



OIL-DRI
CORPORATION OF AMERICA

Annual Report
2012

Letter to Stakeholders

Fiscal 2012



Daniel S. Jaffee

At Oil-Dri, we just completed our 72nd year in business. While we are proud of our past, we are excited that our future has never looked brighter. We strongly believe that winning at Oil-Dri is a team game. Throughout this annual report, you will see and hear from some of our team who helped make this year possible.

I am very proud of the outstanding job turned in by all of the Oil-Dri Teammates worldwide during Fiscal 2012. Our core values of work/life balance, ethics, communication, accountability, respect, and excellence are essential elements of the Oil-Dri culture, which has made us so successful... yesterday, today, and hopefully, tomorrow!

I encourage you to read through our 10-K. Great quantitative (record sales for the year, cash generation, expanding gross margins...) and qualitative performances were delivered by our business units and our support groups. Our Business-to-Business Products Group delivered fantastic results, while our Manufacturing Team lived up to our motto, "Safety First, Quality Always, Improvement Continuously."

Our Procurement Team helped control our costs while securing our supply chain. Likewise, R&D, human

resources, customer service, logistics and legal all worked together to enable us to *Create Value from Sorbent Minerals*.

The coordinated efforts of so many people made the launch of our new, innovative cat litter, Cat's Pride Fresh & Light very successful. Not only is this product designed to perform as well or better than the leading competitive litters, but it is up to 25% lighter than the competition while offering the consumer the same volume (i.e. the same fills) as the heavier litters. This tangible benefit is valuable to both the end user and the retailer. The end user gets to lighten up her weekly shopping cart while the retailer benefits in a myriad of ways.

First, because of U.S. Department of Transportation commercial vehicle weight restrictions, the number of cases of cat litter that can be loaded onto a truck reaches its maximum weight before all of the available space in the trailer is filled. By reducing the weight of each individual unit by 25%, you can load 22% more cases onto each truck. This means 22% fewer trucks can bring the equivalent amount of cat litter to a retailer's distribution center.

The hard savings are obvious, but the soft savings may be even more compelling. The carbon footprint is reduced by up to 22%! Many of our retail partners have sustainability goals calling on their suppliers to help them reduce the carbon footprint by 6%-12%. Cat's Pride Fresh & Light more than clears their hurdles.

Each year, Walmart invites thousands of their supplier partners to attend its Year Beginning Meeting. Walmart unveils its strategy

"Oil-Dri is more than a job, it is a major part of my life."

Roy Lowe (Manufacturing • Ochlocknee, GA • 42 yrs.)

"I love working in a company with good people, a good team."

Stephane Desjardins (Manufacturing • Laval, QC • 22 yrs.)

"Oil-Dri cares about each individual employee and their safety."

Delandra Walker (Manufacturing • Ochlocknee, GA • 1 yr.)

"Working at Oil-Dri has given me the opportunity to be a part of an amazing team!"

Joyce Mento (Inside Sales • Alpharetta, GA • 16 yrs.)

"I work for a great company that cares about its employees."

Ryan Cox (Manufacturing • Taft, CA • 6 mo.)

"The company's willingness to grow with a changing world helped me grow as a person."

Tony Brannen (Manufacturing • Ochlocknee, GA • 20 yrs.)



for the year and then recognizes outstanding supplier performance in various areas; ranging from sales growth to innovation to sustainability.

Oil-Dri is proud to accept Walmart's Environmental Responsibility Award for 2011. This award is just one example of the incredible support we received from our retail partners. Cat's Pride Fresh & Light is out of the blocks very well after its first full year in the marketplace, but we still have many distribution gaps to fill.

It is very encouraging that the data shows the repeat purchase rate of Fresh &

Light far surpasses the rate achieved by our major competitors after their first full year of sales. This tells us we have a winner on our hands! Now our challenge is to get more and more cat litter customers to try our product. That will be our goal for Fiscal 2013.

As always, thank you very much for your loyalty and support. You, our loyal investor, are a key member of the Oil-Dri Team!

Daniel S. Jaffee (President & CEO • Chicago, IL • 25 yrs.)

“Oil-Dri combines a ‘family’ feel, long-term vision and commitment to the future.”

Thierry Jean (Retail & Wholesale • Chicago, IL • 6 mo.)

“We have a great concern for the welfare of our people, which translates into the welfare of the business. We are truly in it for the long haul.”

Bob Goss (R&D • Vernon Hills, IL • 28 yrs.)

Learn about Oil-Dri history and our rich company culture by reading the following clues and finding the correlating pictorial image on the cover of this report.



Saxophone

As a young man, Nick Jaffee, Oil-Dri founder, started Nick's Imperial Orchestra. Oil-Dri continues the tradition by supporting musical arts programs.



Bowling

Bowling is the unofficial sport of Oil-Dri. Every outing, teammates are acknowledged for highest (and lowest) scores.



Spark Plug

In 1942, Nick Jaffee partnered with P.D. Jackson, the proprietor of Blue Crown Spark Plugs, and Oil-Dri's first sales force was ignited.



Tortoise & the Hare

Like the tortoise, Oil-Dri repeatedly wins the race through dedicated and focused efforts (and we don't fall asleep on the job).



Basketball

Nick Jaffee was recruited to play college basketball at the Platteville School of Mining in Wisconsin. Jaffee men are particularly tall.



Caduceus

Dick Jaffee currently serves as Board Chairman of Rush University Medical Center in Chicago. This is one of the many ways Oil-Dri gives back to its communities.



Fur Coat

During the 1920's, Nick Jaffee traveled the Mississippi river collecting furs, hides, and scrap metal for his father to sell back in Platteville, Wisconsin.



Wrigley Building

A Chicago landmark on the prestigious Magnificent Mile. The Oil-Dri corporate headquarters have been located in this historic building since 1993.



Hosiery

Dick Jaffee, Board Chairman, was happy to join the family business after trying to sell hosiery door-to-door as a teenager.



Health & Wellness

Run Oil-Dri... run. We care about the well being of our employees by supporting fitness and healthy lifestyle choices.



Financial Highlights

Fiscal Years End July 31,

2012

2011

2010

Key Metrics

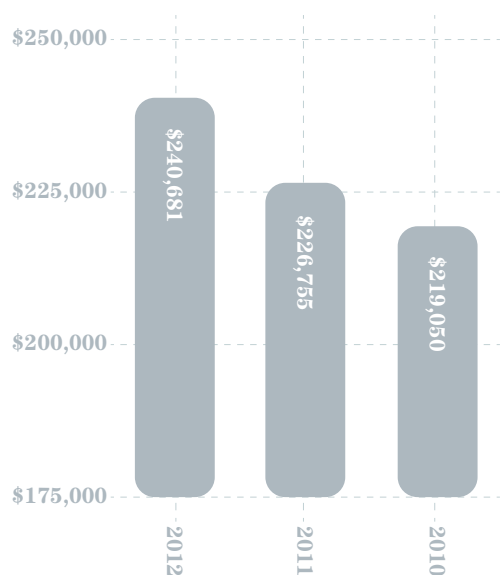
Dollar Amounts in Thousands

Return on Average Total Assets	3.5%	5.5%	6.2%
Return on Average Stockholders' Equity	6.8%	9.7%	10.5%
Cash, Cash Equivalents & Investments	\$ 36,256	\$ 33,722	\$ 24,621
Cash, Cash Equivalents & Investments Less Notes Payable	\$ 6,556	\$ 422	\$ 6,321

Income Statement Data

Dollar Amounts in Thousands

Net Sales	\$ 240,681	\$ 226,755	\$ 219,050
Income from Operations	\$ 10,079	\$ 13,709	\$ 13,549
Net Income	\$ 6,098	\$ 9,051	\$ 9,458



Net Sales

Dollar Amounts in Thousands



Net Income

Dollar Amounts in Thousands

Balance Sheet Data

Dollar Amounts in Thousands

Working Capital	\$ 66,080	\$ 65,336	\$ 48,398
Total Assets	\$ 174,267	\$ 173,393	\$ 153,982
Notes Payable	\$ 29,700	\$ 33,300	\$ 18,300

Per Share Data

Net Income per Diluted Share	\$ 0.85	\$ 1.26	\$ 1.30
Book Value per Share	\$ 12.19	\$ 13.63	\$ 12.77
Common Stock Price at July 31,	\$ 21.93	\$ 20.69	\$ 21.88

Board of Directors

Richard M. Jaffee
Chairman

Daniel S. Jaffee
President & Chief Executive Officer

J. Steven Cole
President, Cole & Associates

Arnold W. Donald
Principal, AWD Group

Joseph C. Miller
Vice Chairman,
Independent Consultant

Michael A. Nemeroff
President & Chief Executive Officer,
Vedder Price P.C.

Allan H. Selig
Commissioner of Major League Baseball,
President & Chairman, Selig Lease Co.

Paul E. Suckow
Business Fellow & Adjunct Professor,
Finance & Economics,
Villanova University

Executive Officers

Daniel S. Jaffee
President & Chief Executive Officer

Thomas F. Cofsky
Vice President, Manufacturing

Douglas A. Graham
Vice President, General Counsel
& Secretary

Thierry R. Jean
Vice President & General Manager
Consumer Packaged Goods

Daniel T. Smith
Vice President, Chief Financial Officer

Annual Meeting

On December 11, 2012 at 9:30 am CST, Oil-Dri Corporation of America will hold its 2012 Annual Meeting of Stockholders. Please join us:

The Standard Club
320 South Plymouth Court
Chicago, Illinois 60604

Investor Inquiries

NYSE: ODC

Please direct all investor relations inquiries to:

Ronda J. Williams
(312) 321-1515
info@oildri.com

Oil-Dri Corporation of America
Attention: Investor Relations
410 North Michigan Avenue
Chicago, Illinois 60611-4213

www.oildri.com

Stockholders with inquiries regarding stock transfers, change of ownership, change of address or dividend payments should contact the company's registrar and transfer agent:

Computershare Investor Services
2 North LaSalle Street
Chicago, Illinois 60602-3711
(312) 360-5257

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP

Forward-Looking Statements

Certain statements in this report, including, 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 Securities and Exchange 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," "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, those described in Item 1A (Risk Factors) of this report and other documents 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, actual results may vary materially from those anticipated, intended, expected, believed, estimated, projected or planned. Investors 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.

Cat's Pride and Fresh & Light are registered trademarks of Oil-Dri Corporation of America.

Walmart is a registered trademark of Walmart Stores, Inc.

