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Milwaukee, Wis.— A. O. Smith Corporation (AOS-NYSE) has reached a definitive agreement to acquire Yueyang Zhongmin Special Electrical Machinery Co., Ltd., a manufacturer of hermetic motors located in Yueyang City, Hunan Province, China. The purchase remains subject to final government approval, and the two companies expect to close the transaction by the end of November. Yueyang Zhongmin manufactures 75-frame and larger hermetic motors used in commercial air conditioning and refrigeration compressors with forecasted 2005 sales of approximately (U.S.) \$15 million. The acquisition is expected to add 3 to 5 cents to A. O. Smith's 2006 earnings per share. "This strengthens A. O. Smith's hermetic motor business by providing additional capacity to produce our current range of hermetic motors for commercial applications as well as extending our product offering into larger frame motors used in centrifugal compressors and into high-voltage motors, products we currently do not manufacture," Christopher L. Mapes, president of A. O. Smith Electrical Products Company, said in announcing the agreement. "Yueyang enjoys a good reputation for quality in this challenging, high-value market segment." "The additional product range and manufacturing capacity will enable us to better serve our global HVAC customer base, particularly those customers with compressor operations in Asia." -more- a. o. smith announces china acquisition add l

Yueyang Zhongmin would be A. O. Smith's fourth acquisition of a Chinese electric motor manufacturer since 2001. A. O. Smith Electrical Products Company currently has motor operations in Shenzhen, Changzhou, Taizhou, and Suzhou, China. A. O. Smith also markets and manufactures water heaters for the Chinese residential market from an operation in Nanjing. A. O. Smith Corporation, with headquarters in Milwaukee, Wis., is a diversified manufacturer serving customers worldwide. It is one of North America's largest manufacturers of electric motors, with a comprehensive line of hermetic, fractional horsepower, and integral horsepower motors for residential, commercial, and industrial applications. The company also is a leading manufacturer and marketer of residential and commercial water heating equipment, offering some of the best-known water heater brands in the industry including A. O. Smith, State, and Reliance. The company employs approximately 16,500 people at facilities in the United States, Canada, Mexico, England, Hungary, the Netherlands, and China.