

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 even reported) SEPTEMBER 22, 2004

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) No.)

(Commission File
Number)

(IRS Employer
Identification

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 September 22, 2004, Oil-Dri Corporation of America (the "Registrant") issued
a press release announcing its fourth quarter and full fiscal year results of
operations for its fiscal year ended July 31, 2004. 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.

(a) None.

(b) None.

(c) Exhibits:

Exhibit NUMBER	Description of Exhibits
99.1	Press Release of Registrant dated September 22, 2004.

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: September 24, 2004

EXHIBIT INDEX

Exhibit
NUMBER

Description of Exhibits

99.1 Press Release of Registrant dated September 22, 2004.

RELEASE: Immediate

CONTACT: Kathy Arford
312-706-3274

OIL-DRI REPORTS NET INCOME UP 63% FOR FISCAL YEAR

CHICAGO - September 22, 2004 - Oil-Dri Corporation of America (NYSE: ODC) today announced sales of \$44,803,000 for the fourth quarter ended July 31, 2004 compared to sales of \$44,730,000 in the same quarter one year ago. The company reported a net loss of \$237,000 or \$0.04 per diluted share in the fourth quarter compared to net income of \$476,000 or \$0.08 per diluted share in the same quarter one year ago.

Sales for fiscal year 2004 were \$185,511,000, a 7% increase from sales of \$173,041,000 for fiscal year 2003. Net income for the fiscal year was \$5,033,000 or \$0.84 per diluted share, a 63% increase in net income over net income of \$3,083,000 or \$0.54 per diluted share for fiscal year 2003.

The fourth quarter pre-tax loss of \$153,000 includes settlement costs of \$1,250,000 and defense costs of approximately \$700,000 associated with the Company's settlement of previously disclosed patent infringement litigation. Excluding these items, the company earned pre-tax income of \$1,797,000 during the quarter. In the same quarter one year ago, the company reported pre-tax income of \$511,000 that included a write-off of \$573,000 associated with the Christmas Valley, Ore., plant closing. Excluding this item, the company earned pre-tax income of \$1,084,000 in the same quarter one year ago.

Fiscal year 2004 pre-tax income of \$6,931,000 includes a \$464,000 loss on impaired assets related to a write-off of box line packaging equipment, and a \$200,000 reserve for obsolete packaging inventory in conjunction with the sale of the dog treats business and the patent infringement litigation defense and settlement costs mentioned above. Excluding these items, the company earned pre-tax income of \$9,545,000 in fiscal year 2004.

Fiscal year 2003 pre-tax income of \$4,342,000 included gains from sales of real estate and mineral rights totaling \$449,000, and a payment of \$675,000 from a customer who failed to meet minimum purchase requirements under a supply agreement. It also included a \$385,000 asset write-off, a \$350,000 goodwill write-down associated with an equity investment and the Christmas Valley plant asset write-off of \$573,000. Excluding all of these items, the company earned pre-tax income of \$4,526,000 for fiscal 2003.

FISCAL 2004 IN REVIEW

Daniel S. Jaffee, President and CEO commented, "This year we benefited from our focused efforts to reduce costs while growing our business. Over the past several years we have communicated our need to strengthen the company's national presence, increase sales and profitability and expand our new product development effort.

"We have completed one full year of national manufacturing and distribution presence through the acquisition of the Jonny Cat(R) brand and our mining and production facilities in Taft, Calif. We have also been able to increase profitability through targeted marketing efforts in all major markets. Additionally, our attention to new product development is making headway as we go into fiscal 2005.

"Despite severe volatility in the cost of oil and natural gas, margins have increased year over year as a result of manufacturing process improvements and our ability to increase prices to cover the rising cost of energy.

"While we are generally pleased with sales and earnings for the year, we faced some challenges in the fourth quarter. Among these were the heavy marketing and introduction costs for the Jonny Cat Scoop products and slower demand for agricultural carriers.

"Most significantly, in the fourth quarter we announced a settlement and dismissal of a patent infringement lawsuit. Under the terms of the settlement, the plaintiff has granted Oil-Dri paid-up licenses of the two patents involved in the litigation as well as for a third patent owned by the plaintiff. We were satisfied with the terms of the settlement and are pleased that these costs will not impact future earnings."

YEAR-END BUSINESS REVIEW

Sales in the CONSUMER PRODUCTS GROUP were flat for the quarter and up 9% for the year. While both grocery and non-grocery outlets were strong for the year with the addition of Jonny Cat scoopable products, some of the growth on the West Coast was hampered by grocery strikes that began late last year and continued into early 2004. Though the grocery business is still recovering, Jonny Cat products are gaining expansion into non-grocery markets where they had been underrepresented.

Strong sales and profit contribution from the Canadian operation were up both for the quarter and year. This helped to offset reduced sales from the company's co-packaging business and the second quarter sale of its dog treats business.

CROP PRODUCTION AND HORTICULTURAL PRODUCTS GROUP sales were down 31% in the quarter and 4% for the year. While Agsorb(R) agricultural carriers enjoyed strong sales early in the fiscal year, shipments leveled off in the second half, as anticipated. Sports turf sales were also down slightly overall for fiscal 2004.

The INDUSTRIAL AND AUTOMOTIVE PRODUCTS GROUP sales were up 4% for the quarter and 8% for the year. Strong synthetic sorbent sales continue to drive growth in both industrial and automotive markets. Distributor relationships have successfully contributed to this year's sales and profitability growth, as well as our expanded West Coast and nation-wide sales efforts.

Sales were up 21% in the quarter for the SPECIALTY PRODUCTS GROUP and 11% for the fiscal year. All specialty products have outpaced last year's performance. Particularly strong for the Specialty Products Group has been sales of its animal health and nutrition product lines, including ConditionAde(R) 200 HPC mycotoxin binder and Poultry Guard(R) litter amendment. Expansion of these products into new markets and efforts to revitalize existing business has paid off, especially internationally. The bleaching clay business was also strong in the fourth quarter.

FINANCIAL REVIEW

On June 8, 2004, Oil-Dri's Board of Directors declared a regular quarterly cash dividend of \$0.10 per share on Common Stock. The dividend was paid on September 10, 2004 to stockholders of record at the close of business on August 6, 2004. At the July 31, 2004 closing price of \$16.39 and assuming cash dividends continue at the same rate, the annual yield on the company's Common Stock is 2.4%.

During the fiscal year, the company repurchased 119,506 shares of stock, at an average price of \$15.27 per share. The company has 182,504 shares remaining under its current repurchase authorization. Cash, cash equivalents and short-term investments at July 31, 2004, totaled \$23,069,000. Operating cash flow was \$18,285,000 for the fiscal year. Capital expenditures for the fiscal year totaled \$6,067,000, which was \$1,990,000 less than the depreciation and amortization of \$8,057,000. Debt repayments for the year totaled \$4,000,000.

The company's effective tax rate was 27.4% of pre-tax income for the fiscal year versus 29.0% for fiscal 2003. The decrease in the effective tax rate for fiscal 2004 was due mostly to a change in estimate in calculating the company's depletion deduction. It is expected that the company will benefit from lower rates throughout fiscal 2005.

LOOKING FORWARD

Jaffee commented, "We are moving in the right direction with our business strategy and goals. We have increased cash, cash equivalents, and short-term investments by \$6,399,000, and paid off \$4,000,000 in debt this fiscal year.

"We have invested in our consumer brands of Cat's Pride and Jonny Cat litters this year and look forward to positive feedback from our consumer market in fiscal 2005. Our Specialty Products Group has made great strides in expanding their scope into international markets. The prospects for further development are hopeful in the coming fiscal year. Our focus remains on new product development.

"In light of all the developments that are coming from both existing business and new products, fiscal year 2005 looks promising. We are therefore estimating earnings per share for fiscal 2005 in the range of \$1.20 - \$1.30. We feel this

strikes a good blend between delivering increased profitability to our stockholders and allowing us to invest significant resources behind opportunities that will, we hope, bear fruit in upcoming years.

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THE COMPANY WILL OFFER A LIVE WEB CAST OF THE FOURTH QUARTER EARNINGS TELECONFERENCE ON THURSDAY, SEPTEMBER 23, 2004 AT 10:00AM CST. TO LISTEN TO THE CALL VIA THE WEB, PLEASE VISIT WWW.STREETEVENTS.COM OR WWW.OILDRI.COM. AN ARCHIVED RECORDING OF THE CALL WILL BE AVAILABLE FOR APPROXIMATELY 30 DAYS AFTER 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 THE WORLD'S LARGEST MANUFACTURER OF CAT LITTER AND A LEADING SUPPLIER OF SPECIALTY SORBENT PRODUCTS FOR INDUSTRIAL, AUTOMOTIVE, AGRICULTURAL, HORTICULTURAL AND SPECIALTY MARKETS.

THIS RELEASE CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS REGARDING THE COMPANY'S EXPECTED PERFORMANCE FOR FUTURE PERIODS, AND ACTUAL RESULTS FOR SUCH PERIODS MIGHT MATERIALLY DIFFER. SUCH FORWARD-LOOKING STATEMENTS ARE SUBJECT TO UNCERTAINTIES WHICH INCLUDE, BUT ARE NOT LIMITED TO, COMPETITIVE FACTORS IN THE CONSUMER MARKET; THE LEVEL OF SUCCESS IN IMPLEMENTATION OF PRICE INCREASES AND SURCHARGES; CHANGES IN OVERALL AGRICULTURAL DEMAND; INCREASING REGULATION OF THE FOOD CHAIN; CHANGES IN THE MARKET CONDITIONS, THE OVERALL ECONOMY, ENERGY PRICES, AND OTHER FACTORS DETAILED FROM TIME TO TIME IN THE COMPANY'S ANNUAL REPORT AND OTHER REPORTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

OIL-DRI(R), POULTRY GUARD(R), CAT'S PRIDE(R), JONNY CAT(R), AGSORB(R), PRO'S CHOICE(R), FLO-FRE(R), CONDITIONADE(R) AND PURE-FLO(R) ARE ALL REGISTERED TRADEMARKS OF OIL-DRI CORPORATION OF AMERICA.

O I L - D R I C O R P O R A T I O N O F A M E R I C A

CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except for per share amounts)
(unaudited)

	FOURTH QUARTER ENDED JULY 31,			
	2004	% OF SALES	2003	% OF SALES
NET SALES	\$44,803	100.0%	\$44,730	100.0%
COST OF SALES	34,794	77.7%	36,393	81.4%
GROSS PROFIT	10,009	22.3%	8,337	18.6%
OTHER CONTRACTUAL INCOME AND NONRECURRING CHARGES	(1,250)	-2.8%	--	--
OPERATING EXPENSES	(8,523)	-19.0%	(7,263)	-16.2%
OPERATING INCOME	236	0.5%	1,074	2.4%
INTEREST EXPENSE	(490)	-1.1%	(408)	-0.9%
OTHER INCOME (EXPENSE)	101	0.3%	(155)	-0.3%
INCOME BEFORE INCOME TAXES	(153)	-0.3%	511	1.2%
INCOME TAXES	84	0.2%	35	0.1%
NET (LOSS) INCOME	\$(237)	-0.5%	\$476	1.1%
NET (LOSS) INCOME PER SHARE:				
BASIC COMMON	\$(0.04)		\$0.09	
BASIC CLASS B COMMON	\$(0.04)		\$0.07	
DILUTED	\$(0.04)		\$0.08	
AVERAGE SHARES OUTSTANDING:				
BASIC COMMON	4,050		4,076	
BASIC CLASS B COMMON	1,450		1,423	
DILUTED	5,500		5,710	
	TWELVE MONTHS ENDED JULY 31,			
	2004	% OF SALES	2003	% OF SALES
NET SALES	\$185,511	100.0%	\$173,041	100.0%
COST OF SALES	142,263	76.7%	137,413	79.4%
GROSS PROFIT	43,248	23.3%	35,628	20.6%
OTHER CONTRACTUAL INCOME AND NONRECURRING CHARGES	(1,250)	-0.7%	675	0.4%
LOSS ON IMPAIRED LONG-LIVED ASSETS	(464)	-0.2%	--	--
OPERATING EXPENSES	(32,975)	-17.8%	(29,686)	-17.2%
OPERATING INCOME	8,559	4.6%	6,617	3.8%
INTEREST EXPENSE	(2,079)	-1.1%	(2,361)	-1.4%
GAIN ON THE SALE OF MINERAL RIGHTS	--	--	139	0.1%
OTHER INCOME	451	0.2%	(53)	0.0%
INCOME BEFORE INCOME TAXES	6,931	3.7%	4,342	2.5%
INCOME TAXES	1,898	1.0%	1,259	0.7%
NET INCOME	\$5,033	2.7%	\$3,083	1.8%
NET INCOME PER SHARE:				
BASIC COMMON	\$0.98		\$0.59	
BASIC CLASS B COMMON	\$0.74		\$0.44	
DILUTED	\$0.84		\$0.54	

AVERAGE SHARES OUTSTANDING:

BASIC COMMON	4,040	4,151
BASIC CLASS B COMMON	1,437	1,423
DILUTED	5,962	5,708

NET INCOME PER SHARE AND AVERAGE SHARES OUTSTANDING ARE PRESENTED CONSISTENT WITH EITF 03-06 WHICH PERTAINS TO COMPANIES WITH PARTICIPATING SECURITIES AS DEFINED BY THE EITF. FOR THE PERIODS PRESENTED ABOVE, THE DILUTED NET INCOME PER SHARE AND DILUTED AVERAGE SHARES OUTSTANDING ARE UNAFFECTED BY THE NEW CALCULATION.

O I L - D R I C O R P O R A T I O N O F A M E R I C A

CONSOLIDATED BALANCE SHEETS
(in thousands, except for per share amounts)
(unaudited)

	AS OF JULY 31,	
	2004	2003
CURRENT ASSETS		
CASH, CASH EQUIVALENTS AND INVESTMENTS	\$23,069	\$16,670
ACCOUNTS RECEIVABLE, NET	24,169	23,768
INVENTORIES	12,399	12,819
PREPAID EXPENSES	8,344	7,373
TOTAL CURRENT ASSETS	60,630	67,981
PROPERTY, PLANT AND EQUIPMENT	47,802	49,026
OTHER ASSETS	13,092	17,167
TOTAL ASSETS	\$128,875	\$126,823
CURRENT LIABILITIES		
CURRENT MATURITIES OF NOTES PAYABLE	\$4,080	\$4,000
ACCOUNTS PAYABLE	5,701	6,856
DIVIDENDS PAYABLE	513	461
ACCRUED EXPENSES	16,742	13,917
TOTAL CURRENT LIABILITIES	27,036	25,234
LONG-TERM LIABILITIES		
NOTES PAYABLE	23,320	27,400
OTHER NONCURRENT LIABILITIES	6,261	5,175
TOTAL LONG-TERM LIABILITIES	29,581	32,575
STOCKHOLDERS' EQUITY	72,258	69,014
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$128,875	\$126,823
BOOK VALUE PER SHARE OUTSTANDING	\$13.19	\$12.38
ADDITIONS TO AND ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT	FOURTH QUARTER \$2,345	\$2,225
	YEAR TO DATE \$6,067	\$9,476
DEPRECIATION AND AMORTIZATION CHARGES	FOURTH QUARTER \$1,948	\$1,865
	YEAR TO DATE \$8,057	\$8,534