$ 175,266	\$ 168,421
Furniture and equipment	1,011,529	741,414
Transportation equipment	10,918	10,918
Tools, dies, and masters	607,655	550,825
Leasehold improvements		<u>270,653</u>
	<u>2,076,021</u>	<u>1,633,861</u>
Less: Accumulated depreciation and amortization	<u>1,390,931</u>	<u>1,151,600</u>
Property and Equipment - Net	<u>\$ 685,090</u>	<u>\$ 482,261</u>

Depreciation expense for the nine months ended August 31, 2002 and 2001 amounted to \$239,331 and \$253,933, respectively.

NOTE 6 - INTANGIBLE ASSETS

Intangible assets consist of the following:

	August 31, <u>2002</u>	November 30, <u>2001</u>
Patents and trademarks	\$753,202	\$750,256
Less: Accumulated amortization	<u>167,167</u>	<u>131,323</u>
Intangible Assets - Net	<u>\$586,035</u>	<u>\$618,933</u>

Amortization expense for the nine months ended August 31, 2002 and 2001 amounted to \$35,844 and \$35,268, respectively.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - DEFERRED ADVERTISING

In accordance with APB 28 Interim Financial Reporting the Company

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The table below sets forth the calculation:

	August <u>2002</u> (In Millions)	August <u>2001</u> (In Millions)
Media advertising budget for the fiscal year	<u>\$7.50</u> <u>\$6.50</u>	
Pro-rata portion for nine months	\$5.63 \$4.88	
Media advertising spent	<u>6.40</u>	<u>5.44</u>
Accrual (deferral)	<u>(\$0.77)</u>	<u>(\$0.56)</u>
Anticipated Co-op advertising commitments	<u>\$4.00</u> <u>\$4.00</u>	
Pro-rata portion for nine months	\$3.00	\$3.00
Co-op advertising spent	<u>3.17</u>	<u>3.17</u>
Accrual (deferral)	<u>(\$0.17)</u>	<u>(\$0.17)</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:

	August 31, <u>2002</u> (In Thousands)	November 30, <u>2001</u> (In Thousands)
a) Media advertising	\$ 903	\$ 424
b) Coop advertising	1,430	392
c) Accrued returns	814	301
d) Accrued bonuses	537	510
e) Vacation accrual	<u>* 254</u>	
	<u>\$3,684</u>	<u>\$1,881</u>

* under 5%

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

-12-

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 - OTHER INCOME

Other income consists of the following at August 31:

	<u>2002</u>	<u>2001</u>
Interest income	\$256,047	\$196,143
Dividend income	9,352	12,644
Miscellaneous	<u>41,968</u>	<u>38,696</u>
	<u>\$307,367</u>	<u>\$247,483</u>

NOTE 10 - SUBORDINATED DEBENTURES

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 - 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 August 31, 2002 and November 30, 2001 were as follows:

30,		August 31,		November	
		2002		2001	
	Current:	COST	MARKET	COST	MARKET
	Corporate obligations	\$ 390,000	\$ 393,761	\$ -	-
	Mutual funds	\$ 167,646	92,508	159,805	107,015
	Government obligations (including mortgage backed securities)	473,714	482,816	247,330	248,330
	Total	1,031,360	969,085	407,135	355,345
	<u>Non-Current:</u>				
	Corporate obligations	2,701,846	2,706,418	2,416,846	2,434,080
	Government obli- gations	4,455,367	4,487,575	2,311,273	2,294,058
	Preferred stock	762,399	775,620	150,000	151,620
	Other equity investments	100,000	100,000	100,000	100,000
	Total	8,019,612	8,069,613	4,978,119	4,979,758
	Total	\$9,050,972	\$9,038,698	\$5,385,254	\$5,335,103

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (CONTINUED)

The market value at August 31, 2002 was \$9,038,698 as compared to \$5,335,103 at November 30, 2001. The gross unrealized gains and losses were \$82,517 and (\$94,791) for August 31, 2002 and \$35,542 and (\$85,693) for November 30, 2001. The cost and market values of the investments at August 31, 2002 were as follows:

COL. A			COL. B	COL. C	COL. D	COL. E
			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
<u>Name of Issuer and Title of Each Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>				
CORPORATE OBLIGATIONS:						
GMAC Smartnotes	10/15/03	4.600%	250,000	\$ 250,000	\$ 251,063	\$ 251,063
GMAC Smartnotes	10/15/03	4.750	325,000	325,000	326,879	326,879
GMAC Smartnotes	1/15/03	5.550	250,000	250,000	252,173	252,173
GMAC Smartnotes	2/15/03	5.750	140,000	140,000	141,588	141,588
GMAC Smartnotes	6/15/03	4.750	300,000	300,000	302,955	302,955
GMAC Smartnotes	7/15/03	4.650	200,000	200,000	201,760	201,760
GMAC Smartnotes	8/15/03	4.250	499,000	499,000	500,667	500,667
GMAC Smartnotes	5/15/04	4.250	250,000	250,000	248,108	248,108
GMAC Smartnotes	5/15/05	5.000	175,000	175,000	174,479	174,479
Household Finance Corp. Internotes	5/15/04	4.250	250,000	250,000	247,810	247,810
International Business Machines	9/22/03	5.370	100,000	102,040	102,872	102,872
Colgate-Palmolive	12/1/03	5.270	100,000	100,860	103,259	103,259
Ford Motor Credit	3/20/04	6.125	245,000	<u>249,946</u>	<u>246,566</u>	<u>246,566</u>
				<u>3,091,846</u>	<u>3,100,179</u>	<u>3,100,179</u>

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

COL. A			COL. B	COL. C	COL. D	COL. E	
<u>Name of Issuer and Title of Each Issue</u>		<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Number of Amount of Bonds and Notes</u>	<u>Cost of Each Issue</u>	<u>Market Each Issue at Balance Sheet Date</u>	<u>Amount at Which Of Equity Security Other Security Issue Carried in Balance Sheet</u>
GOVERNMENT OBLIGATIONS:							
FHLMC 1628-N	12/15/2023	6.500%	11,055	\$ 10,493	\$ 11,331	\$ 11,331	
FHLB	9/15/2003	5.125	255,000	266,200	263,925	263,925	
FHLMC	6/27/06	3.500	200,000	200,000	200,038	200,038	
US Treasury Bill	11/7/2002	1.660	75,000	74,517	74,765	74,765	
US Treasury Note	11/15/2003	4.250	200,000	199,891	203,817	203,817	
US Treasury Note	11/15/2003	4.250	250,000	250,169	259,404	259,404	
FNMA	11/6/2009	4.250	250,000	250,000	252,350	252,350	
FNMA	11/6/2009	4.250	500,000	500,000	504,700	504,700	
FHLMC	2/27/12	4.000	225,000	225,000	225,169	225,169	
FNMA	9/15/04	3.500	250,000	249,805	255,938	255,938	
FHLMC	12/6/05	4.600	225,000	225,000	225,070	225,070	
FNMA Global	10/15/06	4.375	200,000	199,559	208,250	208,250	
FNMA	2/24/05	4.100	200,000	200,000	201,876	201,876	
FNMA	5/20/05	3.500	200,000	200,000	200,746	200,746	
FNMA	11/15/05	4.250	200,000	200,000	202,344	202,344	
FNMA	5/16/06	4.000	200,000	200,000	200,044	200,044	
FNMA	8/15/12	4.000	250,000	249,200	249,200	249,200	
Tobacco Settlement Fin Corp. N	6/1/2015	5.000	200,000	198,500	194,588	194,588	
NJ EDA Trans Sublease RV Lightrail 199A FSA	5/1/2004	5.000	300,000	317,444	316,593	316,593	
Port Authority NY & NJ Cons 88 th SR BE	10/1/2004	4.500	225,000	238,789	237,427	237,427	
Muniyield NJ Insd Frd Inc.			5,500	81,350	84,535	84,535	
Muniholdings NJ Insd FD Inc.			5,900	79,896	84,547	84,547	
Nuveen NJ Invt Quality Mun Fd			5,200	79,507	80,444	80,444	
Nuveen NJ Invt Prem Inc Mun Fd			5,200	78,639	80,340	80,340	
Van Kamp Amer Cap Inv Gr NJ			4,800	80,502	81,600	81,600	
Blackcock NJ Municipal Inc.			5,500	73,820	71,350	71,350	
				<u>4,929,081</u>	<u>4,970,391</u>	<u>4,970,391</u>	

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

COL. A			COL. B		COL. C	COL. D	COL. E
			Number of Units-Principal Amount of			Market Value of Each Issue	Amount at Which Of Equity Security Issues and Each Other Security at Balance
Name of Issuer and Issue Carried in <u>Sheet Date</u>		Maturity Title of Each Issue <u>Balance Sheet</u>	Interest <u>Date</u>		Bonds and <u>Rate</u>	Cost of <u>Notes</u>	<u>Each Issue</u>
EQUITY:							
Preferred Stock:							
Merrill Lynch Trust	9/30/08	7.28%	6,000	\$ 150,000	\$ 152,520	\$ 152,520	
Tennessee Valley Auth Ser A	5/1/29	6.50	8,000	207,954	211,040	211,040	
Tennessee Valley Auth Ser A	5/1/29	6.50	4,000	104,445	105,520	105,520	
Corporate Backed Trust Certificates For AIG Sun America	5/17/07	6.70	6,000	150,000	153,600	153,600	
Corporate Backed Trust Certificates For Bristol Myers Squibb	5/23/07	6.80	6,000	<u>150,000</u>	<u>152,940</u>	<u>152,940</u>	
				<u>762,399</u>	<u>775,620</u>	<u>775,620</u>	
Other Equity Investments:							
Aberdeen Asia Pacific Income Fund				100,000	100,000	100,000	
Dreyfus Premier Limited Term High Income CL B			14,545.218	<u>167,646</u>	<u>92,508</u>	<u>92,508</u>	
				<u>267,646</u>	<u>192,508</u>	<u>192,508</u>	

CCA INDUSTRIES, INC.

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

(UNAUDITED)

For the three month period ended August 31, 2002, the Company had revenues of \$11,511,314 and net income of \$722,822 after a provision of taxes of \$453,533. This represents a 13.8% and 138.7% increase in revenue and net income, respectively, compared to the prior year. Sales returns and allowances have remained the same. Gross margins increased from 66.4% to 68.7%. Selling, general and administrative (SG&A) expenses increased from \$3.5 million to \$4.0 million. In November 2001, in accordance with GAAP, the Company reclassified certain advertising expenditures as a reduction of sales rather than an advertising expense. As a result, last year's quarter and year-to-date ending August 31, 2001 have been reclassified to reflect the adoption of EITF 90-16 GAAP standard.

For the three month period ending August 31, 2002, advertising, cooperative and promotional allowances increased to \$2.54 million from \$2.48 million for the quarter ended August 31, 2001. Because sales increased, advertising expenditures decreased to 22.3% of sales compared to 24.7% last year. Since both co-op advertising and promotional commitments 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 Interim Financial Reporting, the Company expenses its advertising and related costs proportionately over the interim periods based on its total expected per its various advertising programs. Consequently, a deferral of \$774,000 media expense and \$170,000 for co-op is reflected in the balance sheet. This deferral will be fully expensed by year-end. The deferral is the result of the Company's current \$7.5 million media budget and \$4.0 million co-op for the entire year, which is predicated on substantially lower spending in the third and fourth quarters. Specifically for the nine months period, the Company spent approximately \$6.4 million for media advertising and \$3.2 million for co-op advertising.

For the nine month period ended August 31, 2002, the Company had revenue of \$35,070,855 and a net income of \$2,240,871 after a provision of income taxes of \$1,507,873. In the prior year's period, the Company had revenues of \$33,156,765 and net income of \$1,778,751 after a provision for income taxes of \$1,151,331. This represents a revenue increase of 5.8% and a net income increase of 26%. Gross margins increased from 63.6% last year to 66.3% as a result of more efficient cost controls.

Advertising, co-op and promotional expenditures were \$7,658,588 as compared to \$7,094,442 for the prior nine-month period. Advertising expenditures were 22% of sales as compared to 21.6% last year. Research and development expenditures were \$412,264. Research and development for the prior year were \$578,718.

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

The Company's financial position as of August 31, 2002 consists of assets of \$25,548,872 and liabilities of \$7,433,446. Current assets are \$16,095,645 and current liabilities are \$6,930,790, a working capital ratio of 2.3:1. This Company's actual cash position decreased \$548,497 predominately because the Company used excess cash from operations to invest in \$3.7 million in additional marketable securities and treasury stock. The marketable securities consist of \$969,085 reflected as current assets and \$8,069,613 reflected as other assets. Other factors that reduced cash were seasonal factors, such as the increase in deferred advertising for which the financial statements reflect a deferral of \$944,000 pursuant to provisions of APB Interim Financial Reporting Regulations, acquisition of equipment of \$442,000, and an increase in accounts receivable of \$1,401,000. The increase in accounts receivable is predominately due to the large sales increase from the third quarter. Factors that increased cash flow include an increase in accounts payable and taxes of \$2,894,000 and a decrease in prepaid expenses and inventory of \$592,000 and income net of noncash items of \$2,516,000.

PART II, ITEM 6. (Continued)

EXHIBIT 11

CCA INDUSTRIES, INC. AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE
(UNAUDITED)

	<u>Three Months Ended</u> <u>August 31,</u>		<u>Nine Months Ended</u> <u>August 31,</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
<u>Item 6.</u>				
Weighted average shares outstanding - Basic	7,018,192	6,847,006	7,036,369	6,877,678
Net effect of dilutive stock options--based on the treasury stock method using average market price		<u>566,851</u>	<u>601,497</u>	
<u>525,643</u> <u>509,425</u>				
Weighted average shares outstanding - Diluted	<u>7,585,043</u>	<u>7,448,503</u>	<u>7,562,012</u>	<u>7,387,103</u>
Net income	<u>\$ 722,822</u>	<u>\$ 304,125</u>	<u>\$2,240,871</u>	<u>\$1,778,751</u>
<u>Per share amount</u>				
Basic	<u>\$.10</u>	<u>\$.04</u>	<u>\$.32</u>	<u>\$.26</u>
Diluted	<u>\$.10</u>	<u>\$.04</u>	<u>\$.30</u>	<u>\$.24</u>

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 other 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 nine months ended August 31, 2002.

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.

October 11, 2002

CCA INDUSTRIES, INC.

By: David Edell, President

By: Ira W. Berman, Secretary

CERTIFICATIONS

I, David Edell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CCA Industries, Inc.;
2. 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;
3. 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.

October 11, 2002

/s/

David Edell
Chief Executive Officer

I, John Bingman, certify that;

1. I have reviewed this quarterly report on Form 10-Q of CCA Industries, Inc.;
2. 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;
1. 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.

October 11, 2002

/s/

John Bingman

I, Ira Berman, certify that;

1. I have reviewed this quarterly report on Form 10-Q of CCA Industries, Inc.;
2. 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;
1. 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.

October 11, 2002

/s/

Ira Berman
Chairman and Secretary

