

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 Quarter Ended October 31, 1994 Commission File Number 0-8675

OIL-DRI CORPORATION OF AMERICA
(Exact name of registrant as specified in its charter)

DELAWARE	36-2048898
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)

410 North Michigan Avenue	60611
Chicago, Illinois	(Zip Code)
(Address of principal executive offices)	

Registrant's telephone number, including area code (312) 321-1515

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 and (2) has been subject to such filing requirements for at least the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the close of the period covered by this report.

Common Stock - 5,100,623 Shares (Including 283,696 Treasury Shares)
Class B Stock - 2,132,895 Shares

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Consolidated Statement of Financial Position
ASSETS

[CAPTION]

	October 31 (Unaudited)	July 31	
	1994	1993	1994
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 2,248,147	\$ 2,586,077	\$ 6,394,315
Investment Securities, at Cost	3,586,569	5,234,971	3,351,423
Accounts Receivable	24,424,847	19,619,457	19,854,899
Allowance for Doubtful Accounts	(186,038)	(211,144)	(171,940)
Inventories	12,592,104	9,719,105	11,203,008
Prepaid Expenses and Taxes	3,879,701	3,164,016	3,730,298
Total Current Assets	46,545,330	40,112,482	44,362,003

PROPERTY, PLANT AND EQUIPMENT - AT COST

Cost	102,235,020	90,304,566	100,192,811
Less Accumulated Depreciation and Amortization	41,763,672	35,623,509	39,949,247
Total Property, Plant and Equipment, Net	60,471,348	54,681,057	60,243,564

OTHER ASSETS

Excess of Investment Subsidiary
Over Fair Value of Assets (Net

of Accumulated amortization)	4,403,394	4,527,859	4,436,334
Other	3,346,939	2,835,546	3,225,281
Total Other	7,750,333	7,363,405	7,661,615
Assets			
TOTAL ASSETS	\$114,767,011	\$102,156,944	\$112,267,182

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
 Consolidated Statement of Financial Position
 LIABILITIES & STOCKHOLDERS EQUITY

	October 31 (Unaudited)		July 31
	1994	1993	1994
CURRENT LIABILITIES			
Current Maturities of Note Payable	\$ 649,944	\$1,017,142	\$ 1,243,479
Accounts Payable - Trade	5,258,876	4,005,840	4,677,793
Income Taxes Payable	-	296,812	-
Dividends Payable	520,552	454,117	449,302
Accrued Expenses	9,377,605	8,505,606	9,230,664
Total Current Liabilities	15,806,977	14,279,517	15,601,238
NONCURRENT LIABILITIES			
Notes Payable	21,519,373	17,170,020	21,521,243
Deferred Income Taxes	326,284	1,209,486	323,379
Deferred Compensation	1,610,740	1,456,309	1,761,818
Total Noncurrent Liabilities	23,456,397	19,835,815	23,606,440
Total Liabilities	39,263,374	34,115,332	39,207,678
STOCKHOLDERS EQUITY			
Common Stock	723,352	720,208	723,352
Paid-In Capital in Excess of Par Value	7,657,394	7,255,015	7,657,394
Retained Earnings	72,375,658	64,151,733	70,077,278
Cumulative Translation Adjustment	(954,458)	(1,026,811)	(1,135,951)
	79,801,946	71,100,145	77,322,073
Less Treasury Stock, At Cost	4,298,309	3,058,533	4,262,569
Total Stockholders	75,503,637	68,041,612	73,059,504
Total Liabilities & Stockholders Equity	\$114,767,011	\$102,156,944	\$112,267,182

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Consolidated Statement of Income and Retained Earnings
Three Months Ended October 31

	1994 (Unaudited)	1993 (Unaudited)
Net Sales	\$36,799,337	\$33,554,070
Cost Of Sales	26,631,621	23,824,916
Gross Profit	10,167,716	9,729,154
Selling, General And Administrative Expenses	5,995,711	5,984,119
Operating Income	4,172,005	3,745,035
OTHER INCOME (EXPENSE)		
Interest Expense	(487,535)	(389,325)
Interest Income	103,539	99,248
Foreign Exchange Gain (Loss)	3,369	1,233
Other, Net	(21,496)	(15,152)
	(402,123)	(303,996)
Income Before Income Taxes	3,769,882	3,441,039
Income Taxes	950,950	866,300
Net Income	2,818,932	2,574,739
RETAINED EARNINGS		
Balance at Beginning of Year	70,077,278	62,031,814
Less: Cash Dividends Declared	520,552	454,820
Retained Earnings - October 31	\$72,375,658	\$64,151,733
Average Shares Outstanding	6,957,700	7,027,506
Net Income Per Share	\$ 0.41	\$ 0.37

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Consolidated Statement of Cash Flows
For the Three Months Ended October 31 (Unaudited)

	1994	1993
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$2,818,932	\$2,574,739
Adjustments to Reconcile Net Income to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	1,821,537	1,558,384
Provision for bad debts	9,229	24,232
(Increase) Decrease in:		
Accounts Receivable	(4,515,026)	(1,231,276)
Inventories	(1,350,335)	(1,697,586)
Prepaid Expenses and Taxes	(154,179)	(365,412)
Other Assets	(97,794)	(40,199)
Increase (Decrease) in:		
Accounts Payable	595,723	(1,595,002)
Income Taxes Payable	-	60,945
Accrued Expenses	168,050	165,683
Deferred Compensation	(151,078)	76,363
Total Adjustments	(3,673,873)	(3,053,748)
Net Cash Used In Operating Activities	(854,941)	(479,009)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(2,025,333)	(2,528,594)
Purchases of Investment Securities	(2,116,842)	(4,251,980)
Dispositions of Investment Securities	1,905,413	4,610,717
Other	7,600	-
Net Cash Used in Investing Activities	(2,229,162)	(2,169,857)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings	-	362,895
Principal Payments on Long Term Debt	(595,405)	(684,289)
Proceeds from Issuance of Common Stock	-	294,935
Dividends Paid	(455,483)	(453,452)
Foreign Currency Translation Adjustment	24,563	94,350
Purchases of Treasury Stock	(35,740)	(690,726)
Net Cash Used In Financing Activities	(1,062,065)	(1,076,287)
Net (Decrease) in Cash and Cash Equivalents	(4,146,168)	(3,725,153)
Cash and Cash Equivalents, Beginning of Year	6,394,315	6,311,230
Cash and Cash Equivalents, October 31	\$ 2,248,147	\$2,586,077

MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THREE MONTHS ENDED OCTOBER 31, 1994 COMPARED TO THREE
MONTHS ENDED OCTOBER 31, 1993

RESULTS OF OPERATIONS

Consolidated net sales for the three months ended October 31, 1994 were \$36,799,000, an increase of \$3,245,000, or 9.7%, over sales of \$33,554,000 in the first three months of fiscal 1994. Net income for the three months ended October 31, 1994 was \$2,819,000 or \$0.41 per share, an increase of 9.5% from \$2,575,000 or \$0.37 per share earned in the first quarter of fiscal 1994.

Net sales of industrial and environmental sorbents decreased \$241,000 from prior year levels. Sales of industrial clay absorbents decreased slightly in dollar volume while sales of nonclay sorbents decreased \$202,000 or 13.1%, reflecting increased competition in the markets in which the Company participates. Sales of cat box absorbents increased \$2,484,000 or 14.7% from fiscal 1994 first quarter results. This growth is primarily the result of sales increases in branded and private label products, both scoopable and traditional coarse litter, in both the grocery and mass merchandise markets. Sales of agricultural absorbents increased \$397,000 or 9.2% from fiscal 1994. Worldwide sales of fluid filtration and purification products remained unchanged from prior year levels.

Consolidated gross profit as a percentage of net sales for the three months ended October 31, 1994 decreased to 27.6% from 29.0% in the first three months of fiscal 1993. Changes in sales mix towards greater value added products was offset by increased costs of packaging materials and shipping.

Operating expenses as a percentage of net sales decreased to 16.3% in the first quarter of fiscal 1995 from 17.8% in the first quarter of fiscal 1994. This change reflects continued emphasis on controlling variable costs and matching fixed overhead costs to volume.

Interest expense increased \$98,200 due to increased debt levels. Interest income increased slightly.

The Company's effective tax rate was unchanged at 25.5% of income in the first quarter of 1995 as compared to 25.2% the first quarter of fiscal 1994.

Total assets of the Company increased \$2,500,000 during the three months ended October 31, 1994. Current assets increased \$2,183,000 or 4.9% from fiscal year end balances reflecting increased accounts receivable and inventory balances offset against reduced cash and investments to fund increased sales. Property, plant and equipment, net of accumulated depreciation, increased \$228,000.

Total liabilities in the three months ended October 31, 1994 increased slightly. Current liabilities increased \$206,000 or 1.3% from July 31, 1994 balances while noncurrent liabilities decreased \$150,000 or 0.6% from year end.

The Company expects recent sales patterns to continue in fiscal 1995. Growth is expected to come primarily from the cat box and fluid purification product lines. Consumer growth is expected to be achieved through increased distribution in the grocery industry and by maintaining the Company's strong position in the fast growing mass merchandising and warehouse club outlets. Growth of specialty adsorbents is expected to continue with increased market penetration of the Company's value-added fluid filtration and purification products. Finally, the Company's recently completed expansion of its Ripley, Mississippi manufacturing facility is expected to provide significant new capacity for the agricultural product line, relieving capacity constraints experienced during fiscal 1994.

LIQUIDITY AND CAPITAL RESOURCES

The current ratio increased to 2.94 at October 31, 1994 from 2.84 at July 31, 1994. Working capital increased \$1,978,000 in the three months ended October 31, 1994 to \$30,738,000. Cash provided by operations continues to be the Companys primary source of funds to finance operating needs and capital expenditures. During the quarter the balances of cash, cash equivalents and other investments declined \$3,911,000. This reduction in cash and investments was used to fund capital expenditures of \$2,025,000, to pay dividends of \$455,000 and to reduce debt by \$595,000. Total cash and investment balances held by the Companys foreign subsidiaries at October 31, 1994 and 1993 were \$3,501,000 and \$4,408,000 respectively.

FOREIGN OPERATIONS

The Companys net sales by its foreign subsidiaries for the three months ended October 31, 1994 were \$2,775,000 constituting 7.5% of sales. This represents a increase of \$244,000 or 9.6%, primarily due to increased sales in Canada, from the first quarter of fiscal 1994 in which foreign subsidiary sales were \$2,531,000 and constituted 7.5% of sales. Net income of the Companys foreign subsidiaries for the three months ended October 31, 1994 was \$94,000 compared with \$257,000 in the first quarter of fiscal 1994. Identifiable assets of the Companys foreign subsidiaries as of October 31, 1994 were \$9,803,000 an decrease of \$1,113,000 from \$10,916,000 as of October 31, 1993.

Part II - Other Information

- Item 5. (a) Exhibits: The following documents are an exhibit to this report. Exhibit - 11 - Statement Re: Computation of per share earnings.
- (b) During the quarter for which this report is filed, no reports on Form 8-K were filed.

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.

OIL-DRI CORPORATION OF AMERICA
(Registrant)

BY /s/ Donald J. Deegan
Donald J. Deegan
Director of Finance and Accounting,
Chief Accounting Officer

BY /s/ Richard M. Jaffee
Richard M. Jaffee
President

Dated: December 14, 1994

INDEX TO EXHIBITS

EXHIBIT NUMBER	EXHIBIT TITLE	SEQUENTIALLY NUMBER	PAGE
(11)	Statement Re: Computation of Per Share Earnings		12

OIL-DRI CORPORATION OF AMERICA
 Computation of Weighted Average Number
 of Shares Outstanding

Quarter End	Period	Number of Days	Number of Shares Outstanding	Weighted Shares	Average Shares- (Weighted Shares) Number of Days As Adjusted
October 31, 1994	08/01/94 to 08/08/94	8	6,951,822	55,614,576	
	08/09/94 to 10/31/94	84	6,949,822	583,785,048	
		92		639,399,624	6,949,996
Assuming exercise of options reduced by the number of shares which could have been purchased with the proceeds from exercise of such options.					7,704
					6,957,700

October 31, 1993	08/01/93 to 08/11/93	11	6,991,285	76,904,135	
	08/12/92 to 08/23/93	12	6,993,827	83,925,924	
	08/24/92 to 09/02/93	10	6,995,174	69,951,740	
	09/03/93 to 09/14/93	12	6,995,638	83,947,656	
	09/15/93 to 09/19/93	5	6,996,416	34,982,080	
	09/20/93 to 09/21/93	2	6,997,041	13,994,082	
	09/22/93 to 09/29/93	8	6,998,121	55,984,968	
	09/30/93 to 10/03/93	4	6,993,121	27,972,484	
	10/04/93 to 10/17/93	14	6,988,121	97,833,694	
	10/18/93	1	6,983,121	6,983,121	
	10/19/93 to 10/24/93	6	6,978,121	41,868,726	
	10/25/93 to 10/28/93	4	6,978,972	27,915,888	
	10/29/93 to 10/31/93	3	6,980,823	20,942,469	
		92		643,206,967	6,991,380

Assuming exercise of options reduced by the number of shares which could have been purchased with the proceeds from exercise of such options.					36,126
					7,027,506

QTR-1
 JUL-31-1994
 OCT-31-1994
 2,248,147
 3,586,569
 24,424,847
 (186,038)
 12,592,104
 46,545,330
 102,235,020
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