SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

SEYCHELLE ENVIRONMENTAL TECHNOLOGIES INC /CA	Mailing Address	Business Address
CIK:**1056757**| IRS No.: **330836954** | State of Incorp.:**NV** | Fiscal Year End: **0228** Type: **10-Q** | Act: **34** | File No.: **000-29373** | Film No.: **13528592** SIC: **3580** Refrigeration & service industry machinery	*32963 CALLE PERFECTO* *SAN JUAN CAPISTRANO CA* *92675*	*32921 CALLE PERFECTO* *N/A* *SAN JUAN CAPISTRANO CA* *92675* *9492341999*

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ending November 30, 2012

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______________ to __________________

Commission File No. ***0-29373***

Seychelle Environmental Technologies, Inc.
(Exact Name of registrant as specified in its charter)

Nevada	**33-0836954**
(State or other jurisdiction Of incorporation)	(IRS Employer File Number)
32963 Calle Perfecto San Juan Capistrano, California	**92675**
(Address of principal executive offices)	(zip code)

(949) 234-1999
(Registrant's telephone number, including area code)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T(Section 232.405 of this chapter) during the preceding 12 months(or such shorter period that the registrant was required to submit and post such files. Yes ☐ No ☑

Indicate by check mark whether the registrant is a large accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "small reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☑

The number of shares outstanding of the Registrant's common stock, as of January 11, 2013 was 25,810,146

References in this document to "us," "we," “Seychelle,” “SYEV,” or "the Company" refer to Seychelle Environmental Technologies, Inc., its predecessor and its subsidiary.

FORM 10-Q

Securities and Exchange Commission
Washington, D.C. 20549

Seychelle Environmental Technologies, Inc.

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PART I

ITEM 1. FINANCIAL STATEMENTS

SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

		November 30, 2012 (Unaudited)		February 29, 2012
ASSETS				
Current assets:				
Cash and cash equivalents	$	1,632,760	$	1,148,995
Restricted cash		-		146,081
Accounts receivable, net of allowance for doubtful accounts and sales returns of $92,050 and $78,885, respectively		360,651		61,782
Inventory, net		642,919		964,580
Deferred tax assets		120,242		120,242
Prepaid expenses, deposits and other current assets		126,090		179,347
Total current assets		2,882,662		2,621,027
Property and equipment, net		191,960		171,304
Intangible assets, net		5,222		5,799
Deferred tax assets		406,039		406,039
Other assets		8,514		8,514
Total assets	$	3,494,397	$	3,212,683
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued expenses	$	106,815	$	158,758
Customer deposits		191,668		197,696
Capital lease obligation		4,581		4,331
Total current liabilities		303,064		360,785
Long-term liabilities:				
Capital lease obligation, net of current		15,123		18,591
Total liabilities		318,187		379,376
Stockholders' equity:				
Preferred stock, 6,000,000 shares authorized, none issued or outstanding		-		-
Common stock $0.001 par value, 50,000,000 shares authorized, 25,810,146 and 25,800,146 issued and outstanding at November 30, 2012 and February 29, 2012, respectively		25,810		25,800
Additional paid-in capital		7,620,152		7,350,650
Accumulated deficit		(4,469,752)		(4,543,143)
Total stockholders' equity		3,176,210		2,833,307
Total liabilities and stockholders' equity	$	3,494,397	$	3,212,683

See accompanying notes to condensed consolidated financial statements.

SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(UNAUDITED)

	For the Three Months Ended November 30,	
	2012	**2011**
Sales	$ 1,161,785	$ 823,316
Cost of sales	513,847	239,005
Gross profit	647,938	584,311
Operating Expenses		
Selling, General, and Administrative Expenses	388,759	473,002
Depreciation and Amortization	12,563	10,615
Total operating expenses	401,322	483,617
Income from Operations	246,616	100,694
Other Income (Expense):		
Interest income	72	330
Interest expense	(878)	-
Other income (expense)	1	3,671
Total other income (expense)	(805)	4,001
Income before income tax expense	245,811	104,695
Income tax expense	(78,715)	(14,180)
Net Income	$ 167,096	$ 90,515
BASIC INCOME PER SHARE	$ 0.01	$ 0.00
DILUTED INCOME PER SHARE	$ 0.01	$ 0.00
BASIC WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	25,806,630	25,942,811
DILUTED WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	25,806,630	29,021,800

See accompanying notes to condensed consolidated financial statements.

SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(UNAUDITED)

	For the Nine Months Ended November 30,	
	2012	**2011**
Sales	$ 2,779,604	$ 4,112,801
Cost of sales	1,443,604	1,977,903
Gross profit	1,336,000	2,135,708
Operating Expenses		
Selling, General, and Administrative Expenses	1,222,595	1,429,304
Depreciation and Amortization	35,202	32,573
Total operating expenses	1,257,797	1,461,877
Income from Operations	78,203	673,831
Other Income (Expense):		
Interest income	582	1,079
Interest expense	(1,572)	(1,055)
Other income (expense)	516	(12,292)
Total other income (expense)	(474)	(12,268)
Income before income tax expense	77,729	661,563
Income tax expense	(4,338)	(223,433)
Net Income	$ 73,391	$ 428,130
BASIC INCOME PER SHARE	$ 0.00	$ 0.02
DILUTED INCOME PER SHARE	$ 0.00	$ 0.01
BASIC WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	25,802,291	25,924,010
DILUTED WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	27,359,357	28,874,128

See accompanying notes to condensed consolidated financial statements.

SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For The Nine Months Ended November 30, 2012	For The Nine Months Ended November 30, 2011
OPERATING ACTIVITIES:		
Net income	$ 73,391	$ 428,130
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	35,201	32,573
Stock-based compensation	269,512	288,163
Contributed services	-	7,500
Provision for doubtful accounts	-	13,392
(Gain) loss from sale of property and equipment	(517)	12,291
Change in inventory reserve	12,083	(243,143)
Deferred tax expense	-	113,577
Changes in operating assets and liabilities:		
Increase in accounts receivable	(298,869)	(150,893)
(Increase) decrease in inventory	309,578	(200,172)
(Increase) decrease in prepaid expenses, deposits and other assets	53,257	(148,124)
Decrease in accounts payable and accrued expenses	(51,943)	(37,360)
(Increase) decrease in restricted cash	146,081	(302,796)
Increase (decrease) in customer deposits	(6,028)	146,978
Net Cash Provided By (Used In) Operating Activities	541,746	(39,884)
INVESTING ACTIVITIES:		
Purchase of property and equipment	(66,663)	(72,367)
Proceeds from sale of property and equipment	12,000	-
Purchase of intangible assets	(100)	(4,005)
Net Cash Used In Investing Activities	(54,763)	(76,372)
FINANCING ACTIVITIES:		
Repayment of capital lease obligations	(3,218)	(53,037)
Purchase of common stock	-	(25,000)
Net Cash Used in Financing Activities	(3,218)	(78,037)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	483,765	(194,293)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,148,995	1,244,290
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 1,632,760	$ 1,049,997
Supplemental disclosures of cash flow information:		
Non-cash investing and financing activities:		
Purchase of equipment under capital lease	$ -	$ 24,295
Cash paid for:		
Interest	$ 1,572	$ 1,056
Income taxes	$ 4,234	$ 231,310

See accompanying notes to condensed consolidated financial statements.

SEYCHELLE ENVIRONMENTAL TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED (UNAUDITED) FINANCIAL STATEMENTS

NOTE 1: CONDENSED FINANCIAL STATEMENTS

The accompanying condensed consolidated financial statements have been prepared by Seychelle Environmental Technologies, Inc., and subsidiary (the "Company") without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at November 30, 2012, and for all periods presented herein, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended February 29, 2012. The results of operations for the periods ended November 30, 2012 and 2011 are not necessarily indicative of the operating results for the full fiscal years.

The summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of these condensed consolidated financial statements and the February 29, 2012 consolidated financials included in the 10-K filed on May 29, 2012.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

In 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.* This ASU represents the converged guidance of the FASB and the IASB (the Boards) on fair value measurement and results in common requirements for measuring fair value and for disclosing information about fair value measurements, including a consistent meaning of the term "fair value."

In September 2011, the FASB issued guidance on ASC 350, *Intangibles-Goodwill and Other*, for testing goodwill for impairment. The new guidance provides a company the option to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the company's assessment determines that this is the case, it is required to perform the currently prescribed two-step goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment to be recognized for that reporting unit, if any. If the company determines it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, the two-step goodwill impairment test is not required.

For public entities, the amendments are effective during interim and annual periods beginning after December 15, 2011. The Company adopted this guidance effective March 1, 2012. The impact of the adoption of this guidance did not have a material impact on the Company's condensed consolidated financial statements.

NOTE 2: BASIC INCOME (LOSS) PER SHARE

Basic income (loss) per common share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during each period presented. Diluted income (loss) per share is determined using the weighted average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, the weighted average number of common shares outstanding excludes common stock equivalents because their inclusion would be anti-dilutive. The dilutive effect of outstanding stock options and warrants reflected in diluted earnings per share by application of the treasury stock method.

The denominator for diluted income per share for the nine month period ended November 30, 2012 is adjusted to include the effect of dilutive common stock equivalents, consisting of warrants totaling 1,557,066. The denominator for diluted loss per share for the three month period ended November 30, 2012 did not include warrants as they would have been anti-dilutive. The denominator for diluted income per share for the three and nine month periods ended November 30, 2011 is adjusted to include the effect of dilutive common stock equivalents, consisting of warrants totaling 3,078,989 and 2,950,118, respectively.

NOTE 3: COMMON STOCK PURCHASE WARRANTS

Common Stock

During the nine-month period ended November 30, 2012, the Company issued 10,000 shares of restricted stock to an employee for services rendered, valued at $3,100. During the nine-month period ended November 30, 2011, the Company issued 50,000 shares of restricted common stock to a consultant for services rendered, valued at $15,500, and 25,000 shares of restricted common stock to employees as compensation, at a total value of $6,250. The values of stock issued were based on the estimated fair value of the common stock on the dates of the grants and are included in stock –based compensation.

Contributed Executive Services

Historically, the President of the Company had a salary arrangement which resulted in the Company recording expense of $10,000 annually for the contractual value of his services. Although the Company had achieved profitable operations, he continued to not accept his salary. Accordingly, the Company recorded $2,500 and $7,500, the contractual value of these services, for the three and nine month periods ended November 30, 2011, respectively, which is included in selling, general and administrative expenses and additional paid - in capital. This agreement was terminated on May 15, 2012.

Warrants

In previous years, the Company had issued warrants and determined the estimated value of warrants granted using the Black-Scholes pricing model. The amount of the expense charged to operations for these warrants was $88,804 and $266,412 for the three and nine months ended November 30, 2012 and $88,804 and $266,413 for the three and nine months ended November 30, 2011. All outstanding warrants are expected to be vested in December 2015.

A summary of warrant activity for the nine months ended November 30, 2012 is as follows:

	Warrants Outstanding	Weighted-Average Exercise Price
Outstanding at February 29, 2012	8,467,221	0.21
Granted	-	-
Exercised	-	-
Forfeited	-	-
Outstanding at November 30, 2012	8,467,221	0.21
Vested at November 30, 2012	1,693,444	0.21
Exercisable at November 30, 2012	1,693,444	0.21

The following table summarizes significant ranges of outstanding warrants as of November 30, 2012:

	Warrants Outstanding			Warrants Exercisable	
Exercise Price	Number Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
$ 0.21	8,467,221	8.04	$ 0.21	1,693,444	$ 0.21

NOTE 4: INVENTORY

The Company's inventory consisted of the following at November 30,2012 and February 29, 2012:

Raw materials	$	374,995	$	589,774
Finished goods		287,722		382,521
		662,717		972,295
Reserve for obsolete and slow moving inventory		(19,798)		(7,715)
	$	642,919	$	964,580

NOTE 5: LINE OF CREDIT

As of November 30, 2012, the Company had a line of credit agreement totaling $500,000. The line of credit bears interest at the lending institution's index rate (3.25% as of November 30, 2012) plus 0.75% and is due June 30, 2013. As of November 30, 2012, the Company had not borrowed against the line of credit. The line of credit agreement does not include any limitations on borrowings or any restrictive debt covenants.

NOTE 6: CONCENTRATIONS

Sales to two customers accounted for 51% of sales for the three-month period ended November 30, 2012. Five other customers accounted for 30% of the sales in the current period expanding our customer base including 7% of the sales generated from the Seychelle website. Sales to two customers accounted for 31% of sales for the nine-month period ended November 30, 2012. Five other customers accounted for 37% of sales for the current nine-month period with 8% coming from the Seychelle website. For the three and nine-month periods ended November 30, 2011, sales to two customers accounted for 46% and 59% of total sales, respectively. At November 30, 2012, two customers accounted for 66% of accounts receivable.

NOTE 7: RELATED PARTY TRANSACTIONS

During the three and nine-month periods ended November 30, 2012, payments totaling $29,750 and $82,600 were made to TAM Irrevocable Trust for consulting services, in which Cari Beck, is a trustee as well as the daughter of the Company's President. During the three and nine month periods ended November 30, 2011 payments to TAM Irrevocable Trust were made totaling $25,000 and $82,500, respectively.

NOTE 8: COMMITMENTS AND CONTINGENCIES

In the case titled Letty Garcia v. Carl Palmer; Seychelle Environmental Technologies, Inc., et, al., brought in the Superior Court for the State of California, San Diego County District, the court found against the Company in May, 2012 for approximately $157,000. This amount was reflected in our February 29, 2012 consolidated financial statements. The Company believes that the ruling was incorrect and has filed for an appeal. The appeal will most likely be heard in late 2013, or 2014. The remaining amount of restricted cash that was reflected in previous financial statements relating to this case was returned to the Company during the nine months ended November 30, 2012.

There is an additional unrelated lawsuit, Patricia Edwards v Seychelle Environmental Technologies, Inc., brought in January, 2012 in the Superior Court for the State of California, Orange County District, by a former employee of the Company regarding a claim of $280,000 for wrongful termination based on discrimination. Subsequently, the plaintiff reduced their claim to $59,000. As of December 3, 2012, the case was settled through mediation for $25,000. This amount is included in accrued expenses on the financial statements as a third quarter expense.

Otherwise, as of November 30, 2012, we know of no other legal proceedings pending or threatened, or judgments entered against the Company or any of our directors or officers in their capacity as such.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion summarizes the significant factors affecting the operating results, financial condition and liquidity and cash flows of Seychelle Environmental Technologies, Inc., and subsidiary (the "Company") for the three and nine month periods ended November 30, 2012 and 2011. The discussion and analysis that follows should be read together with the consolidated financial statements of Seychelle Environmental Technologies, Inc. and the notes to the consolidated financial statements included in the Company's annual report on Form 10-K for the fiscal year ended February 29, 2012. Except for historical information, the matters discussed in this section are forward looking statements that involve risks and uncertainties and are based upon judgments concerning various factors that are beyond the Company's control.

Forward-Looking Statements

Certain statements contained herein are "forward-looking" statements. Forward-looking statements include statements which are predictive in nature; which depend upon or refer to future events or conditions; or which include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or variations or negatives thereof or by similar or comparable words or phrases. In addition, any statement concerning future financial performance, ongoing business strategies or prospects, and possible future Company actions that may be provided by management are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties, and assumptions about the Company; and economic and market factors in the countries in which the Company does business, among other things. These statements are not guarantees of future performance, and the Company has no specific intentions to update these statements. Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors including, among others:

(1) the portable water filtration industry is in a state of rapid technological change, which can render the Company's products obsolete or unmarketable;

(2) any failure by the Company to anticipate or respond to technological developments or changes in industry standards or customer requirements, or any significant delays in product development or introduction, could have a material adverse effect on the Company's business, operating results and financial condition;

(3) the Company's cost of sales may be materially affected by increases in the market prices of the raw materials used in the Company's assembly processes;

(4) the Company's water related product sales could be materially affected by weather conditions and government regulations;

(5) the Company is subject to the risks of conducting business internationally; and

(6) the industries in which the Company operates are highly competitive. Additional risks and uncertainties are outlined in the Company's filings with the Securities and Exchange Commission, including its most recent fiscal 2012 Annual Report on Form 10- for the year ended February 28, 2012.

Description of the Business

We were incorporated under the laws of the State of Nevada on January 23, 1998 as a change of domicile to Royal Net, Inc., a Utah corporation that was originally incorporated on January 24, 1986. Royal Net, Inc. changed its state of domicile to Nevada and its name to Seychelle Environmental Technologies, Inc. effective in January 1998.

On January 30, 1998, we entered into an Exchange Agreement with Seychelle Water Technologies, Inc., a Nevada corporation (SWT), whereby we exchanged our issued and outstanding capital shares with the shareholders of SWT on a one share for one share basis. We became the parent company and SWT became a wholly owned subsidiary. SWT had been formed in 1997 to market water filtration systems of Aqua Vision International.

Our Company is presently comprised of Seychelle Environmental Technologies, Inc., a Nevada corporation, with one wholly-owned subsidiary, Seychelle Water Technologies, Inc., also a Nevada corporation (collectively, the Company or Seychelle). We use the trade name "Seychelle Water Filtration Products, Inc." in our commercial operations.

Seychelle designs, assembles and distributes water filtration systems. These systems include portable water bottles that can be filled from nearly any available source of water. Patents or trade secrets cover all proprietary products.

Our principal business address is 32963 Calle Perfecto, San Juan Capistrano, California 92675. Our telephone number at this address is 949-234-1999.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Our summary historical financial data is presented in the following table to aid in your analysis. You should read this data in conjunction with this section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations, our condensed consolidated financial statements and the related notes to the condensed consolidated financial statements included elsewhere in this report. The selected condensed consolidated statements of operations data for the three and nine month periods ended November 30, 2012 and 2011 are derived from our condensed consolidated financial statements included elsewhere in this report.

Three-month period ended November 30, 2012 compared to the corresponding period in 2011

	2012	2011	Year over Year change	%
Sales	$ 1,161,785	$ 823,316	338,469	41%
Cost of sales	513,847	239,005	274,842	115%
Gross profit	647,938	584,311	63,627	11%
Gross profit %	56%	71%		
Selling, general, and administrative expenses	388,759	473,002	(84,243)	-18%
Depreciation and amortization expense	12,563	10,615	1,948	18%
Income before provision for income taxes	245,811	104,695	141,116	135%
Provision for income taxes	(78,715)	(14,180)	(64,535)	455%
Net Income	167,096	90,515	76,581	85%

Sales. Our customer concentration is constantly changing, which contributes toward much of the fluctuation in sales. The current period increase in sales is primarily due to sales to two customers who accounted for approximately $0.6 million of sales, accounting for 51% of revenues in the three-month period ended November 30, 2012, compared to 15% in the same period ended November 30, 2011. Five other customers accounted for 30% of the sales in the current period expanding our customer base, including 7% of the sales generated from the Seychelle website. The increase in sales is also the net result of a shift in our product mix. Significant changes were experienced within a few product lines: missionary packs (which decreased to $48,000 in the current quarter as compared to $228,000 in sales for the comparable period), pitchers (increased to $243,000 from $149,000), and bottles (increased to $499,000 from $193,000). Bottles, pitchers and replacement filters contributed 77% of the product sales for the 3 month period.

Cost of sales and gross profit percentage. The increase in cost of sales is largely a direct result of the 41% increase in sales for the three-month period ended November 30, 2012 from the comparable period in the prior year. The decrease in gross profit from 71% to 56% was due to selling lower gross profit products during the period, as evidenced by cost of sales increasing 115% even though the sales only increased 41% from period to period. Our profit margin will fluctuate from time to time based on the product mix within sales. We are continuing to pursue efficiencies in the production process and believe that gross margins will improve as we sell higher margin new radiological and pH products.

Selling, general and administrative expenses. These expenses decreased by approximately $84,000, or 18%, during the three months ended November 30, 2012 compared to the same period ended in the prior year. Selling expenses represented approximately 2.0% and 13.1% of sales for the three months ended November 30, 2012 and 2011, respectively. The decrease in selling expenses as a percentage of sales is largely a direct result of the decrease in commissionable sales to two significant customers. We expect sales commissions to be less than 6% of sales for the remainder of fiscal year 2013. General and administrative expenses were relatively flat from period to period, amounting to approximately $375,000 for both of the three month periods ended November 30, 2012 and 2011. We do not expect an increase in general and administrative expenses as a percentage of sales for the remainder of fiscal 2013.

Depreciation and amortization expense. The increase in depreciation and amortization expense is due to molds being purchased over the last twelve months to create additional products to introduce to the market.

Income tax expense. Income tax expense increased due to higher sales and profitability during the current fiscal year as compared to the comparable prior year period.

Net Income. Net income for the three-month period ended November 30, 2012 was $167,096 compared to net income of $90,515 for the three-month period ended November 30, 2011. This was primarily due to a significant increase in sales in the current year compared to the same period of the prior year. Going forward we have two new products ready for the market: a 20 oz. sports bottle and a flat flask in-filter hydration unit that can be used either as a straw or attached to a backpack. As previously reported, we have signed agreements for the above mentioned products. We also have large distributors and representatives lined up regarding expanded radiological and pH programs in Mexico, Saudi Arabia and Japan and major retailers in the United States and feel that this will favorably impact our financials this fiscal year, but will continue on into fiscal 2014. We also continue to keep the option open for the out-sourcing of production of sizable orders to a high volume assembler/fulfillment vendor with whom we have established a relationship so that both the top and bottom lines are scalable to significantly higher levels as they materialize.

Nine-month period ended November 30, 2012 compared to the corresponding period in 2011

	2012	2011	Year over Year change	%
Sales	$ 2,779,604	$ 4,112,801	(1,333,197)	-32%
Cost of sales	1,443,604	1,977,093	(533,489)	-27%
Gross profit	1,336,000	2,135,708	(799,708)	-37%
Gross profit %	48%	52%		
Selling, general, and administrative expenses	1,222,595	1,429,304	(206,709)	-14%
Depreciation expense	35,202	32,573	2,629	8%
Income before provision for income taxes	77,729	661,563	(583,834)	-88%
Provision for income taxes	(4,338)	(233,433)	229,095	98%
Net Income	73,391	428,130	(354,739)	-83%

Sales. Our customer concentration is constantly changing, which contributes toward much of the fluctuation in sales. The current period decrease in sales is largely due to sales to two customers who accounted for approximately $0.8 million of the decrease, accounting for 31% of sales in the nine-month period ended November 30, 2012, compared to 40% in the same period ended November 30, 2011. Five other customers accounted for 37% of sales for the current period, with 8% coming from the Seychelle website. The decrease in sales is also the net result of a shift in our product mix. Significant changes were experienced within a few product lines: missionary packs (which decreased to $215,000 in the current period as compared to $684,000 in sales for the comparable prior year period), pitchers (which decreased to $525,000 from $1,180,000), and bottles (which decreased to $811,000 from $874,000). The decrease in mission packs, pitchers, and bottle sales is due to sales fluctuations by one of the Company’s customers. Bottles, pitchers and replacement filters contributed 68% of the product sales for the nine-month period ended November 30, 2012.

Cost of sales and gross profit percentage. The decrease in cost of sales is largely a direct result of the 32% decrease in sales for the nine-month period ended November 30, 2012 from the comparable period in the prior year. Cost of sales decreased by 27% from period to period by comparison, resulting in a decrease in gross profit margin to 48% from 52%. Our profit margin will fluctuate from time to time based on the product mix within sales. As mentioned in the sales discussion, a large reason for the decrease in sales was a $655,000 decrease in sales of pitchers compared to the same period in the prior year, compared to a $469,000 decreases in sales of missionary packs. As noted in the three- month period ended August 31, 2012, regarding discussion of gross margins, we continue to pursue efficiencies in the production process. We believe that gross margins will improve further if we are successful in these plans.

Selling, general and administrative expenses. These expenses decreased by approximately $206,000, or 14%, during the nine months ended November 30, 2012 compared to the same period ended in the prior year. Selling expenses decreased approximately $230,000, or 75%, compared to the same period in fiscal 2012. This is due to the decrease in commissionable sales. The expenses represented approximately 2.8% and 7.5% of sales for the nine months ended November 30, 2012 and 2011, respectively. Not all sales are commissionable, and the decrease in selling expenses as a percentage of sales is largely a direct result of the decrease in commissionable sales to two significant customers. We expect sales commissions to be less than 6% of sales for the remainder of fiscal year 2013. General and administrative expenses were relatively flat from period to period, increasing only $24,000 when compared to the comparable period in the prior year.

Depreciation and amortization expense. The increase in depreciation and amortization expense is due to molds being purchased over the last twelve months to create additional products to introduce to the market.

Income tax expense. Income tax expense decreased due to our sales and profitability falling short of expectation during the current fiscal year to date, resulting in income tax expense of $4,338 during the nine-month period ended November 30, 2012 as compared to income tax expense of $233,433 for the comparable period of the prior fiscal year.

Net Income. Net income for the nine-month period ended November 30, 2012 was $73,391 compared to net income of $428,130 for the nine-month period ended November 30, 2011. This decrease was primarily due to the decrease in sales coupled with a reduction in product margins, as discussed above. As noted in the three month commentary, we believe that the improvement in both sales and profits should continue in the fourth quarter and going forward based on the new products and distributors now in place.

Liquidity and Capital Resources

Net cash provided by (used in) operating activities. During the nine-month period ended November 30, 2012, the Company funded its operations primarily through collections from product sales. Net income of approximately $73,391 was impacted by non-cash charges for stock-based compensation amounting to $270,000, largely due to warrant amortization. Our accounts receivable, excluding the change in allowances, increased by approximately $299,000 due to larger orders at the end of the quarter to customers with credit terms, while our customer deposits decreased by approximately $6,000. Inventories decreased by $310,000 due to timing of sales transactions and a conscious effort to reduce inventory levels. We also received the balance of the restricted cash in the amount of $146,081 during the period.

Net cash used in investing activities. During the nine-month period ended November 30, 2012, the decrease in cash used by investing activities was due to the purchase of $66,700 of property and equipment compared to $72,400 during the same time period in the prior fiscal year. In the current period, we also received $12,000 from the sale of equipment.

Net cash used in financing activities. The decrease in cash used in financing activities during the nine-month period ended November 30, 2012 was largely due to repayment of capital lease obligations totaling $3,200 compared to $53,000 in the nine-month period ended November 30, 2011 In the prior year period, the Company also expended $25,000 for repurchase shares of its common stock, this did not occur in the current period.

Our principal sources of liquidity have historically been funds generated from operating activities and borrowings from the TAM Trust, one of our principal shareholders and borrowing under our line of credit. As of November 30, 2012, the Company had no outstanding borrowings either from TAM Trust or under our line of credit. The Company believes that additional funding may still be required from the TAM Trust or other shareholders to handle the growth in sales volume. During April 2011, the TAM Trust committed to providing up to $250,000 in additional funding, which is still available to the Company to the date of this filing if it is needed.

As of November 30, 2012, the Company had $1,632,760 in cash and cash equivalents and no borrowings outstanding on its line of credit. The line of credit does not contain any limitations on borrowing or any restrictive debt covenants. The Company believes it has liquidity to meet its operating needs through the balance of fiscal 2013.

Critical Accounting Policies and Estimates

The Company's discussion and analysis of its financial condition and results of operations are based upon its condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these condensed consolidated financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities.

The Company believes that the estimates, assumptions and judgments involved in the accounting policies described in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of its most recent fiscal 2012 Annual Report on Form 10-K have the greatest potential impact on its consolidated financial statements, so it considers these to be its critical accounting policies. Because of the uncertainty inherent in these matters, actual results could differ from the estimates the Company uses in applying the critical accounting policies. Certain of these critical accounting policies affect working capital account balances, including the policies for inventory reserves and stock-based compensation. These policies require that the Company make estimates in the preparation of its consolidated financial statements as of a given date.

Within the context of these critical accounting policies, the Company is not currently aware of any reasonably likely events or circumstances that would result in materially different amounts being reported.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

None.

ITEM 4. CONTROLS AND PROCEDURES

Not applicable

ITEM 4T. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, based on an evaluation of our disclosure controls and procedures (as defined in Rules 13a -15(e) and 15(d)-15(e) under the Exchange Act), our Chief Executive Officer and the Chief Financial Officer each have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the applicable time periods specified by the SEC's rules and forms.

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 240.13a-15 or Rule 240.15d-15 of this chapter that occurred during our most recent fiscal three months that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

This report does not include an attestation report by the Company's independent registered public accounting firm regarding internal control over financial reporting as we are not subject to this requirement.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the case titled Letty Garcia v. Carl Palmer; Seychelle Environmental Technologies, Inc., et, al., brought in the Superior Court for the State of California, San Diego County District, the court found against the Company in May, 2012 for approximately $157,000. This amount was reflected in our February 29, 2012 consolidated financial statements. The Company believed that the ruling was incorrect and has filed for an appeal. We believe that the appeal will most likely be heard in late 2013, or 2014. The remaining amount of restricted cash that was reflected in previous financial statements relating to this case was returned to the Company during the three months ended August 31, 2012.

There is an additional unrelated lawsuit, Patricia Edwards v Seychelle Environmental Technologies, Inc., brought in January, 2012 in the Superior Court for the State of California, Orange County District, from a former employee of the Company regarding a claim of $280,000 for wrongful termination based on discrimination. Subsequently, the plaintiff reduced her claim to $59,000. As of December 3, 2012, the case was settled through mediation for $25,000. This amount was included in the accrued expenses for the financial statements for the period ended November 30, 2012.

Otherwise, as of November 30, 2012, we know of no other legal proceedings pending or threatened, or judgments entered against the Company or any of our directors or officers in their capacity as such.

ITEM 1A. RISK FACTORS

There have been no changes to our Risk Factors included in our fiscal 2012 Annual Report on Form 10-K filed with the Securities and Exchange Commission on May 29, 2012.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the nine-month period ended November 30, 2012, there were 10,000 shares of restricted stock issued to an employee for services rendered, while in the nine month period ended November 30, 2011, the Company issued 50,000 shares of restricted common stock to one third party individual in exchange for services rendered and an additional 25,000 shares of restricted stock to employees for services rendered. For the issuance of these securities, the Company has relied upon one or more exemptions available under Section 4(2) or 4(6) of the Securities Act of 1933, as amended, and analogous state exemptions.

There have been no further issuances of securities through the date of this filing.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibits

31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002)
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002)
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C.ss.1350 Section 906 of the Sarbanes-Oxley Act of 2002)
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C.ss.1350 Section 906 of the Sarbanes-Oxley Act of 2002)
101	XBRL Exhibits

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act of 1934, the Registrant has duly caused this Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

Seychelle Environmental Technologies, Inc.

Date: January 14, 2013

By: */s/ Dick Parsons*
Dick Parsons
Director, Chief Executive Officer

Date: January 14, 2013

By: */s/ Jim Place*
Jim Place
Director and Chief Financial Officer and Chief Operating Officer

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dick Parsons , as to Seychelle Environmental Technologies, Inc. (the "Registrant"), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q;

2. Based on my knowledge, this 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 circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: January 14, 2013

By: */s/ Dick Parsons*
Dick Parsons
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jim Place, as to Seychelle Environmental Technologies, Inc. (the "Registrant") certify that:

1. I have reviewed this Quarterly Report on Form 10-Q;

2. Based on my knowledge, this 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 circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions);

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: January 14, 2013

By: */s/ Jim Place*
Jim Place
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTIONS 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly report of Seychelle Environmental Technologies, Inc. (the “Registrant”) on Form 10-Q for the nine-month period ended November 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Dick Parsons, Chief Executive Officer of the Registrant certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that, to the best of the undersigned’s knowledge and belief:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Registrant.

Date: January 14, 2013

By: */s/ Dick Parsons*
Dick Parsons
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTIONS 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly report of Seychelle Environmental Technologies, Inc. (the “Registrant”) on Form 10-Q for the nine-month period ended November 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jim Place, Chief Financial Officer of the Registrant certify, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that, to the best of the undersigned’s knowledge and belief:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Registrant.

Date: January 14, 2013

By: */s/ Jim Place*
Jim Place
Chief Financial Officer

4. INVENTORY

9 Months Ended
Nov. 30, 2012

Notes to Financial Statements

INVENTORY

NOTE 4: INVENTORY

The Company' s inventory consisted of the following at November 30,2012 and February 29, 2012:

Raw materials	$ 374,995	$ 589,774
Finished goods	287,722	382,521
	662,717	972,295
Reserve for obsolete and slow moving inventory	(19,798)	(7,715)
	$ 642,919	$ 964,580

3. COMMON STOCK PURCHASE WARRANTS	9 Months Ended Nov. 30, 2012

Notes to Financial Statements

COMMON STOCK PURCHASE WARRANTS

NOTE 3: COMMON STOCK PURCHASE WARRANTS

Common Stock

During the nine-month period ended November 30, 2012, the Company issued 10,000 shares of restricted stock to an employee for services rendered, valued at $3,100. During the nine-month period ended November 30, 2011, the Company issued 50,000 shares of restricted common stock to a consultant for services rendered, valued at $15,500, and 25,000 shares of restricted common stock to employees as compensation, at a total value of $6,250. The values of stock issued were based on the estimated fair value of the common stock on the dates of the grants and are included in stock - based compensation.

Contributed Executive Services

Historically, the President of the Company had a salary arrangement which resulted in the Company recording expense of $10,000 annually for the contractual value of his services. Although the Company had achieved profitable operations, he continued to not accept his salary. Accordingly, the Company recorded $2,500 and $7,500, the contractual value of these services, for the three and nine month periods ended November 30, 2011, respectively, which is included in selling, general and administrative expenses and additional paid -in capital. This agreement was terminated on May 15, 2012.

Warrants

In previous years, the Company had issued warrants and determined the estimated value of warrants granted using the Black-Scholes pricing model. The amount of the expense charged to operations for these warrants was $88,804 and $266,412 for the three and nine months ended November 30, 2012 and $88,804 and $266,413 for the three and nine months ended November 30, 2011. All outstanding warrants are expected to be vested in December 2015.

A summary of warrant activity for the nine months ended November 30, 2012 is as follows:

	Warrants Outstanding	Weighted-Average Exercise Price
Outstanding at February 29, 2012	8,467,221	0.21
Granted	-	-
Exercised	-	-
Forfeited	-	-
Outstanding at November 30, 2012	8,467,221	0.21
Vested at November 30, 2012	1,693,444	0.21
Exercisable at November 30, 2012	1,693,444	0.21

The following table summarizes significant ranges of outstanding warrants as of November 30, 2012:

	Warrants Outstanding			Warrants Exercisable	
Exercise Price	Number Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
$ 0.21	8,467,221	8.04	$ 0.21	1,693,444	$ 0.21

Condensed Consolidated Balance Sheets (USD $)	Nov. 30, 2012	Feb. 29, 2012
ASSETS		
Cash and cash equivalents	$ 1,632,760	$ 1,148,995
Restricted cash		146,081
Accounts receivable, net of allowance for doubtful accounts and sales returns of $92,050 and $78,885, respectively	360,651	61,782
Inventory, net	642,919	964,580
Deferred tax assets	120,242	120,242
Prepaid expenses, deposits, and other current assets	126,090	179,347
Total current assets	2,882,662	2,621,027
Property and equipment, net	191,960	171,304
Intangible assets, net	5,222	5,799
Deferred tax assets	406,039	406,039
Other assets	8,514	8,514
Total assets	3,494,397	3,212,683
Current Liabilities:		
Accounts payable and accrued expenses	106,815	158,758
Customer deposits	191,668	197,696
Capital lease obligations	4,581	4,331
Total current liabilities	303,064	360,785
Long term Liabilities:		
Capital lease obligation, net of current	15,123	18,591
Total liabilities	318,187	379,376
STOCKHOLDERS' EQUITY		
Preferred stock, 6,000,000 shares authorized, none issued or outstanding		
Common stock $0.001 par value, 50,000,000 shares authorized, 25,810,146 and 25,800,146 issued and outstanding at November 30, 2012 and February 29, 2012, respectively	25,810	25,800
Additional paid-in capital	7,620,152	7,350,650
Accumulated deficit	(4,469,752)	(4,543,143)
Total Stockholders' Equity	3,176,210	2,833,307
Total liabilities and stockholders' equity	$ 3,494,397	$ 3,212,683

1. CONDENSED FINANCIAL STATEMENTS	9 Months Ended
	Nov. 30, 2012

Notes to Financial Statements

CONDENSED FINANCIAL STATEMENTS

NOTE 1: CONDENSED FINANCIAL STATEMENTS

The accompanying condensed consolidated financial statements have been prepared by Seychelle Environmental Technologies, Inc., and subsidiary (the "Company") without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at November 30, 2012, and for all periods presented herein, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the consolidated financial statements and notes thereto included in the Company' s annual report on Form 10-K for the year ended February 29, 2012. The results of operations for the periods ended November 30, 2012 and 2011 are not necessarily indicative of the operating results for the full fiscal years.

The summary of significant accounting policies of the Company is presented to assist in understanding the Company' s financial statements. The financial statements and notes are representations of the Company' s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of these condensed consolidated financial statements and the February 29, 2012 consolidated financials included in the 10-K filed on May 29, 2012.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

In 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.* This ASU represents the converged guidance of the FASB and the IASB (the Boards) on fair value measurement and results in common requirements for measuring fair value and for disclosing information about fair value measurements, including a consistent meaning of the term "fair value."

In September 2011, the FASB issued guidance on ASC 350, *Intangibles-Goodwill and Other*, for testing goodwill for impairment. The new guidance provides a company the option to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the company' s assessment determines that this is the case, it is required to perform the currently prescribed two-step goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment to be recognized for that reporting unit, if any. If the company determines it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, the two-step goodwill impairment test is not required.

For public entities, the amendments are effective during interim and annual periods beginning after December 15, 2011. The Company adopted this guidance effective March 1, 2012. The impact of the adoption of this guidance did not have a material impact on the Company' s condensed consolidated financial statements.

6. CONCENTRATIONS (Details Narrative)	3 Months Ended		9 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012	Nov. 30, 2011
Concentrations Details Narrative				
Percentage of sales attributable to five customers	30.00%		37.00%	
Percentage accounts receivable attributable to Sales to two customers	66.00%		66.00%	
Percentage of sales attributable to two customers	51.00%	46.00%	31.00%	59.00%

2. BASIC INCOME (LOSS) PER SHARE	9 Months Ended Nov. 30, 2012

Notes to Financial Statements

BASIC INCOME (LOSS) PER SHARE

NOTE 2: BASIC INCOME (LOSS) PER SHARE

Basic income (loss) per common share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during each period presented. Diluted income (loss) per share is determined using the weighted average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, the weighted average number of common shares outstanding excludes common stock equivalents because their inclusion would be anti-dilutive. The dilutive effect of outstanding stock options and warrants reflected in diluted earnings per share by application of the treasury stock method.

The denominator for diluted income per share for the nine month period ended November 30, 2012 is adjusted to include the effect of dilutive common stock equivalents, consisting of warrants totaling 1,557,066. The denominator for diluted loss per share for the three month period ended November 30, 2012 did not include warrants as they would have been anti-dilutive. The denominator for diluted income per share for the three and nine month periods ended November 30, 2011 is adjusted to include the effect of dilutive common stock equivalents, consisting of warrants totaling 3,078,989 and 2,950,118, respectively.

Condensed Consolidated Balance Sheets (Parenthetical) (USD $)	Nov. 30, 2012	Feb. 29, 2012
CURRENT ASSETS		
Net of allowance for doubtful accounts	$ 92,050	$ 78,885
STOCKHOLDERS' EQUITY		
Preferred stock, authorized shares	6,000,000	6,000,000
Preferred stock, issued shares	0	0
Preferred stock, outstanding shares	0	0
Common stock, par value	$ 0.001	$ 0.001
Common stock, authorized shares	50,000,000	50,000,000
Common stock, issued shares	25,810,146	25,800,146
Common stock, outstanding shares	25,810,146	25,800,146

3. COMMON STOCK PURCHASE WARRANTS (Details 1) (USD $)	9 Months Ended Nov. 30, 2012	Feb. 29, 2012
Common Stock Purchase Warrants Details		
Exercise Price	$ 0.21	
Number Outstanding Shares	8,467,221	8,467,221
Weighted Average Remaining Contractual Life (Years) Options Outstanding	8 years 15 days	
Weighted Average Exercise Price Options Outstanding	$ 0.21	$ 0.21
Number Exercisable Shares	1,693,444	
Weighted Average Exercise Price	$ 0.21	

Document and Entity Information	9 Months Ended Nov. 30, 2012	Jan. 11, 2013
Document And Entity Information		
Entity Registrant Name	SEYCHELLE ENVIRONMENTAL TECHNOLOGIES INC /CA	
Entity Central Index Key	0001056757	
Document Type	10-Q	
Document Period End Date	Nov. 30, 2012	
Amendment Flag	false	
Current Fiscal Year End Date	--02-28	
Is Entity a Well-known Seasoned Issuer?	No	
Is Entity a Voluntary Filer?	No	
Is Entity's Reporting Status Current?	Yes	
Entity Filer Category	Smaller Reporting Company	
Entity Common Stock, Shares Outstanding		25,810,146
Document Fiscal Period Focus	Q3	
Document Fiscal Year Focus	2013	

4. INVENTORY (Details) (USD $)	Nov. 30, 2012	Feb. 29, 2012
Inventory Details		
Raw materials	$ 374,995	$ 589,774
Finished goods	287,722	382,521
Inventory	662,717	972,295
Reserve for obsolete and slow moving inventory	(19,798)	(7,715)
Inventory, Net	$ 642,919	$ 964,580

Condensed Consolidated Statements of Income (Unaudited) (USD $)	3 Months Ended		9 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012	Nov. 30, 2011
Condensed Consolidated Statements Of Income				
Sales	$ 1,161,785	$ 823,316	$ 2,779,604	$ 4,112,801
Cost of sales	513,847	239,005	1,443,604	1,977,903
Gross profit	647,938	584,311	1,336,000	2,135,708
OPERATING EXPENSES				
Selling, General, and Administrative Expenses	388,759	473,002	1,222,595	1,429,304
Depreciation and Amortization	12,563	10,615	35,202	32,573
Total operating expenses	401,322	483,617	1,257,797	1,461,877
Income from Operations	246,616	100,694	78,203	673,831
OTHER INCOME (EXPENSE)				
Interest income	72	330	582	1,079
Interest expense	(878)		(1,572)	(1,055)
Other expense	1	3,671	516	(12,292)
Total other income (expense)	(805)	4,001	(474)	(12,268)
Income before income tax expense	245,811	104,695	77,729	661,563
Income tax expense	(78,715)	(14,180)	(4,338)	(223,433)
Net Income	$ 167,096	$ 90,515	$ 73,391	$ 428,130
NET INCOME PER SHARE				
Basic	$ 0.01	$ 0	$ 0	$ 0.02
Diluted	$ 0.01	$ 0	$ 0	$ 0.01
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING				
Basic	25,806,630	25,942,811	25,802,291	25,924,010
Diluted	25,806,630	29,021,800	27,359,357	28,874,128

7. RELATED PARTY TRANSACTIONS

Notes to Financial Statements

RELATED PARTY TRANSACTIONS

	9 Months Ended
	Nov. 30, 2012

NOTE 7: RELATED PARTY TRANSACTIONS

During the three and nine-month periods ended November 30, 2012, payments totaling $29,750 and $82,600 were made to TAM Irrevocable Trust for consulting services, in which Cari Beck, is a trustee as well as the daughter of the Company' s President. During the three and nine-month periods ended November 30, 2011 payments to TAM Irrevocable Trust were made totaling $25,000 and $82,500, respectively.

6. CONCENTRATIONS

	9 Months Ended Nov. 30, 2012

Notes to Financial Statements

CONCENTRATIONS

NOTE 6: CONCENTRATIONS

Sales to two customer accounted for 51% of sales for the three-month period ended November 30, 2012. Five other customers accounted for 36% of the sales in the current period expanding out customer base including 7% of the sales generated from the Seychelle website. Sales to two customers accounted for 37% of sales for the current nine-month period with 8% coming from the Seychelle website. For the three and nine-month periods ended November 30, 2011, sales to two customers accounted for 46% and 59% of total sales, respectively. At November 30, 2012, two customers accounted for 66% of accounts receivable.

7. RELATED PARTY TRANSACTIONS (Details Narrative) (USD $)	3 Months Ended		9 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012	Nov. 30, 2011
Related Party Transactions Details Narrative				
Payments to TAM Irrevocable Trust for consulting services, in which Cari Beck, is a trustee as well as the daughter of the Company's President	$ 29,750	$ 25,000	$ 82,600	$ 82,500

2. BASIC INCOME (LOSS) PER SHARE (Details Narrative)	3 Months Ended		9 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012	Nov. 30, 2011
Basic Income Loss Per Share Details Narrative				
Dilutive common stock equivalents		3,078,989	1,557,066	2,950,118
Antidilutive stock equivalents	1,557,066			

4. INVENTORY (Tables)

	9 Months Ended Nov. 30, 2012
Inventory Tables	
Inventory	The Company' s inventory consisted of the following at November 30,2012 and February 29, 2012:

Raw materials	$ 374,995	$ 589,774
Finished goods	287,722	382,521
	662,717	972,295
Reserve for obsolete and slow moving inventory	(19,798)	(7,715)
	$ 642,919	$ 964,580

8. COMMITMENTS AND CONTINGENCIES	9 Months Ended
	Nov. 30, 2012

Notes to Financial Statements

COMMITMENTS AND CONTINGENCIES

NOTE 8: COMMITMENTS AND CONTINGENCIES

In the case titled Letty Garcia v. Carl Palmer; Seychelle Environmental Technologies, Inc., et, al., brought in the Superior Court for the State of California, San Diego County District, the court found against the Company in May, 2012 for approximately $157,000. This amount was reflected in our February 29, 2012 consolidated financial statements. The Company believes that the ruling was incorrect and has filed for an appeal. The appeal will most likely be heard in late 2013, or 2014. The remaining amount of restricted cash that was reflected in previous financial statements relating to this case was returned to the Company during the nine months ended November 30, 2012.

There is an additional unrelated lawsuit, Patricia Edwards v Seychelle Environmental Technologies, Inc., brought in January, 2012 in the Superior Court for the State of California, Orange County District, by a former employee of the company regarding a claim of $280,000 for wrongful termination based on discrimination. Subsequently, the plaintiff reduced their claim to $59,000. As of December 3, 2012, the case was settled through mediation for $25,000. This amount is included in accrued expenses on the financial statements as a third quarter expense.

Otherwise, as of November 30, 2012, we know of no other legal proceedings pending or threatened, or judgments entered against the Company or any of our directors or officers in their capacity as such.

3. COMMON STOCK PURCHASE WARRANTS (Tables)	9 Months Ended
	Nov. 30, 2012
Common Stock Purchase Warrants Tables	
Summary of warrant activity	A summary of warrant activity for the nine months ended November 30, 2012 is as follows:

	Warrants Outstanding	Weighted-Average Exercise Price
Outstanding at February 29, 2012	8,467,221	0.21
Granted	-	-
Exercised	-	-
Forfeited	-	-
Outstanding at November 30, 2012	8,467,221	0.21
Vested at November 30, 2012	1,693,444	0.21
Exercisable at November 30, 2012	1,693,444	0.21

Significant ranges of outstanding warrants

The following table summarizes significant ranges of outstanding warrants as of November 30, 2012:

	Warrants Outstanding			Warrants Exercisable	
Exercise Price	Number Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
$ 0.21	8,467,221	8.04	$ 0.21	1,693,444	$ 0.21

3. COMMON STOCK PURCHASE WARRANTS (Details) (USD $)	9 Months Ended Nov. 30, 2012
Common Stock Purchase Warrants Details	
Warrants Outstanding at February 29, 2012	8,467,221
Warrants, Granted	
Warrants, Exercised	
Warrants, Forfeited	
Warrants, Outstanding November 30, 2012	8,467,221
Vested at November 30, 2012	1,693,444
Exercisable at November 30, 2012	1,693,444
Warrants Weighted Average Exercise Price per Share, Outstanding at February 29, 2012	$ 0.21
Warrants Weighted Average Exercise Price per Share, Granted	
Warrants Weighted Average Exercise Price per Share, Exercised	
Warrants Weighted Average Exercise Price per Share, Forfeited	
Warrants Weighted Average Exercise Price per Share, Outstanding at November 30, 2012	$ 0.21
Weighted Average Exercise Price Warrants Vested at November 30, 2012	$ 0.21
Weighted Average Exercise Price Warrants Exercisable at November 30, 2012	$ 0.21

5. LINE OF CREDIT (Details Narrative) (USD $)	Nov. 30, 2012
Line Of Credit Details Narrative	
Available Line of Credit	$ 500,000
Interest Rate for Line of Credit	4.00%
Company borrowings against line of credit	$ 0

Condensed Consolidated Statements of Cash Flows (Unaudited) (USD $)	9 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income	$ 73,391	$ 428,130
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	35,201	32,573
Stock-based compensation	269,512	288,163
Contributed services		7,500
Provision for doubtful accounts		13,392
(Gain) loss from sale of property and equipment	(517)	12,291
Change in inventory reserve	12,083	(243,143)
Deferred tax expense		113,577
Changes in operating assets and liabilities:		
Increase in accounts receivable	(298,869)	(150,893)
(Increase) decrease in inventory	309,578	(200,172)
(Increase) decrease in prepaid expenses, deposits and other assets	53,257	(148,124)
Decrease in accounts payable and accrued expenses	(51,943)	(37,360)
(Increase) decrease in restricted cash	146,081	(302,796)
Increase (decrease) in customer deposits	(6,028)	146,978
Net Cash Provided by (Used in) Operating Activities	541,746	(39,884)
CASH FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(66,663)	(72,367)
Proceeds from sale of property and equipment	12,000	
Purchase of intangible assets	(100)	(4,005)
Net Cash Used in Investing Activities	(54,763)	(76,372)
CASH FROM FINANCING ACTIVITIES:		
Repayment of capital lease obligations	(3,218)	(53,037)
Purchase of common stock		(25,000)
Net Cash Used in Financing Activities	(3,218)	(78,037)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	483,765	(194,293)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,148,995	1,244,290
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,632,760	1,049,997
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
CASH PAID FOR INTEREST	1,572	1,056
CASH PAID FOR INCOME TAXES	4,234	231,310
Non-cash investing and financing activities:		
Purchase of equipment under capital lease		$ 24,295

5. LINE OF CREDIT

9 Months Ended
Nov. 30, 2012

Notes to Financial Statements
LINE OF CREDIT

NOTE 5: LINE OF CREDIT

As of November 30, 2012, the Company had a line of credit agreement totaling $500,000. The line of credit bears interest at the lending institution' s index rate (3.25% as of November 30, 2012) plus 0.75% and is due June 30, 2013. As of November 30, 2012, the Company had not borrowed against the line of credit. The line of credit agreement does not include any limitations on borrowings or any restrictive debt covenants.

3. COMMON STOCK PURCHASE WARRANTS (Details Narrative) (USD $)	3 Months Ended		9 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012	Nov. 30, 2011
Common Stock Purchase Warrants Details Narrative				
Restricted stock issued to an employee for services rendered			10,000	25,000
Restricted stock issued to an employee for services rendered			$ 3,100	$ 6,250
Restricted stock issued to consultant for services rendered				50,000
Restricted stock issued to consultant for services rendered				15,500
Expense charged to operations for warrants	$ 88,804	$ 88,804	$ 266,412	$ 266,413