

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, 1995 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 - 5,162,518 Shares (Including 420,596 Treasury Shares)  
Class B Stock - 2,071,000 Shares

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

	October 31 (Unaudited)		July 31
	1995	1994	1995
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 7,481,401	\$ 2,248,147	\$ 8,829,667
Investment Securities, at Cost	1,427,000	3,586,569	2,332,665
Accounts Receivable	23,986,378	24,424,847	21,529,168
Allowance for Doubtful Accounts	(202,734)	(186,038)	(180,602)
Inventories	11,920,535	12,592,104	10,917,099
Prepaid Expenses and Taxes	5,232,141	3,870,540	5,317,169
Total Current Assets	49,844,721	46,536,169	48,745,166

**PROPERTY, PLANT AND EQUIPMENT - AT COST**

Cost	107,750,187	102,235,020	106,957,911
Less Accumulated Depreciation and Amortization	49,425,032	41,763,672	47,498,516
Total Property, Plant and Equipment, Net	58,325,155	60,471,348	59,459,395

**OTHER ASSETS**

Goodwill(Net of Accumulated

amortization)	4,271,346	4,403,394	4,304,286
Deferred Income Taxes	485,668	-	484,324
Other	4,091,076	3,346,939	3,994,512
Total Other	8,848,090	7,750,333	8,783,122
Assets			
TOTAL ASSETS	\$117,017,966	\$114,757,850	\$116,987,683

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

	October 31 (Unaudited)		July 31
	1995	1994	1995
<b>CURRENT LIABILITIES</b>			
Current Maturities of Notes Payable	\$1,356,042	\$ 649,944	\$1,097,976
Accounts Payable - Trade	5,609,047	5,258,876	4,710,251
Dividends Payable	517,014	520,552	511,166
Accrued Expenses	8,482,087	9,377,605	9,351,455
<b>Total Current Liabilities</b>	<b>15,964,190</b>	<b>15,806,977</b>	<b>15,670,848</b>
<b>NONCURRENT LIABILITIES</b>			
Notes Payable	20,421,579	21,519,373	20,422,265
Deferred Income Taxes	-	326,284	-
Deferred Compensation	1,854,310	1,610,740	1,778,075
Other	946,154	-	778,112
<b>Total Noncurrent Liabilities</b>	<b>23,222,043</b>	<b>23,456,397</b>	<b>22,978,452</b>
<b>Total Liabilities</b>	<b>39,186,233</b>	<b>39,263,374</b>	<b>38,649,300</b>
<b>STOCKHOLDERS EQUITY</b>			
Common Stock	723,352	723,352	723,352
Paid-In Capital in Excess of Par Value	7,657,394	7,657,394	7,657,394
Retained Earnings	76,919,725	72,366,497	76,033,462
Cumulative Translation Adjustment	(1,010,660)	(954,458)	(987,781)
Less Treasury Stock, At Cost	84,289,811	79,792,785	83,426,427
<b>Total Stockholders' Equity</b>	<b>77,831,733</b>	<b>75,494,476</b>	<b>78,338,383</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>\$117,017,966</b>	<b>\$114,757,850</b>	<b>\$116,987,683</b>

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

	1995 (Unaudited)	1994 (Unaudited)
Net Sales	\$39,307,934	\$39,025,208
Cost Of Sales	27,648,886	26,631,621
Gross Profit	11,659,048	12,393,587
Selling, General And Administrative Expenses	9,312,281	8,221,582
Operating Income	2,346,767	4,172,005
 OTHER INCOME (EXPENSE)		
Interest Expense	(490,161)	(487,535)
Interest Income	152,594	103,539
Foreign Exchange Gain (Loss)	(3,593)	3,369
Other, Net	(54,426)	(21,496)
	(395,586)	(402,123)
 Income Before Income Taxes	 1,951,181	 3,769,882
Income Taxes	538,293	950,950
Net Income	1,412,888	2,818,932
 RETAINED EARNINGS		
Balance at Beginning of Year	76,024,301	70,077,278
Less: Cash Dividends Declared	517,464	529,713
 Retained Earnings - October 31	 \$76,919,725	 \$72,366,497
Average Shares Outstanding	\$ 6,840,079	\$ 6,957,700
Net Income Per Share	\$ 0.21	\$ 0.41

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

	1995	1994
	Unaudited	Unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	\$1,412,888	\$2,818,932
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	2,019,766	1,821,537
Provision for bad debts	28,735	9,229
(Increase) Decrease in:		
Accounts Receivable	(2,468,662)	(4,515,026)
Inventories	(1,016,138)	(1,350,335)
Prepaid Expenses and Taxes	71,742	(154,179)
Other Assets	(91,996)	(97,794)
Increase (Decrease) in:		
Accounts Payable	160,589	595,723
Accrued Expenses	(104,528)	168,050
Other	168,042	-
Deferred Compensation	76,235	(151,078)
Total Adjustments	(1,156,215)	(3,673,873)
Net Cash Used In Operating Activities	256,673	( 854,941)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditures	(863,670)	(2,025,333)
Purchases of Investment Securities	-	(2,116,842)
Dispositions of Investment Securities	914,428	1,905,413
Other	-	7,600
Net Cash Used in Investing Activities	50,758	(2,229,162)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	257,380	-
Principal Payments on Long Term Debt	-	(595,405)
Dividends Paid	(519,286)	(455,483)
Foreign Currency Translation Adjustment	(23,757)	24,563
Purchases of Treasury Stock	(1,370,034)	(35,740)
Net Cash Used In Financing Activities	(1,655,697)	(1,062,065)
Net (Decrease) in Cash and Cash Equivalents	(1,348,266)	(4,146,168)
Cash and Cash Equivalents, Beginning of Year	\$ 8,829,667	6,394,315
Cash and Cash Equivalents, October 31	\$ 7,481,401	\$ 2,248,147

MANAGEMENT DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THREE MONTHS ENDED OCTOBER 31, 1995 COMPARED TO THREE  
MONTHS ENDED OCTOBER 31, 1994

RESULTS OF OPERATIONS

Consolidated net sales for the three months ended October 31, 1995 were \$39,308,000, an increase of \$283,000, or 0.7%, over sales of \$39,025,000 in the first three months of fiscal 1995. Net income for the three months ended October 31, 1995 was \$1,413,000 or \$0.21 per share, a decrease of 49.9% from \$2,819,000 or \$0.41 per share earned in the first quarter of fiscal 1995.

Sales of industrial and environmental sorbents increased \$119,000 from prior year first quarter levels. Sales of industrial clay absorbents increased \$272,000 or 8.5%. Sales of nonclay sorbents decreased \$153,000 or 11.3%, reflecting increased competition in the markets in which the Company participates. Sales of cat box absorbents increased \$192,000 or 0.9% from fiscal 1995 first quarter results. This growth is the result of sales increases in branded and private label products in both the grocery and mass merchandise markets, offset by decreased contract packaging activity. Sales of agricultural absorbents decreased \$339,000 or 7.4% from the comparable period in fiscal 1995 due to production rescheduling by several key customers. Worldwide sales of fluid filtration and purification products increased \$105,000 or 3.2% from prior year first quarter levels. Sales of transportation services increased \$463,000 or 23.2% from the first quarter of fiscal 1995 due to increased fleet size.

Consolidated gross profit as a percentage of net sales for the three months ended October 31, 1995 decreased to 29.7% from 31.8% in the first three months of fiscal 1994. Changes in sales mix and increased costs of packaging materials and freight contributed to this decline.

Operating expenses as a percentage of net sales increased to 23.7% in the first quarter of fiscal 1996 from 21.1% in the first quarter of fiscal 1995. This increase reflects the additional costs of television and print advertising and couponing associated with new product introductions.

Interest expense increased slightly while interest income increased \$49,100.

The Company's effective tax rate was 27.6% of income in the first quarter of 1996 as compared to 25.2% the first quarter of fiscal 1995.

Total assets of the Company remained unchanged during the three months ended October 31, 1995. Current assets increased \$1,100,000 or 2.3% 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, decreased \$1,134,000.

Total liabilities in the three months ended October 31, 1995 increased \$537,000. Current liabilities increased \$293,000 or 1.9% from July 31, 1995 balances while noncurrent liabilities increased \$244,000 or 1.1% from year end.

The Company anticipates sales growth, primarily from branded and private label cat box absorbent products, as new product introductions take hold. The Company continues to anticipate that earnings over the remainder of fiscal 1996 will be lower than those of fiscal 1995, principally due to the cost of new product introductions in the consumer market. Actual results may be materially lower than those reflected in these forward-looking statements, due primarily to increased competition in the grocery and mass merchandising markets.

## LIQUIDITY AND CAPITAL RESOURCES

The current ratio remained unchanged at 3.1 at October 31, 1995 compared to July 31, 1995. Working capital increased \$806,000 in the three months ended October 31, 1995 to \$33,881,000. Cash provided by operations continues to be the Company's primary source of funds to finance operating needs and capital expenditures. During the quarter the balances of cash, cash equivalents and other investments declined \$2,254,000. This reduction in cash and investments was primarily used to fund capital expenditures of \$864,000, to pay dividends of \$519,000 and repurchase shares of the Company's Common Stock of \$1,370,000. Total cash and investment balances held by the Company's foreign subsidiaries at October 31, 1995 and 1994 were \$2,348,000 and \$3,501,000 respectively.

## FOREIGN OPERATIONS

The Company's net sales by its foreign subsidiaries for the three months ended October 31, 1995 were \$2,908,000 constituting 7.4% of sales. This represents a decrease of \$64,000 or 2.1%, from the first quarter of fiscal 1995 in which foreign subsidiary sales were \$2,972,000 and constituted 7.6% of sales. Net income of the Company's foreign subsidiaries for the three months ended October 31, 1995 was \$143,000 compared with \$94,000 in the first quarter of fiscal 1995. Identifiable assets of the Company's foreign subsidiaries as of October 31, 1995 were \$9,175,000 a decrease of \$628,000 from \$9,803,000 as of October 31, 1994.





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/ Daniel S. Jaffee  
Daniel S. Jaffee  
President

Dated: December 14, 1995



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, 1995	08/01/95 to 08/08/95	8	6,901,322	55,210,576	
	08/09/95 to 10/10/95	63	6,841,322	431,003,286	
	10/11/95 to 10/11/95	1	6,814,922	6,814,922	
	10/12/95 to 10/31/95	20	6,812,922	136,258,450	
		92	629,287,224	6,840,079	0
					6,840,079
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

3-MOS

JUL-31-1995

OCT-31-1995

7,481,401

1,427,000

23,986,378

(202,734)

11,920,535

49,844,721

107,750,187

(49,425,032)

117,017,966

15,964,190

20,421,579

723,352

0

0

77,108,381

117,017,966

39,307,934

39,307,934

27,648,886

27,648,886

9,188,971

28,735

490,161

1,951,181

538,293

1,412,888

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0

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1,412,888

0.21

0.21