

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **November 28, 2006**

**Oil-Dri Corporation of America**

*(Exact name of registrant as specified in its charter)*

**Delaware**

**0-8675**

**36-2048898**

*(State or other jurisdiction  
of incorporation)*

*(Commission  
File Number)*

*(IRS Employer  
Identification No.)*

**410 North Michigan Avenue  
Suite 400  
Chicago, Illinois**

**60611-4213**

*(Address of principal executive offices)*

*(Zip Code)*

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

*(Former name or former address, if changed since last report.)*

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition.**

On November 28, 2006, Oil-Dri Corporation of America (the "Registrant") issued a press release announcing its results of operations for its first quarter ended October 31, 2006. A copy of the press release is attached as Exhibit 99.1 and the information contained therein is incorporated herein by reference. The information contained in this Form 8-K, including the exhibit, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, and it shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit Number</b>	<b>Description of Exhibits</b>
99.1	Press Release of the Registrant dated November 28, 2006.

**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 hereunto duly authorized.

OIL-DRI CORPORATION OF AMERICA

By: /s/ Charles P. Brissman

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Charles P. Brissman  
Vice President and General Counsel

Date: November 29, 2006

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Exhibit Index

**Exhibit  
Number**

**Description of Exhibits**

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99.1

Press Release of the Registrant dated November 28, 2006.

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## News Release



**Release:** Immediate

**Contact:** Ronda J. Williams  
312-706-3232

**Oil-Dri Reports Record First Quarter Sales  
and 71% Increase in First Quarter Earnings Per Share**

CHICAGO – November 28, 2006 – Oil-Dri Corporation of America (NYSE: ODC) today announced record sales and strong growth in earnings per share for the first quarter ended October 31, 2006.

The Company reported record net sales of \$52,129,000 for the quarter, a 9% increase compared with net sales of \$47,789,000 in the same quarter one year ago. The Company reported net income for the quarter of \$1,647,000, or \$0.24 per diluted share, a 71% increase compared with net income of \$1,028,000, or \$0.14 per diluted share, in the same quarter one year ago.

**First Quarter Review**

President and Chief Executive Officer Daniel S. Jaffee said, “We are very pleased and encouraged by the strong start of fiscal year 2007. Quarterly results showed healthy sales growth and the positive results of cost savings programs.

Our gross margins improved in the quarter to 20.5% from 17.6% one year ago. While we are encouraged by our quarterly margin improvement, we still have not yet rebuilt lost margins from several years ago. In the quarter, however, we benefited from continued cost savings initiatives and related manufacturing improvement programs.”

**Business Review**

Sales for the Company’s **Business-to-Business Products Group** were \$16,885,000 for the first quarter, relatively flat compared with last year’s first quarter. Group income was \$3,398,000 for the first quarter, up 12% from the prior year’s first quarter. Increased selling prices for the Group’s products offset higher materials, packaging and freight costs. Sales of the Group’s bleaching clays and fluids purification products increased in both units and dollars; however, sales of the Group’s agricultural chemical carriers declined in both units and dollars.

Sales for the Company’s **Retail and Wholesale Products Group** were \$35,244,000 for the first quarter, up 14% from the prior year’s first quarter. Group income was \$3,549,000 for the first quarter, up 115% from the first quarter one year ago. Higher unit sales, more efficient trade spending and price increases drove the Group’s sales and income growth. Sales of branded and private label cat litters were especially strong in both units and dollars in non-grocery accounts. The Group also saw increased dollar sales of scoopable cat litters in other distribution channels as well as increased dollar sales of industrial and automotive products.

-continued-

## Financial Review

On October 9, 2006, Oil-Dri's Board of Directors declared quarterly cash dividends of \$0.12 per share of outstanding Common Stock and \$0.09 per share of outstanding Class B Stock. The dividends will be payable on December 8, 2006, to stockholders of record at the close of business on November 10, 2006. At the October 31, 2006 closing price of \$16.19 per share and assuming cash dividends continue at the same rate, the annual yield on the Company's Common Stock is 3%. The Company has paid cash dividends continuously for 32 years.

Cash, cash equivalents and short-term investments at October 31, 2006, totaled \$24,978,000. Operating cash flow for the quarter was \$2,039,000. Capital expenditures for the quarter totaled \$2,352,000, which was \$528,000 more than the depreciation and amortization of \$1,824,000.

## Looking Forward

Jaffee said, "We will continue to focus on strengthening our profit margins through expanding higher margin product sales, manufacturing initiatives and other internal cost saving programs."

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The Company will offer a live web cast of the first quarter earnings teleconference on Wednesday, November 29, 2006, at 10 a.m. CST. To listen to the call via the web, please visit [www.streetevents.com](http://www.streetevents.com) or [www.oildri.com](http://www.oildri.com). An archived recording of the call and written transcripts of all teleconferences are posted on the Oil-Dri web site.

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*Oil-Dri Corporation of America is a leading supplier of specialty sorbent products for agricultural, horticultural, fluids purification, specialty markets, industrial and automotive, and is the world's largest manufacturer of cat litter.*

*Certain statements in this press release may contain forward-looking statements that are based on our current expectations, estimates, forecasts and projections about our future performance, our business, our beliefs, and our management's assumptions. In addition, we, or others on our behalf, may make forward-looking statements in other press releases or written statements, or in our communications and discussions with investors and analysts in the normal course of business through meetings, webcasts, phone calls, and conference calls. Words such as "expect," "outlook," "forecast," "would," "could," "should," "project," "intend," "plan," "continue," "believe," "seek," "estimate," "anticipate," "believe," "may," "assume," variations of such words and similar expressions are intended to identify such forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.*

*Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially including, but not limited to, the dependence of our future growth and financial performance on successful new product introductions, intense competition in our markets, volatility of our quarterly results, risks associated with acquisitions, our dependence on a limited number of customers for a large portion of our net sales and other risks, uncertainties and assumptions that are described in Item 1A (Risk Factors) of our most recent Annual Report on Form 10-K and other reports we file with the Securities and Exchange Commission. Should one or more of these or other risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results may vary materially from those anticipated, intended, expected, believed, estimated, projected or planned. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Except to the extent required by law, we do not have any intention or obligation to update publicly any forward-looking statements after the distribution of this press release, whether as a result of new information, future events, changes in assumptions, or otherwise.*

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OIL - DRI CORPORATION OF AMERICA

**Consolidated Statements of Income**

(in thousands, except for per share amounts)

(unaudited)

	Three Months Ended October 31,			
	2006	% of Sales	2005	% of Sales
Net Sales	\$ 52,129	100.0%	\$ 47,789	100.0%
Cost of Sales	(41,466)	79.5%	(39,362)	82.4%
<b>Gross Profit</b>	<b>10,663</b>	<b>20.5%</b>	<b>8,427</b>	<b>17.6%</b>
Gain on Sale of Long-Lived Assets	—	—	415	0.9%
Operating Expenses	(8,161)	15.7%	(7,259)	15.2%
<b>Operating Income</b>	<b>2,502</b>	<b>4.8%</b>	<b>1,583</b>	<b>3.3%</b>
Interest Expense	(617)	1.2%	(430)	0.9%
Other Income	363	0.7%	250	0.5%
<b>Income Before Income Taxes</b>	<b>2,248</b>	<b>4.3%</b>	<b>1,403</b>	<b>2.9%</b>
Income Taxes	(601)	1.2%	(375)	0.8%
<b>Net Income</b>	<b>\$ 1,647</b>	<b>3.2%</b>	<b>\$ 1,028</b>	<b>2.2%</b>
<b>Net Income Per Share*:</b>				
Basic Common	\$ 0.27		\$ 0.16	
Basic Class B Common	\$ 0.20		\$ 0.12	
Diluted	\$ 0.24		\$ 0.14	
<b>Average Shares Outstanding*:</b>				
Basic Common	4,852		5,002	
Basic Class B Common	1,804		1,822	
Diluted	6,913		7,264	

\*Net Income Per Share and Average Shares Outstanding for the three months ended October 31, 2005 have been restated to reflect the Company's five-for-four stock split, on September 8, 2006.

OIL - DRI CORPORATION OF AMERICA

**Consolidated Balance Sheets**

(in thousands, except for per share amounts)

(unaudited)

	As of October 31,	
	2006	2005
<b>Current Assets</b>		
Cash, Cash Equivalents and Investments	\$ 24,978	\$ 18,366
Accounts Receivable, net	26,009	24,086
Inventories	15,947	14,227
Prepaid Expenses	6,791	8,643
<b>Total Current Assets</b>	<b>73,725</b>	<b>65,322</b>
Property, Plant and Equipment	51,880	48,702
Other Assets	12,640	12,564
<b>Total Assets</b>	<b>\$ 138,245</b>	<b>\$ 126,588</b>
<b>Current Liabilities</b>		
Current Maturities of Notes Payable	\$ 4,080	\$ 3,080
Accounts Payable	6,215	6,476
Dividends Payable	755	608
Accrued Expenses	14,519	14,594
<b>Total Current Liabilities</b>	<b>25,569</b>	<b>24,758</b>
<b>Long-Term Liabilities</b>		
Notes Payable	31,080	20,160
Other Noncurrent Liabilities	8,295	7,530
<b>Total Long-Term Liabilities</b>	<b>39,375</b>	<b>27,690</b>
<b>Stockholders' Equity*</b>	<b>73,301</b>	<b>74,140</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 138,245</b>	<b>\$ 126,588</b>
<b>Book Value Per Share Outstanding</b>	<b>\$ 11.01</b>	<b>\$ 10.86</b>
Acquisitions of Property, Plant and Equipment	<b>First Quarter</b> \$ 2,352	<b>3,035</b>
Depreciation and Amortization Charges	<b>First Quarter</b> \$ 1,824	<b>1,797</b>

\*Stockholders' Equity at October 31, 2006, reflects an adjustment of \$1,235,000 (net of tax) taken August 1, 2006 as part of the Company's implementation of EITF 04-06 "Accounting for Stripping Costs Incurred during Production in the Mining Industry".

**OIL - DRI CORPORATION OF AMERICA**

**Consolidated Statements of Cash Flows**

(in thousands)

(unaudited)

	For the Three Months Ended October 31,	
	2006	2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	\$ 1,647	\$ 1,028
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and Amortization	1,824	1,797
Decrease (Increase) in Accounts Receivable	84	(496)
Increase in Inventories	(250)	(1,541)
(Decrease) Increase in Accounts Payable	(1,034)	1,273
(Decrease) Increase in Accrued Expenses	(164)	927
Other	(68)	(1,097)
<b>Total Adjustments</b>	<b>392</b>	<b>863</b>
<b>Net Cash Provided by Operating Activities</b>	<b>2,039</b>	<b>1,891</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditures	(2,352)	(3,035)
Other	2,647	2,090
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>295</b>	<b>(945)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on Long-Term Debt	(80)	(80)
Dividends Paid	(754)	(559)
Purchase of Treasury Stock	—	(630)
Other	75	357
<b>Net Cash Used in Financing Activities</b>	<b>(759)</b>	<b>(912)</b>
Effect of exchange rate changes on cash and cash equivalents	(55)	(126)
Net Increase (Decrease) in Cash and Cash Equivalents	1,520	(92)
Cash and Cash Equivalents, Beginning of Year	6,607	5,945
<b>Cash and Cash Equivalents, October 31,</b>	<b>\$ 8,127</b>	<b>\$ 5,853</b>