



A. O. Smith Reaches Agreement to Sell Storage Tank Business

MILWAUKEE, Dec. 18-- A. O. Smith Corporation (NYSE: AOS) (Amex: SMC) today announced a definitive agreement to sell its Engineered Storage Products Company to CST Industries, Inc. of Kansas City, Kan. The companies expect to close the sale early in January 2001.

With the completion of this sale, A. O. Smith concludes the divestiture of its Storage and Fluid Handling Technology platform. On December 11, the company announced the sale of its fiberglass pipe business to two subsidiaries of Varco International of Houston, Texas. The combined cash proceeds from these sales total approximately \$63 million. The company will recognize a \$14 million after-tax charge to discontinued operations related to these transactions, as well as adjustments related to a prior year's transaction.

A. O. Smith Engineered Storage Products Company, with headquarters in DeKalb, Ill., manufactures shop-welded, bolted, and SealWeld storage tanks for municipal, industrial, and agricultural applications worldwide. The company has plants in Winchester, Tenn., and Parsons, Kan., in addition to its facilities in DeKalb and employs approximately 450 people.

"This transaction represents an important step in A. O. Smith's ongoing strategy to concentrate on the electric motor and water heater businesses," O'Toole observed. "The company is now well positioned to achieve its financial objectives of generating above-average sales and profit growth."

A. O. Smith Corporation is a diversified manufacturer with headquarters in Milwaukee, Wis. Its major product lines include fractional horsepower, hermetic, and integral horsepower electric motors, residential and commercial water heating equipment, and hydronic boilers. The company has plants in eight countries and employs approximately 15,000 people. SOURCE A. O. Smith Corporation

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