
**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 event reported): April 14, 2009

A. O. Smith Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-475
(Commission File Number)

39-0619790
(IRS Employer
Identification No.)

P.O. Box 245008, Milwaukee, Wisconsin 53224-9508
(Address of principal executive offices, including zip code)

(414) 359-4000
(Registrant's telephone number)

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 communication 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 204.14a-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 13-e4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition

On April 17, 2009, A. O. Smith Corporation (“the Company”) issued a news release announcing the Company’s results for the quarter ended March 31, 2009. A copy of the Company’s news release is attached as Exhibit 99.1 to this Current Report on Form 8-K (this “Current Report”) and is incorporated by reference herein.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensation Arrangements of Certain Officers

At the annual meeting of the Company’s stockholders, held on April 14, 2009, the Company’s stockholders approved an amendment to the A. O. Smith Combined Incentive Compensation Plan (“the Plan”) effective February 10, 2009. This amends the Plan which had been previously approved by the stockholders in 2002.

The purpose of the Plan is (i) to provide additional compensation as an incentive to induce key employees and directors to remain in the employ of the Company; (ii) to secure or increase on reasonable terms their stock ownership in the Company or to otherwise align their interests with the Company’s stockholders; (iii) to motivate such employees and directors, by means of growth-related incentives, to achieve long-range growth goals; and (iv) to provide incentive compensation opportunities which are competitive with those of other major corporations.

The amendment to the Plan increases the total number of shares of common stock available for issuance under the Plan by 1,250,000. The Company cannot currently determine the benefits, if any, to be paid under the Plan in the future to the officers of the Company, including the Company’s named executive officers. The Plan and the amendment thereto are described in detail in the Company’s proxy statement filed with the Securities and Exchange Commission on Schedule 14A on March 5, 2009 in connection with the Company’s annual meeting of stockholders held on April 14, 2009.

Item 8.01. Other Events

On April 14, 2009, the stockholders of the Company approved the merger of Smith Investment Company into a subsidiary of the Company. The merger also was approved by Smith Investment Company’s stockholders on April 16, 2009. Closing on the merger will take place when all conditions to closing have been met.

Item 9.01. Financial Statements and Exhibits

The following exhibit is being filed herewith:

(99.1) News Release of A. O. Smith Corporation, dated April 17 2009.

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.

Date: April 17, 2009

A. O. SMITH CORPORATION

By: /s/ James F. Stern
James F. Stern
Executive Vice President, General
Counsel and Secretary

A. O. SMITH CORPORATION

Exhibit Index to Current Report on Form 8-K dated April 14, 2009

**Exhibit
Number**

Description

99.1 News Release of A. O. Smith Corporation, dated April 17, 2009



News Release

A. O. Smith Corporation PO Box 245008 Milwaukee, WI 53224-9508 414-359-4000 NYSE: AOS

FOR IMMEDIATE RELEASE

Media Contact:
Mark A. Petrarca
 414-359-4100

Analyst/Investor Contact:
Patricia K. Ackerman
 414-359-4130

April 17, 2009

A. O. Smith reports first quarter earnings of \$8.7 million, \$.29 per share; modifies 2009 guidance to \$1.80 and \$2.10 per share

Milwaukee, Wis.—Citing a substantial decline in its end market demand, A. O. Smith Corporation (NYSE:AOS) today announced first quarter earnings of \$8.7 million or \$.29 per share, compared with \$21.9 million or \$.72 per share last year.

Sales for the three-month period ended March 31 were \$481.6 million, approximately 16 percent lower than first quarter 2008 sales of \$571.4 million.

“The market trends we experienced in the fourth quarter carried over into the first quarter of this year,” Chairman and Chief Executive Officer Paul W. Jones said. “The latest data indicate the housing contraction will be deeper and longer than last year, affecting a number of important electric motor market segments as well as our residential water heater market. In addition, the weakness in commercial construction that we saw materializing in the fourth quarter has continued into this year.”

“Faced with inventory destocking during the prolonged recession and no sign of the normal seasonal inventory build in our selling channels, we are adjusting the company’s earnings outlook for the year to \$1.80 to \$2.10 per share,” Jones said. “Despite the weak market conditions, the company’s balance sheet remains strong, and our cash conservation programs are bearing results. In the first quarter, our cash flow from operations was \$6.0 million, a \$20.9 million swing from the \$14.9 million cash used in last year’s first quarter. We were able to accomplish this despite the fact that earnings were \$13.2 million lower than a year ago.”

“Our operating units have aggressively reduced costs in response to the global recession and have programs to decrease inventories worldwide, postpone or reduce capital expenditures, and reduce overall expenses,” Jones continued. “I am confident the company will manage its way through these economic challenges, by maintaining substantial profitability and continuing to expand our new product development.”

Water Products

Water Products' first quarter sales of \$339.0 million were approximately four percent lower than first quarter 2008 sales of \$352.1 million. Lower sales of residential and commercial water heaters in North America, combined with lower sales in China, more than offset price increases related to higher steel costs.

Operating profit decreased 19 percent to \$29.1 million due to the lower volumes. Operating margin decreased to 8.6 percent compared with 10.2 percent in last year's first quarter.

Electrical Products

Electrical Products' first quarter sales decreased approximately 35 percent to \$143.6 million, as the weak residential and commercial construction markets and customer inventory reduction actions adversely impacted electric motor sales.

In the first quarter of 2009, Electrical Products lost \$3.1 million compared with first quarter 2008 earnings of \$11.1 million, as the company faced significant volume declines in its end markets. The impact of the volume declines more than offset the \$5 million in cost savings achieved from product repositioning activities during the quarter.

Outlook

"OEM motor customers are forecasting anywhere from 20 to 30 percent year over year volume declines in 2009, and we are aligning our cost structure with this lower level of market demand," Jones commented. "Since the beginning of the year, we have significantly reduced our hourly and salaried workforce around the world. And we have and will continue to implement significant cost reduction programs."

"As a result of weak demand and the prolonged and severe housing slump, we are reducing our annual guidance to between \$1.80 and \$2.10 per share," Jones said. "But, we are optimistic that we will still generate \$140 to \$150 million in operating cash flow this year, despite our lower earnings outlook and higher pension plan payments."

"And, we see some optimistic signs in our major markets. Replacement demand for residential and commercial water heaters is holding up at expected levels, and we still expect to see the \$15.0 million in incremental cost savings from Electrical Products'

restructuring initiatives. Our priorities in 2009 will be to conserve cash while making the necessary investments to maintain our competitive position and high level of service to our customers. This will include moving forward with our water heater venture and facility in India, developing the high efficiency products the market will need, and focusing on renewable technologies.”

A. O. Smith will broadcast a live conference call at 10:00 a.m. (Eastern Daylight Time) today. The call can be heard on the company’s web site, www.aosmith.com. An audio replay of the call will be available on the company’s web site after the live event.

Forward-looking statements

This release contains statements that the company believes are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the use of words such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” “forecast,” or words of similar meaning. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated as of the date of this release. Factors that could cause such a variance include the following: significant volatility in raw material prices; competitive pressures on the company’s businesses; inability to implement pricing actions; negative impact of future pension contributions on the company’s ability to generate cash flow; instability in the company’s electric motor and water products markets; further weakening in housing construction; further weakening in commercial construction; a further slowdown in the Chinese economy; expected restructuring savings realized; further adverse changes in customer liquidity and general economic and capital market conditions; any failures to realize the anticipated benefits of the proposed Smith Investment transaction; or the ability to obtain regulatory approvals for the Smith Investment transaction.

Forward-looking statements included in this press release are made only as of the date of this release, and the company is under no obligation to update these statements to reflect subsequent events or circumstances. All subsequent written and oral forward-looking statements attributed to the company, or persons acting on its behalf, are qualified entirely by these cautionary statements.

A. O. Smith Corporation, with 2008 sales of \$2.3 billion, is a global leader applying innovative technology and energy-efficient solutions to products marketed worldwide. The company is one of the world’s leading manufacturers of residential and commercial water heating equipment, offering a comprehensive product line featuring the best-known brands in North America and China. A. O. Smith is also one of the largest manufacturers of electric motors for residential and commercial applications in North America.

A. O. SMITH CORPORATION
(condensed consolidated financial statements -
dollars in millions, except per share data)

Statement of Earnings
(unaudited)

	Three Months ended March 31	
	2009	2008
Net sales	\$ 481.6	\$ 571.4
Cost of products sold	380.2	438.8
Gross profit	101.4	132.6
Selling, general and administrative	84.5	93.8
Restructuring and other charges	1.4	3.8
Interest expense	3.2	5.4
Other expense / (income)	0.8	(0.1)
	11.5	29.7
Tax provision	2.7	7.7
Earnings before equity loss in joint venture	8.8	22.0
Equity loss in joint venture	(0.1)	(0.1)
Net Earnings	\$ 8.7	\$ 21.9
Diluted Earnings Per Share of Common Stock	\$ 0.29	\$ 0.72
Average Common Shares Outstanding (000's omitted)	30,273	30,221

A. O. SMITH CORPORATION
Balance Sheet
(dollars in millions)

	(unaudited) March 31 2009	December 31 2008
ASSETS:		
Cash and cash equivalents	\$ 44.7	\$ 29.4
Receivables	357.6	363.5
Inventories	259.6	282.0
Deferred income taxes	51.5	63.2
Other current assets	23.5	43.2
Total Current Assets	<u>736.9</u>	<u>781.3</u>
Net property, plant and equipment	415.0	418.9
Goodwill and other intangibles	580.2	583.4
Deferred income taxes	48.1	49.8
Other assets	39.7	50.5
Total Assets	<u>\$ 1,819.9</u>	<u>\$ 1,883.9</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Trade payables	\$ 225.1	\$ 274.7
Accrued payroll and benefits	30.5	43.8
Product warranties	37.8	40.2
Long-term debt due within one year	17.5	17.5
Derivative contracts liability	42.3	73.0
Other current liabilities	53.2	55.8
Total Current Liabilities	<u>406.4</u>	<u>505.0</u>
Long-term debt	334.1	317.3
Other liabilities	151.2	156.5
Pension liabilities	266.3	264.0
Stockholders' equity	661.9	641.1
Total Liabilities and Stockholders' Equity	<u>\$ 1,819.9</u>	<u>\$ 1,883.9</u>

A. O. SMITH CORPORATION
Statement of Cash Flows
(dollars in millions)
(unaudited)

	Three Months ended March 31	
	2009	2008
Operating Activities		
Net Earnings	\$ 8.7	\$ 21.9
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation & amortization	16.4	16.9
Net changes in operating assets and liabilities, net of acquisitions:		
Current assets and liabilities	(20.5)	(52.6)
Noncurrent assets and liabilities	1.7	(2.4)
Other	(0.3)	1.3
Cash Provided by (Used in) Operating Activities	<u>6.0</u>	<u>(14.9)</u>
Investing Activities		
Capital expenditures	(12.5)	(9.8)
Proceeds from sale of restricted marketable securities	7.5	—
Cash Used in Investing Activities	<u>(5.0)</u>	<u>(9.8)</u>
Financing Activities		
Long-term debt incurred	26.5	41.6
Long-term debt repaid	(6.5)	(2.1)
Dividends paid	(5.7)	(5.4)
Cash Provided by Financing Activities	<u>14.3</u>	<u>34.1</u>
Net increase in cash and cash equivalents	15.3	9.4
Cash and cash equivalents - beginning of period	29.4	37.2
Cash and Cash Equivalents - End of Period	<u>\$ 44.7</u>	<u>\$ 46.6</u>

A. O. SMITH CORPORATION

Business Segments

(dollars in millions)

(unaudited)

	Three Months ended	
	March 31	
	<u>2009</u>	<u>2008</u>
Net sales		
Water Products	\$ 339.0	\$ 352.1
Electrical Products	143.6	220.5
Inter-Segment Sales	(1.0)	(1.2)
	<u>\$ 481.6</u>	<u>\$ 571.4</u>
Operating earnings		
Water Products ⁽¹⁾	\$ 29.1	\$ 35.9
Electrical Products ⁽²⁾	(3.1)	11.1
Inter-Segment earnings	(0.1)	(0.1)
	25.9	46.9
Corporate expenses ⁽³⁾	(11.3)	(11.9)
Interest expense	(3.2)	(5.4)
Earnings before income taxes	11.4	29.6
Tax provision	2.7	7.7
Net Earnings	<u>\$ 8.7</u>	<u>\$ 21.9</u>
⁽¹⁾ includes equity loss in joint venture of:	\$ (0.1)	\$ (0.1)
⁽²⁾ includes pretax restructuring and other charges of:	\$ 0.5	\$ 3.8
⁽³⁾ includes pretax restructuring and other charges of:	\$ 0.9	\$ —