



OIL·DRI
CORPORATION OF AMERICA
ANNUAL REPORT
2010

Letter to Stakeholders, Fiscal 2010

I was seven years old in 1971 when my father Richard Jaffee took Oil-Dri public. His desire to grow the business was driven by the innovative influence of my grandfather Nick Jaffee who founded the company in 1941. From early on, my father instilled in me lessons taught to him that would be the foundation of our continuous success for nearly 70 years.

We have been very fortunate to have many employees who have had successful long-term careers at Oil-Dri. Their commitment and dedication to our company is reassuring and a confirmation that we are on the right path. Those lessons and traditions that my grandfather shared are a part of our company culture and can be summed up by the acronym WE CARE. These core values make up the fabric of who we are and how we conduct business.

With an average tenure of 11 years and with numerous people on our team having been with us 20, 30, and even 40 or more years, many of our employees consider Oil-Dri an extension of their family.

The tradition of capitalizing on generational expertise and industry knowledge has helped to create a rich and nurturing environment where we all grow together in support of making Oil-Dri's mission of "Creating Value from Sorbent Minerals" a reality.

During fiscal 2010 the effects of the economic recession and the loss of sales from a major customer put us in a difficult position. In the face of this reality we had some tough decisions to make. Conventional wisdom would have been to reduce our workforce and cut spending. That decision would have immediately helped our bottom line. We chose to do the opposite. We felt that severing the trust and loyalty bonds with our employees would not have been in the best interest of the company and its stockholders. All 800 employees stepped up and agreed to forego their annual pay increase in order to keep the team together. We held fast to our company strengths of leadership, expertise and family values and achieved better than expected results.

We are now entering another fiscal year with renewed optimism. While the economy is still uncertain, I am confident that no matter what challenges may come, our team of employees and directors are up to the task. The commitment that I witnessed this past year exemplified what makes Oil-Dri so special. I am grateful to our stockholders, customers, vendors and Board of Directors who continue to consider Oil-Dri a worthy investment. Our stockholders are putting their money behind us and my fellow Oil-Dri teammates are investing the time and energy necessary to help achieve our goals.

The spirit of determination and excellence passed on through my grandfather Nick's life's lessons will forever be what makes Oil-Dri truly a great place to work.



WE CARE
a legacy to live by



Daniel S. Jaffee and Richard M. Jaffee

Daniel S. Jaffee,
President and Chief Executive Officer

PET CARE

- Cat's Pride® Cat Litters
- Jonny Cat® Cat Litter & Liners
- KatKit® Disposable Trays

INDUSTRIAL

- Oil-Dri® Floor Absorbents
- Oil-Dri® Poly Absorbents

ANIMAL HEALTH

- Calibrin® Enterosorbents
- Condition Ade® 2.5 Binder
- Pel-Unite® Plus Pelleting Aid

AGRICULTURE & HORTICULTURE

- Agsorb® Agricultural Carriers
- Verge™ Granules
- Terra-Green® Soil Conditioner

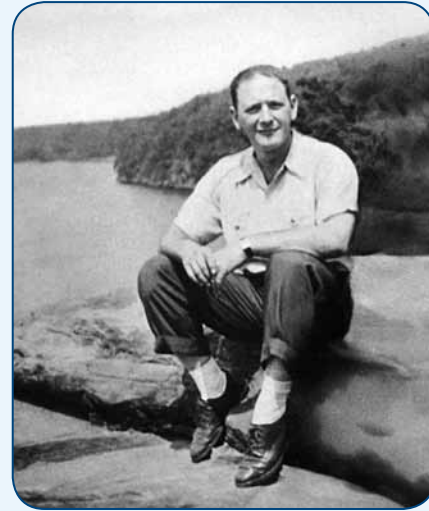
SPORTS

- Pro's Choice™ Sports Products

FLUIDS PURIFICATION

- Pure-Flo® Bleaching Clays
- Perform® Bleaching Clays
- Select® Selective Adsorbents
- Ultra-Clear® Clarification Media

Oil-Dri Corporation of America was established in 1941 when Nick Jaffee, the company's founder, introduced clay floor absorbents to the factories and garages that were using sawdust to soak up oil and grease on floors. With his first sale of



Nick Jaffee

Oil-Dri® floor absorbent, Nick began a business, founded an industry and helped create a cleaner, safer work environment.

Since then, Oil-Dri has grown from a distributor of a single product into a developer, manufacturer and marketer of products for a variety of markets. The company's product lines have been diversified by leveraging the qualities of its extensive mineral reserves and knowledge of its markets with a creative product development program and innovative manufacturing teams. The company's Innovation Center in Vernon Hills, Illinois, is the source of some of the finest mineral research in the industry. The

company is committed to product development, which is the driving force behind our continued growth.

MINING & MANUFACTURING

For over half a century, Oil-Dri has leveraged its unique mineral reserves and manufacturing expertise to deliver products with both quality and value. Oil-Dri is vertically integrated, controlling over 150 million tons of proven specialty mineral reserves, including attapulgite, montmorillonite, diatomaceous earth and, at our international facilities, a blend of mineral and synthetic absorbents. We operate eight domestic manufacturing facilities and a plant in both Canada and England. While shipping nearly a million tons of product a year, each facility specializes in various groups of products, manufacturing them to exacting quality standards.



Original Logo

THE EMPLOYEES BEHIND THE PRODUCTS

Oil-Dri employs approximately 800 people, with more than 69 of them represented by more than one family member or generation. Our employees are proud of the quality products we manufacture and the communities in which we play a part.

We are a leading mining and manufacturing company with products that affect the lives of people every day. From the beginning we have focused on *Creating Value from Sorbent Minerals*. While some of our products may not be household brands you buy from your local grocery store, many of them touch your life in very meaningful and personal ways.



PET CARE

Cat's Pride® and Jonny Cat® litters, liners and KatKit® trays make cleaning up after your pet easy and convenient. Whether scoopable, coarse or in a disposable tray, these litters are a sure winner for your feline companion.

INDUSTRIAL

Oil-Dri® clay and synthetic floor absorbents help keep work places clean and safe. These products are used on garage floors and maintenance shops where oil and grease can be a hazard.



ANIMAL HEALTH

When raising livestock, farmers, feed mill operators and nutritionists often incorporate products into the feed that enhance productivity. Calibrin® enterosorbents, ConditionAde® natural feed ingredients and Pel-Unite® Plus pellet binder are products that either enhance health, improve feed consistency or make harder food pellets.

AGRICULTURE & HORTICULTURE

Many of the crops and plants that are grown throughout the country use granular carriers to distribute pesticides, fungicides and herbicides. Agsorb®, Verge™ and Terra-Green® granules are the carriers of choice for those who grow crops and decorative plants.



SPORTS

Most sports enthusiasts know that playing on a safe, durable and well-maintained field is integral to winning. Pro's Choice™ sports field products increase safety through proper drainage, moisture management and turf growth.

FLUIDS PURIFICATION

Vegetable oil processors around the world understand the benefits of using Pure-Flo®, Perform® and Select® adsorbents for producing high quality oils. Ultra-Clear® for jet fuel processing and Select for Biodiesel are industry standards for clay clarification aids.



Financial Highlights

Fiscal Years End July 31,

KEY METRICS

(Dollar Amounts in Thousands)

	2010	2009	2008
Return on Average Total Assets	6.2%	6.4%	6.2%
Return on Average Stockholders' Equity	10.5%	10.8%	10.8%
Cash, Cash Equivalents & Investments	\$ 24,621	\$ 19,837	\$ 27,764
Notes Payable minus Cash, Cash Equivalents and Investments	\$ (6,321)	\$ 1,663	\$ 684

INCOME STATEMENT DATA

(Dollar Amounts in Thousands)

	2010	2009	2008
Net Sales	\$ 219,050	\$ 236,245	\$ 232,359
Income from Operations	\$ 13,549	\$ 14,583	\$ 12,730
Net Income	\$ 9,458	\$ 9,586	\$ 9,039

BALANCE SHEET DATA

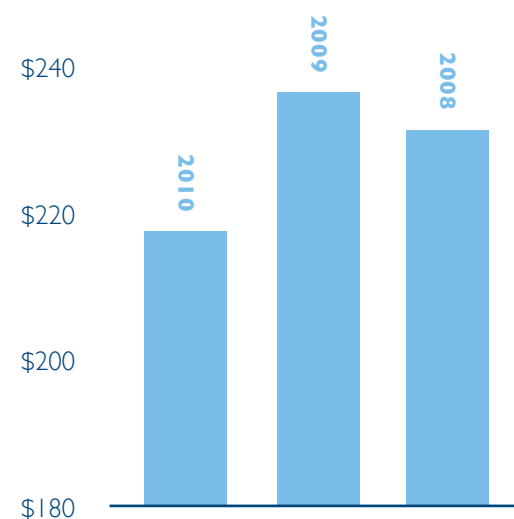
(Dollar Amounts in Thousands)

	2010	2009	2008
Working Capital	\$ 48,398	\$ 49,949	\$ 52,550
Total Assets	\$ 153,982	\$ 149,261	\$ 148,988
Notes Payable	\$ 18,300	\$ 21,500	\$ 27,080

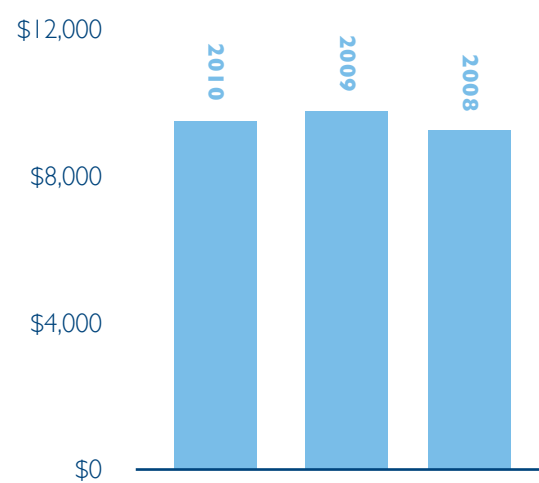
PER SHARE DATA

	2010	2009	2008
Net Income per Diluted Share*	\$ 1.30	\$ 1.33	\$ 1.25
Book Value per Share	\$ 12.77	\$ 12.76	\$ 12.66
Common Stock Price at July 31,	\$ 21.88	\$ 15.75	\$ 17.22

* Net Income per Diluted Share for all years presented reflects a new accounting standard effective August 1, 2009 that requires unvested restricted stock to be included as participating securities in the calculation of net income per share.



NET SALES (millions of dollars)



NET INCOME (thousands of dollars)

Board of Directors

Richard M. Jaffee

Chairman

Daniel S. Jaffee

President and Chief Executive Officer

J. Steven Cole

President, Cole & Associates

Arnold W. Donald

Chief Executive Officer, The Executive Leadership Council

Joseph C. Miller

Vice Chairman

Michael A. Nemeroff

President and Chief Executive Officer, Vedder Price P.C.

Allan H. Selig

Commissioner of Major League Baseball President and Chairman, Selig Lease Co.

Paul E. Suckow

Business Fellow and Adjunct Professor, Finance and Economics, Villanova University

Executive Officers

Daniel S. Jaffee

President and Chief Executive Officer

Charles P. Brissman

Vice President, General Counsel and Secretary

Thomas F. Cofsky

Vice President, Manufacturing and Logistics

Jeffrey M. Libert

Vice President, Finance, and Treasurer

Andrew N. Peterson

Vice President and Chief Financial Officer

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
Suite 400
Chicago, Illinois
60611-4213

<http://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

Annual Meeting

Oil-Dri Corporation of America will hold its 2010 Annual Meeting of Stockholders on **Tuesday, December 14, 2010 at 9:30 a.m. (CST) at The Standard Club, 320 South Plymouth Court, Chicago, Illinois 60604**

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP

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 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," "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, those described in Item 1A (Risk Factors) of our most recent Annual Report on Form 10-K and other reports filed 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. 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.



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