



# News Release

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**FOR IMMEDIATE RELEASE**

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## **Franklin Plant Earns A. O. Smith Chairman's Green Star Award For Resource Conservation**

**Milwaukee, Wis. (May 31, 2011)** – The daily focus on conserving natural resources along with improving process efficiency and reducing costs at the APCOM, Inc., Franklin plant were recognized today at a special ceremony at the facility.

“It is my pleasure to be here today to present the Franklin team with the 2011 Chairman’s Green Star Award,” said Paul Jones, A. O. Smith Corporation chairman and chief executive officer. “This award is presented to the facility that demonstrates year-over-year improvement in energy consumption and water usage.”

“We created this award to highlight the strategic importance of conserving critical resources—most notably natural gas, electricity and water—and reducing waste in our global operations. It underscores our commitment to being a good corporate citizen as well as a good steward of the environment,” Jones continued.

Jones explained that data for 2010 was collected on 32 A. O. Smith plants worldwide, measuring their annual use of natural gas, electricity, and water. As part of the process, the plant’s annual production volume is factored in to help overcome discrepancies related to facility size or significant fluctuations in production. That also allows for the evaluation of the facility based on its unique individual resource usage.

“As part of the evaluation process, we take into account the extent to which you get employees involved in the process and how long your initiatives have been under way,” said Jones. “This year, in keeping with the new strategic direction of the company, we also tried to place special emphasis on plants that were making significant strides in the area of water conservation. And, in Franklin’s case, that proved to be one of the deciding factors. Your new waste water recovery system in the zinc plating area promises to have a major impact on your water consumption, not just this year, but for many years to come.”

In addition to saving nearly 400,000 gallons of water to date, the plant reduced its electricity usage by more than 18 percent in 2010 and its natural gas consumption by nearly 16 percent.

“This is an award program that, once again, reflects the values of our company, most notably our desire to be a good corporate citizen,” Ajita Rajendra, president of A. O. Smith Water Products Company, said. “The work you have done to conserve scarce resources and operate in a more efficient manner is remarkable, and the results are noteworthy. Achieving double-digit reductions in electricity usage, gas consumption, and water use is truly an accomplishment you can be proud of.”

“I know we are all honored to receive this year’s Green Star Award,” said Eddie Goodwin, president of APCOM. “Conservation and cost reduction is a mindset in Franklin. Employees continuously look for ways to conserve resources, be more efficient and save on costs and we share our ideas through our continuous improvement process vehicle,” he said.

“Water is an important resource in Franklin as we use large quantities of water to clean parts in our zinc plating process,” said Larry Lillard, APCOM vice president-manufacturing. This process is the biggest user of water in the plant. Lillard explained that parts are washed and rinsed three times and soaked in a sulfated acid solution twice before plating. “The plant estimated that four million gallons of water was therefore going down the drain annually,” continued Lillard.

The water from the rinses is subsequently treated with “Hydroxide Precipitation” in the waste water treatment system. This removes impurities and metals from the rinse water before sending it to the sewer. Since the water is fairly clean and pH balanced when it leaves the waste water treatment system, another suggestion was made to recycle the treated water.

Franklin assessed the recycle approach and installed a rinse water reclaim tank in the fourth quarter of 2010 that captures the water that the treatment system discharges. This water is now used in the noncritical rinse stages of the plating process. The plant expects to save approximately 860,000 gallons a year.

The plant has installed a meter to measure their savings and so far in 2011 has saved 360,000 gallons of water by using reclaimed water.

Additional water saving measures were implemented during 2010. Franklin installed spring return fill valves on the cleaner tanks. Water evaporates during the cleaning process and the tanks need to be brought back up to the fill lines. The spring return valves prevent an individual from filling the tanks to overflowing, thereby preventing an overflow and wasting water.

Also hoses have been added to the reclaimed water tanks. Instead of using city water for general clean up, reclaimed water is used for mopping and other cleaning. This saves approximately 3,000 gallons a month.

“In the area of saving electricity,” said Lillard, “Franklin has replaced two old air compressors with compressors using the latest technology of variable speed motors. These new compressors adjust for demand and only use the air that is needed. The compressors will throttle back during off shifts and use less power.”

In addition, the Franklin plant has installed high efficiency T-8 bulbs in both the plant and warehouse. The bulbs will last longer and use less electricity.

The plant also addressed natural gas usage by replacing an inefficient 20-year-old steam boiler, the biggest user of gas at the plant. The new steam boiler is significantly more efficient with burners that have been much improved over those made years ago.

Accepting the award on behalf of the Franklin employees were John Brock, James McCarthy, Jodie Griggs and Tommy Hargrove.

Also at the celebration were representatives from A. O. Smith World Headquarters, Water Products Company headquarters and local officials.

The Franklin APCOM facility manufactures water heating components including heating elements, thermostats, gas burners and dip tubes. APCOM, Inc., is a subsidiary of State Industries.

**About A. O. Smith Corporation:**

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.

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