
**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): December 13, 2010

A.O. Smith Corporation

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-475
(Commission
File Number)

36-0619790
(IRS Employer
Identification No.)

11270 West Park Place
Milwaukee, Wisconsin
(Address of Principal Executive Offices)

53224-9508
(Zip Code)

Registrant's telephone number, including area code: (414) 359-4000

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 communications 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 240.14a-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 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

On December 13, 2010, A. O. Smith Corporation (the "Company") issued a news release announcing that it had signed an agreement to sell its Electrical Products Company business to Regal Beloit Corporation. The Company will hold a conference call to discuss this sale at 11:00 a.m. (Eastern Daylight Time) on Monday, December 13, 2010. A copy of the Company's news release and the conference call presentation are attached to this Current Report on Form 8-K as Exhibits 99.1 and 99.2, respectively.

Item 9.01. Financial Statements and Exhibits

The following exhibit is being filed herewith:

- 99.1 News Release of A. O. Smith Corporation, dated December 13, 2010.
- 99.2 A. O. Smith Corporation Presentation of December 13, 2010.

SIGNATURE

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.

A. O. SMITH CORPORATION

Date: December 13, 2010

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 December 13, 2010

<u>Exhibit No.</u>	<u>Description</u>
(99.1)	News Release of A. O. Smith Corporation dated December 13, 2010.
(99.2)	A. O. Smith Corporation Presentation of December 13, 2010.



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

December 13, 2010

**A. O. Smith Reaches Agreement to Sell Electric Motor Division
to Regal Beloit Corporation for \$875 Million**

**Company Intends To Explore High-Growth Markets and Expansion Opportunities
into New Geographies and Adjacent Technologies**

Milwaukee, Wis.—A. O. Smith Corporation (NYSE: AOS) announced today it has entered into a definitive agreement to sell its Electrical Products Company, an operating segment that is one of the largest manufacturers of electric motors for residential and commercial applications in North America, to Regal Beloit Corporation (NYSE:RBC) for approximately \$875 million, comprised of \$700 million in cash and approximately 2.83 million shares of Regal Beloit common stock (having a market value of approximately \$175 million based on the 10 day trailing average stock price). The transaction, which has been approved by both companies' boards of directors, is expected to close in the first half of 2011.

Commenting on the timing and the merits of the transaction, A. O. Smith Chairman and Chief Executive Officer Paul W. Jones said, "The electric motor industry has been undergoing a significant transformation over the last several years due to global consolidation and the emergence of a number of international competitors. The consolidation in the marketplace, which has accelerated this year, prompted us to evaluate the potential sale of our motor business, with the expectation that we would reinvest the proceeds into high growth opportunities."

“We are very excited about the prospects of Electrical Products combining with Regal Beloit. We have tremendous respect for their organization and feel they are a world class company. While we received strong interest from a number of companies, Regal Beloit’s proposal provided the best value for our shareholders, customers, and employees. Regal Beloit has a long-standing track record for excellence in the manufacturing of mechanical and electric motion control and power generation products. Aligning our Electrical Products division with Regal Beloit will afford our customers and employees a platform with the size, scope, and global presence needed to be competitive in this dynamic market,” Jones continued.

“This transaction is strong evidence of our Electrical Products team’s success at structuring and operating this business to maximize profitability, even during the recently difficult market environment. Four years ago, they identified a roadmap for improvement, diligently stuck to that roadmap, and re-emerged as a much stronger business with substantially higher operating margins,” Jones said.

With the sale of its electrical products business, A. O. Smith Corporation’s core business will be manufacturing residential and commercial water heating equipment and water purification equipment, which reported sales of \$1.1 billion for the first nine months of 2010. The company remains committed to building on its leadership in the water heating equipment business, continuing to offer a comprehensive product line featuring the best-known brands in North America and China.

Commenting on the use of proceeds from the proposed sale of its electrical products business, Jones said, “We intend to use these proceeds to explore opportunities in high growth markets and expansion into new geographies and adjacent technologies that complement our manufacturing, engineering, and distribution strengths, with an emphasis on water-related technologies.”

Regal Beloit Corporation, headquartered in Beloit, Wisconsin, is a leading manufacturer of mechanical and electrical motion control and power generation products serving markets throughout the world. Regal Beloit has manufacturing, sales, and service facilities throughout the United States, Canada, Mexico, Europe, and Asia.

A. O. Smith Electrical Products Company manufactures an extensive line of fractional horsepower, integral horsepower, and hermetic motors for residential, and commercial applications. For the first nine months of 2010, the division reported operating earnings of \$61.9 million on sales of \$539.4 million. Headquartered in Tipp

City, Ohio, the electric motor division employs approximately 7,800 people at 20 manufacturing plants in the United States, Mexico, China, and England. The division also has distribution centers in the United States and sales/distribution offices in Singapore and Dubai.

The sale is conditioned upon customary terms and conditions as well as the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and other governmental approvals. The two parties expect to close on the transaction in the first half of 2011. There are no financing conditions to the transaction.

Greenhill & Co. acted as financial advisor to A. O. Smith. Latham & Watkins LLP acted as counsel to the Company.

A. O. Smith will broadcast a live conference call to discuss the transaction at 11:00 a.m. (Eastern Daylight Time) on Monday, December 13, 2010. 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," "guidance" 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. Actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things, the following: the failure to receive, on a timely basis or otherwise, the required approvals from the government or regulatory agencies (including the terms of such approvals); and the risk that a condition to closing of the sale may not be satisfied. 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 headquarters in Milwaukee, Wis., 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.



Repositioning for Global Growth

Forward Looking Statements

This presentation contains statements that we believe 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,” “continue,” “guidance”, 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. Actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things, the following: the failure to receive, on a timely basis or otherwise, the required approvals from government or regulatory agencies (including the terms of such approvals); and the risk that a condition to closing of the sale may not be satisfied. 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 cash flow; instability in the company's electric motor and water products markets; further weakening in housing construction; further weakening in commercial construction; timing of any recoveries in housing or commercial construction; a slowdown in the Chinese economy; further adverse changes in customer liquidity and general economic and capital market conditions; the impact of acquisition accounting or Non-GAAP financial measures on the company's financial statements; difficulties integrating the water treatment acquisition or the North American tankless water heater joint venture; difficulties in realizing future growth and profit expectations for the water treatment acquisition or the North American tankless water heater venture and potential negative impacts on the company that the flooding of its Ashland City, Tenn., water heater manufacturing plant may have.

Forward-looking statements included in this press release are made only as of the date of this presentation, 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. This presentation contains certain non-GAAP financial measures as that term is defined by the SEC. Non-GAAP financial measures are generally identified by “Adjusted” (Adj.), “Non-GAAP” or “Before Restructuring”.



Two – Step Transformation

Step 1: Sale of Electric Motor Business to Regal Beloit

Step 2: Build a Globally Diversified Company



Why Sell? Why Now?

- Motor industry continues to consolidate manifesting in several interested global buyers presenting compelling offers
- Remaking of profitable motor business complete
- Regal Beloit and A. O. Smith motor combination provides scale and new energy efficient technologies to succeed in globally competitive industry
- Proceeds fund company transformation through high-growth, high-margin acquisitions



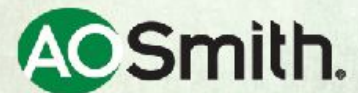


Step 1: Sale of Motor Segment to Regal Beloit

Transaction Highlights

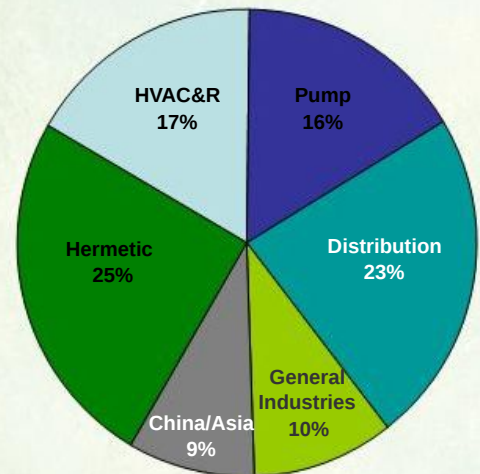
Regal Beloit made the best offer for our shareholders, customers and employees in a competitive bid process with several contenders

- Total consideration: \$875 million (\$700 million in cash and approximately \$175 million in stock)
- Over 8 times 2010E EBITDA
- Approved by both boards of directors
- Closing expected in first half of 2011



AOS Motor Segment

- \$690 million in revenue (2010 E)
- End markets based on 2009 revenue:
- 7,800 employees
- 20 manufacturing plants
- Headquarters in Tipp City, OH



Use of Proceeds

Cash Proceeds	\$ 700 million
Pay down Debt	\$(145) million
Taxes	<u>\$(165) million</u>
Cash Remaining	\$ 390 million
Stock Consideration (approximately)	\$ 175 million





Step 2: Build a Globally Diversified Company

Acquisition Strategy: Leverage Core Competencies

World class global manufacturing and engineering platform

Leading distribution relationships in North America and Asia

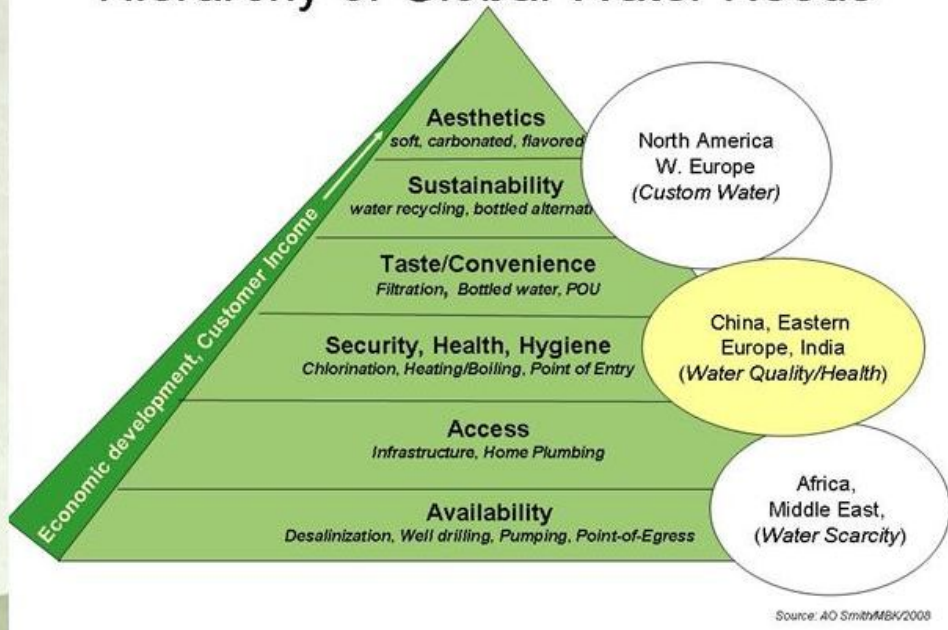
Premium brand equity in Asia

- Acquisitions will achieve ROIC hurdle within two years



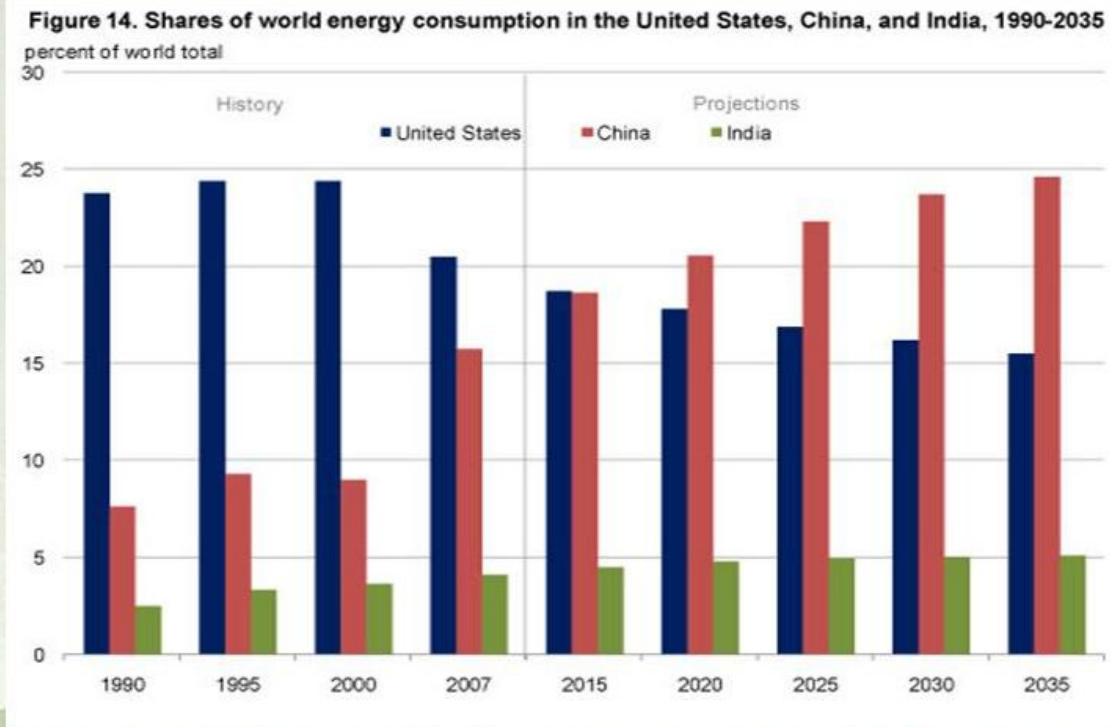
Mega Trend One

Hierarchy of Global Water Needs



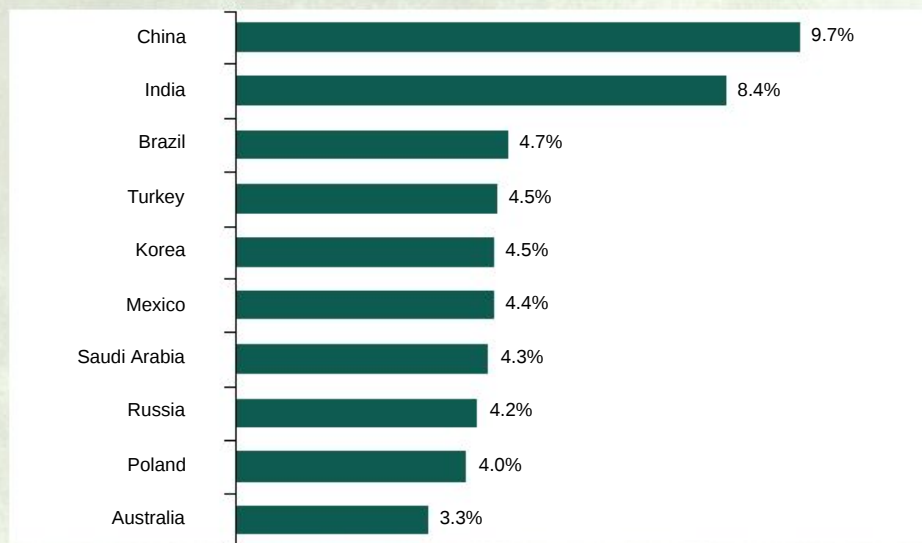
AO Smith.

Mega Trend Two



Mega Trend Three

Average Annual Forecasted 2010 – 2015 GDP Growth



Source: US EIA website, International Monetary Fund, World Economic Outlook Database, October 2010





Answers to your Questions