

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)

March 10, 2010

**Oil-Dri Corporation of America**

(Exact name of registrant as specified in its charter)

**Delaware**

**001-12622**

**36-2048898**

(State or other jurisdiction of incorporation)

(Commission File  
Number)

(IRS Employer  
Identification No.)

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

(Address of principal executive offices)

**60611-4213**

(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 March 10, 2010, Oil-Dri Corporation of America (the “Registrant”) issued a press release announcing its results of operations for its second quarter and six-month period ended January 31, 2010. 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 Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), and it shall not be deemed incorporated by reference into any filing under the Exchange Act or 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

Exhibit Number	Description of Exhibits
99.1	Press Release dated March 10, 2010

**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

Charles P. Brissman

Vice President and General Counsel

Date: March 10, 2010

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Exhibit Index

Exhibit  
Number

Description of Exhibits

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99.1 Press Release dated March 10, 2010

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# News Release

**Release:** Immediate

**Contact:** Ronda J. Williams  
& #160;312-706-3232

## **Oil-Dri Announces Second Quarter and Six-Month Results**

CHICAGO – (March 10, 2010) – Oil-Dri Corporation of America (NYSE: ODC) reported net sales for the second quarter of \$54,734,000, a 7% decrease compared with net sales of \$59,130,000 for the same quarter of the previous year. Net income for the second quarter was \$2,262,000, or \$0.31 per diluted share, a 6% decrease compared with net income of \$2,372,000, or \$0.33 per diluted share in the same quarter one year ago.

Net sales for the six-month period were \$108,138,000, a 12% decrease compared with net sales of \$122,258,000 for the same period one year ago. Net income for the six-month period was \$4,456,000, or \$0.61 per diluted share, a 5% decrease compared with net income of \$4,618,000, or \$0.64 per diluted share, in the same period one year ago.

### **SECOND QUARTER REVIEW**

President and Chief Executive Officer Daniel S. Jaffee said, “While we continue to experience the effects of Walmart’s plan to focus on a reduced number of brands, the overall business is healthy, showing substantial cash generation, improved margins and income growth in our Business to Business Products Group.

“By focusing on profitable markets, we have experienced significant growth in our bleaching clay and animal health products. We have also benefited from lower production costs. The combination of these two factors improved our gross profit margin in the quarter from 20% to 23%.”

## QUARTERLY BUSINESS REVIEW

- Net sales for the Company's Business to Business Products Group were \$36,133,000 and group income was \$9,426,000 for the six-month period. Net sales for the quarter were \$18,563,000 and group income was \$4,917,000. Net sales and unit volume were up for Pure-Flo bleaching clays and Calibrin enterosorbents. Net sales and unit volume were down for agricultural chemical carriers, flowability aids and co-packaged cat litter products due to weaker demand and competitive pricing.
- Net sales for the Company's Retail and Wholesale Products Group were \$72,005,000 and group income was \$6,332,000 for the six-month period. Net sales for the quarter were \$36,171,000 and group income was \$3,116,000. Net sales and unit volume were down for Cat's Pride branded cat litter products primarily due to Walmart's decision to reduce distribution of those products. These declines were partially offset by 34% unit growth of Cat's Pride Scoopable cat litter in our grocery retail partners based on market data provided by Information Resources, Inc. for the 12-week period ending January 31, 2010. Net sales and unit volume were down for industrial and automotive products due to lower demand.

## FINANCIAL REVIEW

On December 8, 2009, Oil-Dri's Board of Directors declared quarterly cash dividends of \$0.15 per share of outstanding Common Stock and \$0.1125 per share of outstanding Class B Stock. The dividends were paid March 5, 2010 to stockholders of record at the close of business on February 19, 2010.

At the January 31, 2010 closing price of \$15.88 per share and assuming cash dividends continue at the same rate, the annual yield on the Company's Common Stock is 3.8%. The Company has paid cash dividends continuously since 1974 and has increased dividends annually for the last seven years.

During the quarter the Company repurchased 34,000 shares of Common Stock at an average price of \$15.83 per share. The Company's current repurchase authorization has 238,243 shares of Common Stock remaining.

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Cash, cash equivalents and short-term investments at January 31, 2010 totaled \$26,863,000. Capital expenditures for the fiscal year totaled \$4,818,000, which was \$1,107,000 more than the fiscal year's depreciation and amortization of \$3,711,000. During the second quarter, the Company acquired approximately 800 acres of land in the vicinity of its Thomas County, Georgia production plant. These purchases totaled \$2,300,000. The Company believes that this land contains high quality mineral reserves.

The effective tax rate for the first six months of fiscal 2010 was 29% compared with 26% for the same period in fiscal 2009. The increase in the rate is based on the Company's projected level and composition of income. The percentage of income attributable to new higher margin Business to Business products is greater this fiscal year.

Cash provided by operations was \$13,763,000 for the six-month period primarily due to improvements in our working capital commensurate with our net sales declines.

#### **LOOKING FORWARD**

Jaffee continued, "We are pleased that orders have been received from Walmart reinstating our Cat's Pride Scoopable and Cat's Pride Complete cat litter products in a limited number of stores. While the new store count overall remains materially reduced from our store count at the end of fiscal year 2009, we believe that gaining these stores is recognition that Walmart shoppers are loyal to our Cat's Pride brand. Our customers will begin to see Cat's Pride Scoopable and Cat's Pride Complete in the reinstated Walmart stores during the third quarter."

"The Producer Price Index is up 5% versus last year, so manufacturers' costs are on the rise. We are hopeful that we can continue to manage these costs going forward in the second half of fiscal 2010."

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The Company will offer a live webcast of the second quarter earnings teleconference on March 12, 2010 from 10:00 a.m. to 10:30 a.m., Chicago Time. 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 website.

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*Calibrin, Cat's Pride, and Pure-Flo, and are all registered trademarks of Oil-Dri Corporation of America.*

*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)

	Second Quarter Ended January 31,			
	2010	% of Sales	2009	% of Sales
Net Sales	\$ 54,734	100.0%	\$ 59,130	100.0%
Cost of Sales	(42,064)	76.9%	(47,217)	79.9%
Gross Profit	12,670	23.1%	11,913	20.1%
Operating Expenses	(9,187)	16.8%	(8,342)	14.1%
Operating Income	3,483	6.4%	3,571	6.0%
Interest Expense	(341)	0.6%	(478)	0.8%
Other Income	79	0.1%	85	0.1%
Income Before Income Taxes	3,221	5.9%	3,178	5.4%
Income Taxes	(959)	1.8%	(806)	1.4%
Net Income	\$ 2,262	4.1%	\$ 2,372	4.0%
<b>Net Income Per Share:</b>				
Basic Common	\$ 0.34		\$ 0.36	
Basic Class B Common	\$ 0.26		\$ 0.27	
Diluted	\$ 0.31		\$ 0.33	
<b>Average Shares Outstanding:</b>				
Basic Common	5,206		5,131	
Basic Class B Common	1,890		1,873	
Diluted	7,269		7,199	

	Six Months Ended January 31,			
	2010	% of Sales	2009	% of Sales
Net Sales	\$ 108,138	100.0%	\$ 122,258	100.0%
Cost of Sales	(83,145)	76.9%	(97,969)	80.1%
Gross Profit	24,993	23.1%	24,289	19.9%
Operating Expenses	(18,158)	16.8%	(17,080)	14.0%
Operating Income	6,835	6.3%	7,209	5.9%
Interest Expense	(715)	0.7%	(983)	0.8%
Other Income	156	0.1%	29	0.0%
Income Before Income Taxes	6,276	5.8%	6,255	5.1%
Income Taxes	(1,820)	1.7%	(1,637)	1.3%
Net Income	\$ 4,456	4.1%	\$ 4,618	3.8%
<b>Net Income Per Share*:</b>				
Basic Common	\$ 0.67		\$ 0.70	
Basic Class B Common	\$ 0.50		\$ 0.53	
Diluted	\$ 0.61		\$ 0.64	
<b>Average Shares Outstanding:</b>				
Basic Common	5,200		5,129	
Basic Class B Common	1,885		1,868	
Diluted	7,259		7,196	

**OIL - DRI CORPORATION OF AMERICA**

**Consolidated Balance Sheets**

(in thousands, except for per share amounts)  
(unaudited)

	<b>As of January 31,</b>		
	<b>2010</b>	<b>2009</b>	
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 20,864	\$ 2,272	
Investment in Treasury Securities	5,999	14,494	
Accounts Receivable, net	27,210	31,399	
Inventories	16,985	19,235	
Prepaid Expenses	6,975	6,563	
<b>Total Current Assets</b>	<b>78,033</b>	<b>73,963</b>	
Property, Plant and Equipment	60,370	55,196	
Other Assets	15,463	14,432	
<b>Total Assets</b>	<b>\$ 153,866</b>	<b>\$ 143,591</b>	
<b>Current Liabilities</b>			
Current Maturities of Notes Payable	\$ 4,500	\$ 1,700	
Accounts Payable	5,450	6,330	
Dividends Payable	997	921	
Accrued Expenses	15,053	13,327	
<b>Total Current Liabilities</b>	<b>26,000</b>	<b>22,278</b>	
<b>Long-Term Liabilities</b>			
Notes Payable	16,800	21,300	
Other Noncurrent Liabilities	18,819	10,380	
<b>Total Long-Term Liabilities</b>	<b>35,619</b>	<b>31,680</b>	
Stockholders' Equity	92,247	89,633	
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 153,866</b>	<b>\$ 143,591</b>	
<b>Book Value Per Share Outstanding</b>	<b>\$ 13.02</b>	<b>\$ 12.81</b>	
<b>Acquisitions of Property, Plant and Equipment</b>	<b>Second Quarter</b>	<b>\$ 3,491</b>	<b>\$ 4,205</b>
	<b>Year to Date</b>	<b>\$ 4,818</b>	<b>\$ 7,757</b>
<b>Depreciation and Amortization Charges</b>	<b>Second Quarter</b>	<b>\$ 1,822</b>	<b>\$ 1,799</b>
	<b>Year to Date</b>	<b>\$ 3,711</b>	<b>\$ 3,684</b>

**OIL - DRI CORPORATION OF AMERICA**  
**Consolidated Statements of Cash Flows**  
(in thousands)  
(unaudited)

	<b>For the Six Months Ended</b>	
	<b>January 31,</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2010</b>	<b>2009</b>
<b>Net Income</b>	\$ 4,456	\$ 4,618
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation and Amortization	3,711	3,684
Decrease (Increase) in Accounts Receivable	1,842	(89)
Decrease (Increase) in Inventories	810	(1,491)
Increase (Decrease) in Accounts Payable	285	(972)
Increase (Decrease) in Accrued Expenses	783	(2,784)
Other	1,876	(1,020)
<b>Total Adjustments</b>	<b>9,307</b>	<b>(2,672)</b>
<b>Net Cash Provided by Operating Activities</b>	<b>13,763</b>	<b>1,946</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Expenditures	(4,818)	(7,757)
Net Dispositions of Investment Securities	2,005	6,531
Other	337	11
<b>Net Cash Used in Investing Activities</b>	<b>(2,476)</b>	<b>(1,215)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on Long-Term Debt	(200)	(4,080)
Dividends Paid	(1,991)	(1,838)
Purchase of Treasury Stock	(538)	(649)
Other	463	162
<b>Net Cash Used in Financing Activities</b>	<b>(2,266)</b>	<b>(6,405)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>4</b>	<b>1,098</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>9,025</b>	<b>(4,576)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>11,839</b>	<b>6,848</b>
<b>Cash and Cash Equivalents, January 31</b>	<b>\$ 20,864</b>	<b>\$ 2,272</b>