



A.O. Smith Lowers Third Quarter Earnings Estimate to Break-Even

MILWAUKEE, Sept. 28 /PRNewswire/ -- A.O. Smith Corporation (NYSE: AOS - Amex: SMCA) today announced that continued weakness and increased uncertainty in markets served by its electric motor business would reduce third quarter earnings to approximately break-even. That compares with a previously estimated range of \$.20 to \$.25 per share.

The company also estimated that, as a result of market conditions, third-quarter electric motor sales would fall below last year. A.O. Smith's water heater business continues to operate at forecasted levels.

"We are very concerned about the negative impact that economic conditions are having on our operating performance and will take the actions necessary to bring our cost structure in line with current market levels," Chairman and Chief Executive Officer Robert J. O'Toole commented.

In July, A.O. Smith officials indicated that there was uncertainty related to the company's electric motor markets. "Demand has been even weaker than anticipated for the motor business, with uncertainty exacerbated by the events of the past few weeks," O'Toole pointed out.

A.O. Smith will broadcast a live conference call on Wednesday, Oct. 17, beginning at 10:00 a.m. (eastern time). The call can be heard on the company's web site, <http://www.aosmith.com>. In addition to reviewing third quarter results, company officers will discuss the cost reduction actions being taken and their expected impact on future performance.

A.O. Smith Corporation, with headquarters in Milwaukee, Wis., is a leading marketer and manufacturer of electric motors and water heaters, serving customers worldwide. It is one of North America's largest manufacturers of electric motors, with a comprehensive line of fractional horsepower, hermetic, and integral horsepower motors. The company also is a leading supplier of residential water heaters, commercial water heating equipment, and hydronic boilers. The company has facilities in the United States, Mexico, Canada, England, Ireland, Hungary, the Netherlands, and China and employs approximately 14,000 people.