

OIL DRI CORP OF AMERICA  
Form 10-Q  
December 07, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the Quarterly Period Ended October 31, 2007

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-8675

OIL-DRI CORPORATION OF AMERICA

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

Delaware  
(State or other jurisdiction of incorporation or organization)

36-2048898  
(I.R.S. Employer Identification No.)

410 North Michigan Avenue, Suite 400  
Chicago, Illinois  
(Address of principal executive offices)

60611-4213  
(Zip Code)

The 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  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

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Yes  No

The aggregate market value of the Registrant's Common Stock owned by non-affiliates as of January 31, 2007 for accelerated filer purposes was \$79,036,000.

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 - 5,051,099 Shares

Class B Stock - 1,909,797 Shares

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## FORWARD-LOOKING STATEMENTS

Certain statements in this report, including, but not limited to, those under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" and those statements elsewhere in this report and other documents we file with the Commission contain forward-looking statements that are based on 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 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," 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 those described in Item 1A, Risk Factors, of our Annual Report on Form 10-K for the fiscal year ended July 31, 2007, which risk factors are incorporated herein by reference. Should one or more of these or other risks or uncertainties materialize, or should underlying assumptions prove incorrect, 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 hereof. 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 report, whether as a result of new information, future events, changes in assumptions, or otherwise.

## TRADEMARK NOTICE

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Oil-Dri, Agsorb, Oil-Dri All Purpose, Oil-Dri Lites, Cat's Pride, Jonny Cat, KatKit, ConditionAde, Pure-Flo, UltraClear, Poultry Guard, Flo-Fre, Saular, Terra Green and Pro's Choice are all registered trademarks of Oil-Dri Corporation of America or of its subsidiaries. PelUnite Plus, Perform and Select are trademarks of Oil-Dri Corporation of America. Fresh Step is the registered trademark of The Clorox Company.

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**PART I - FINANCIAL INFORMATION****ITEM 1. Financial Statements**

**OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets**  
(in thousands of dollars)  
(unaudited)

<b>ASSETS</b>	<b>October 31, 2007</b>	<b>July 31, 2007</b>
<b><u>Current Assets</u></b>		
Cash and cash equivalents	\$ 5,370	\$ 12,133
Investment in treasury securities	22,350	17,894
Accounts receivable, less allowance of \$597 and \$569 at October 31, 2007 and July 31, 2007, respectively	27,579	27,933
Inventories	17,536	15,237
Deferred income taxes	788	788
Prepaid expenses and other assets	4,969	4,315
<b>Total Current Assets</b>	<b>78,592</b>	<b>78,300</b>
<b><u>Property, Plant and Equipment</u></b>		
Cost	153,828	151,478
Less accumulated depreciation and amortization	(101,774)	(100,033)
<b>Total Property, Plant and Equipment, Net</b>	<b>52,054</b>	<b>51,445</b>
<b><u>Other Assets</u></b>		
Goodwill	5,162	5,162
Trademarks and patents, net of accumulated amortization of \$333 and \$327 at October 31, 2007 and July 31, 2007, respectively	847	817
Debt issuance costs, net of accumulated amortization of \$468 and \$450 at October 31, 2007 and July 31, 2007, respectively	395	413
Licensing agreements, net of accumulated amortization of \$2,807 and \$2,757 at October 31, 2007 and July 31, 2007, respectively	632	682
Deferred income taxes	1,673	1,618
Other	3,701	3,650
<b>Total Other Assets</b>	<b>12,410</b>	<b>12,342</b>
<b>Total Assets</b>	<b>\$ 143,056</b>	<b>\$ 142,087</b>

The accompanying notes are an integral part of the condensed consolidated financial statements.

**OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets**  
(in thousands of dollars)  
(unaudited)

	<b>October 31, 2007</b>	<b>July 31, 2007</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
<b><u>Current Liabilities</u></b>		
Current maturities of notes payable	\$ 8,080	\$ 4,080
Accounts payable	6,395	6,181
Dividends payable	842	833
Accrued expenses:		
Salaries, wages and commissions	3,370	7,052
Trade promotions and advertising	2,667	2,395
Freight	1,815	1,305
Other	5,853	5,559
<b>Total Current Liabilities</b>	<b>29,022</b>	<b>27,405</b>
<b><u>Noncurrent Liabilities</u></b>		
Notes payable	23,000	27,080
Deferred compensation	4,848	4,756
Other	2,828	2,604
<b>Total Noncurrent Liabilities</b>	<b>30,676</b>	<b>34,440</b>
<b>Total Liabilities</b>	<b>59,698</b>	<b>61,845</b>