NEWS RELEASE



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A. O. Smith McBee plant recognized for working one million hours without lost-time accident

Milwaukee, Wis.—Adaptation is an important element of an effective safety program. Successful companies continually change and improve their safety programs and processes to create safe work environments and prevent accidents.

As a result of major changes the A. O. Smith Water Products Company plant in McBee, S.C., made to its safety program over the last four years, the facility recently achieved a safety milestone, working one million hours without a lost-time accident. The 500 McBee employees were recognized in a special ceremony at the plant today.

The plant began its accident-free streak on Sept. 24, 2005, and reached the million-hour mark on Oct. 16, 2006. To date, McBee employees have worked more than 1.2 million hours without a lost-time accident.

"This is the second time in the last four years that McBee has reached the million-hour mark, a fact that demonstrates your ongoing commitment to a safe operation," Paul W. Jones, chairman and chief executive officer of A. O. Smith Corporation, pointed out in a letter to employees. "On top of that, the new initiatives you implemented have had a far-reaching impact on your safety performance, helping to further improve an already-effective program."

A. O. Smith Corporate Director of Safety, Health, and the Environment Herbert L. Pirkey presented employees with a plaque commemorating their efforts. Also attending the event was Harvey Jessup of the South Carolina Department of Labor, Licensing, and Regulation who presented the employees with a certificate of achievement.

The 800,000 square foot McBee plant, which manufactures commercial water heating equipment and high-efficiency copper tube boilers, has implemented a number of new programs to improve safety awareness and prevent accidents over the last four years.

The plant's safety team is responsible for conducting regular inspections in each area, evaluating housekeeping, use of machine guards, and employee use of personal protective equipment. The team, made up of Safety and Environmental Manager Fred Budde, Industrial Medical Technician Tim Wallace, Manager of Human Resources Chris Count, John Bradford, Lori Hudson, Leroy Harris, John Touchberry, Allen Burch, Donnie Engelbert, Donald McFadden, and Linda Blackwell, also is responsible for safety training.

McBee has implemented a rigorous accident investigation program that it recently extended to include any first aid cases or "near misses." Each department supervisor is responsible for investigating the incident and reporting back to the safety team and eventually to Plant Manager Sam Carver. In 2007, McBee plans to expand the program, involving members of the safety team in accident investigations and corrective actions.

The McBee program has moved beyond traditional plant safety-related activities in its efforts to prevent injuries. Last year, the plant began a daily exercise program in its assembly department that was expanded to include the entire facility this year.

"We had a physical therapist come in and design a program that any of our employees can manage," Tim Wallace, industrial medical technician for the McBee plant, explained. "It's a series of stretching exercises that each employee does at the beginning of their shift each morning. In some cases, they do the exercises on their own when they come back from breaks."

"The program has significantly reduced muscular and skeletal injuries in the plant," Fred Budde, McBee's health and safety supervisor, pointed out.

Safety training programs are held monthly for all employees, covering a wide range of topics including emergency action plans, lock-out/tag-out, hearing conservation, personal protective equipment, and blood-borne pathogens. The training is part of each

department's regular communications meetings, and Budde and his staff monitor attendance at the sessions.

Managers and supervisors regularly observe all jobs to help ensure that all employees are working safely. "Regular observations give supervision opportunities to reinforce safe work while correcting unsafe acts by talking with employees about safety," Budde noted.

Earlier this year, McBee held a comprehensive health fair for all employees with physicians, a podiatrist, and a massage therapist available. Men received screenings for prostate cancer, while women could have tests for bone mass testing. A dietician also was available, and employees received information on cholesterol, diabetes, and other illnesses.

McBee also sponsored a weight-reduction program for employees this year. A total of 40 people attended the classes, and the group reported a weight loss of approximately 1,000 pounds.

"We invest a lot of time and effort in positive activities that can improve safety in the plant," Budde commented.

The effort has been noticed. In each of the last four years, the McBee plant has received recognition from the South Carolina Occupational Safety Council, the South Carolina Chamber of Commerce, and the South Carolina Employers' Association for compiling an accident incidence rate that is less than half the state average.

McBee is the sixth A. O. Smith facility to be recognized for its excellence in safety performance during 2006. The company's Johnson City, Tenn., water heater plant was recognized last week for working more than two million hours without a lost-time accident. Reaching one million hours without a lost-time accident were the A. O. Smith Electrical Products Company plants in Shenzhen, China; Acuña, Mexico, Juarez, Mexico, and Tipp City, Ohio.