



A.O. Smith Announces Three for Two Stock Split; Increases Quarterly Dividend Six Percent

MILWAUKEE, June 9 -- The A.O. Smith Corporation (NYSE: AOS; Amex: SMCA) Board of Directors today approved a plan to split the company's stock 3-for-2 in the form of a 50 percent stock dividend payable to holders of Common Stock and Class A Common Stock.

Shareholders will receive one additional share of stock for every two shares owned as of the record date on July 31, 1998. Each shareholder will receive only shares of the class of stock they own. The company's transfer agent will mail the additional stock certificates on August 17, 1998.

The stock dividend will increase the number of Common Stock and Class A Common Stock shares outstanding to approximately 23.6 million shares.

The board also voted to increase the company's quarterly cash dividend six percent to a post-split rate of \$.12 per share. A.O. Smith cash dividends have increased in each of the last six years. The cash dividend also will be payable August 17 to shareholders of record on July 31.

"We believe the greater number of shares will increase the liquidity of A.O. Smith stock, further benefiting the company's shareholders," Chairman and Chief Executive Officer Robert J. O'Toole, said.

A.O. Smith Corporation is a diversified manufacturer with headquarters in Milwaukee, Wis. Its major product lines include fractional horsepower, hermetic, and subfractional horsepower electric motors; commercial and residential water heaters; municipal, industrial, and agricultural storage tanks; and fiberglass piping systems.