SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1995

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1-475

A.O. SMITH CORPORATION

Delaware (State of Incorporation)	39-0619790 (IRS Employer ID Number)

P. O. Box 23972, Milwaukee, Wisconsin 53223-0972
Telephone: (414) 359-4000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Class A Common Stock Outstanding as of July 31, 1995: 5,902,704

Common Stock Outstanding as of July 31, 1995: 15,010,717

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A. O. Smith Corporation

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PART I--FINANCIAL
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ITEM 1--FINANCIAL STATEMENTS

A. O. SMITH CORPORATION

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CONDENSED CONSOLIDATED STATEMENT OF EARNINGS
AND RETAINED EARNINGS

Three and Six months ended June 30, 1995 and 1994

(000 omitted except for per share data)

(Unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
EARNINGS	1995	1994	1995	1994
Electrical Products Company	$ 84,560	$ 74,858	$169,816	$145,299
Automotive Products Company	220,272	185,611	441,941	368,226
Water Products Company	66,870	62,764	130,950	130,766
Smith Fiberglass Products Inc.	15,600	15,857	29,317	28,557
Agricultural Products	12,541	11,102	20,807	17,147
NET REVENUES	399,843	350,192	792,831	689,995
Cost of products sold	335,535	291,653	664,380	578,073
Gross profit	64,308	58,539	128,451	111,922
Selling, general and administrative expenses	29,315	26,013	58,277	51,553
Interest expense	3,349	3,083	6,565	6,055
Other expense - net	1,147	922	3,131	1,138
	30,497	28,521	60,478	53,176
Provision for income taxes	11,744	10,810	23,150	20,113
Earnings before equity in earnings of affiliated companies	18,753	17,711	37,328	33,063
Equity in earnings of affiliated companies	1,272	247	1,058	601
NET EARNINGS	20,025	17,958	38,386	33,664
RETAINED EARNINGS				
Balance at beginning of period	240,110	190,973	224,467	177,543
Cash dividends on common shares	(3,137)	(2,712)	(5,855)	(4,988)
BALANCE AT END OF PERIOD	$256,998	$206,219	$256,998	$206,219
DIVIDENDS PER COMMON SHARE	$ .15	$ .13	$ .28	$ .24
NET EARNINGS PER COMMON SHARE	$ .96	$ .86	$1.84	$1.62

See accompanying notes to unaudited condensed consolidated financial statements.

PART I--FINANCIAL INFORMATION

ITEM 1--FINANCIAL STATEMENTS

A. O. SMITH CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
June 30, 1995 and December 31, 1994

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(000 omitted)

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(unaudited)

	(unaudited) June 30, 1995	December 31, 1994
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 5,177	$ 8,485
Trade receivables	155,850	132,630
Finance subsidiary receivables and leases	15,328	16,361
Customer tooling	17,858	24,489
Inventories (note 2)	109,961	110,863
Deferred income taxes	22,277	28,100
Other current assets	13,765	8,592
TOTAL CURRENT ASSETS	340,216	329,520
Investment in and advances to affiliated companies	19,276	17,326
Deferred model change	23,513	18,638
Finance subsidiary receivables and leases	33,624	37,842
Other assets	40,979	42,751
Property, plant and equipment	912,103	881,717
Less accumulated depreciation	503,473	479,937
Net property, plant and equipment	408,630	401,780
TOTAL ASSETS	$866,238	$847,857
LIABILITIES AND STOCKHOLDERS'EQUITY		
CURRENT LIABILITIES		
Trade payables	$ 95,031	$ 101,153
Accrued payroll and pension	37,133	36,641
Postretirement benefit obligation	9,873	9,573
Other current liabilities	59,982	61,301
Long-term debt due within one year	3,925	3,775
Finance subsidiary long-term debt due within one year	3,502	3,480
TOTAL CURRENT LIABILITIES	209,446	215,923
Long-term debt (note 3)	137,954	136,769
Finance subsidiary long-term debt	25,118	29,357
Postretirement benefit obligation	71,948	72,388
Other liabilities	22,280	26,230
Deferred income taxes	53,328	54,445
STOCKHOLDERS' EQUITY:		
Class A common stock, $5 par value: authorized 7,000,000 shares; issued 5,962,828 and 6,035,641	29,814	30,178
Common stock, $1 par value: authorized 24,000,000 shares; issued 15,736,822 and 15,664,109	15,737	15,664
Capital in excess of par value	68,552	68,209
Retained earnings (note 3)	256,998	224,467
Pension liability adjustment	(9,653)	(9,653)
Cumulative foreign currency translation adjustments	(7,224)	(8,035)
Treasury stock at cost	(8,060)	(8,085)
TOTAL STOCKHOLDERS' EQUITY	346,164	312,745
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$866,238	$847,857

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See accompanying notes to unaudited condensed consolidated financial statements.

PART I--FINANCIAL INFORMATION

ITEM 1--FINANCIAL STATEMENTS

A. O.SMITH CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Six months ended June 30, 1995 and 1994
(000 omitted) - (unaudited)

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CASH FLOWS	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings	$ 38,386	$ 33,664
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	26,522	24,546
Deferred income taxes	4,706	5,497
Equity in earnings of affiliates, net of dividends	(1,058)	(601)
Deferred model change and software amortization	3,807	4,549
Other - net	(1,157)	870
Change in current assets and liabilities:		
Trade receivables and customer tooling	(15,811)	(40,278)
Current income tax accounts-net	2,468	(150)
Inventories	902	(7,632)
Prepaid expenses and other	(6,311)	(7,355)
Trade Payables	(6,122)	15,222
Accrued liabilities, payroll and pension	(1,857)	7,202
Net change in noncurrent assets and liabilities	1,837	3,752
CASH PROVIDED BY OPERATING ACTIVITIES	46,312	39,286
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditures	(32,592)	(30,696)
Other - net	(8,368)	(733)
CASH USED BY INVESTING ACTIVITIES	(40,960)	(31,429)
CASH FLOW BEFORE FINANCING ACTIVITIES	5,352	7,857
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term debt incurred	15,000	828
Long-term debt retired	(13,665)	(4,219)
Finance subsidiary net long-term debt retired	(4,217)	(7,912)
Proceeds from common stock options exercised	90	1,850
Other stock transactions	(13)	1,971
Dividends paid	(5,855)	(4,988)
CASH USED BY FINANCING ACTIVITIES	(8,660)	(12,470)
Net increase (decrease) in cash and cash equivalents	(3,308)	(4,613)
Cash and cash equivalents-beginning of period	8,485	11,902
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 5,177	$ 7,289

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See accompanying notes to unaudited condensed consolidated financial statements.

PART I--FINANCIAL INFORMATION

ITEM 1--FINANCIAL STATEMENTS

A. O. SMITH CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 1995
(unaudited)

1. Basis of Presentation The financial statements presented herein are based on interim figures and are subject to audit. In the opinion of management, all adjustments consisting of normal accruals considered necessary for fair presentation of the results of operations and of financial position have been made. The results of operations for the six-month period ended June 30, 1995 are not necessarily indicative of the results expected for the full year. The consolidated balance sheet as of December 31, 1994 is derived from the audited financial statements but does not include all disclosures required by generally accepted accounting principles.

2. Inventories

(000 omitted)	June 30, 1995	December 31, 1994
Finished products	$ 53,005	$ 55,331
Work in process	49,465	48,886
Raw materials	44,393	41,709
Supplies	8,278	7,457
	155,141	153,383
Allowance to state inventories at LIFO cost	45,180	42,520
	$109,961	$110,863

3. Long-Term Debt On June 30, 1995, the Corporation's $140 million Revolver Agreement with a group of ten banks was amended to $160 million and the final maturity was extended from April 3, 1998 to June 30, 2000. The amended agreement also carries lower fees and lower borrowing rates.

The Corporation's long-term credit agreements contain certain conditions and provisions which restrict the Corporation's payment of dividends. Under the most restrictive of these provisions, retained earnings of $96.9 million were unrestricted as of June 30, 1995 for cash dividends and treasury stock purchases.

PART 1--FINANCIAL INFORMATION

ITEM 2--MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations - First six months of 1995 compared to 1994

The slowdown in the domestic economy has not had a significant effect upon the corporation's businesses as evidenced by revenues and earnings for the first six months and second quarter of 1995 that surpassed those of any previous comparable period. The corporation's ability to achieve this record performance despite indications of downturns in the automotive and electric motors markets is due largely to a concerted effort to gain market share and secure new customers.

Revenues for the first half of 1995 were $792.8 million or almost 15 percent better than the $690 million of revenues in the same period of 1994. Revenues of $399.8 million in the second quarter of 1995 surpassed last year's second quarter by $49.6 million or 14.2 percent.

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The corporation earned $38.4 million for the first half of 1995 compared to $33.7 million in the first half of 1994. Second quarter earnings were $20 million in 1995, an increase of $2 million or more than 11 percent over the $18 million earned in the same quarter of 1994.

The gross profit margin through the first half of the year was 16.2 percent, identical to the margin for the same period last year. The favorable impact of increased volume was offset by higher costs in most of the corporation's product operations and an unfavorable product mix. In addition margins continued to be affected by costs associated with new product programs at the Automotive Products Company. The second quarter gross margin of 16.1 percent declined from 16.7 percent from the second quarter of 1994 as the impact of higher material costs and lower margins on export shipments was evident.

The Automotive Products Company sales in the first half of 1995 increased by 20 percent over the same period of 1994. The second quarter of 1995 exhibited a similar percentage increase over the same quarter of 1994. These increases were in direct contrast to the three percent sales decline experienced by the domestic automotive industry during the first six months of the year. Automotive's improved sales performance was influenced by a strong presence in the light truck segment, added volume resulting from new product programs completed in 1994 and early 1995, and continued strength in the heavy truck market.

Automotive's 1995 earnings for the second quarter and first half were higher than comparable periods of 1994 despite absorbing the costs associated with new product programs introduced this year.

The corporation's 40 percent owned Mexican affiliate experienced a good second quarter, and operations improved substantially over the prior year due to increased export shipments and a lower cost structure. Due to the strengthening of the peso during the quarter, the corporation recognized a minimal translation gain, whereas in the first quarter of 1995, a translation loss was incurred. The affiliate's results for the second quarter and first half of 1994 were impacted by start up costs for new products and costs incurred to realign manufacturing operations, the benefits of which are now being realized.

Automotive will launch two significant product programs in the near future. Engine cradles for the 1996 Ford Taurus/Mercury Sable will be shipped from the Granite City, Illinois plant while the Milwaukee, Wisconsin plant will start production of full frame assemblies for the extended cab version of the Dodge Ram pickup. Also, during the second quarter Automotive announced it would be building two new plants. A plant near Roanoke, Virginia will supply customized frame rails for Class 8 heavy trucks beginning in the third quarter of 1996, and a plant in Plymouth, Michigan will supply frames for the 1997 model year Dodge Dakota pick-up truck commencing in the summer of 1996.

The labor contracts of the various unions at Automotive's Milwaukee plant expired on July 31, 1995. A ninety day no-strike extension has been agreed to by all the bargaining units represented and contract negotiations are currently underway.

The Electrical Products Company followed its excellent first quarter of 1995 with continued good performance in the second quarter. Sales in the second quarter increased 13 percent over a very strong second quarter of 1994. Strength in the commercial hermetic market and increased export sales had a significant influence on second quarter volumes. Year-to-date sales reflect almost a 17 percent increase over the first half of 1994 due to sustained high demand in all of the major markets the company serves.

Electrical Products second quarter earnings were slightly less than last year's second quarter due primarily to increased cost of raw materials. First half profits in 1995 were substantially higher than the same period in 1994 as a result of higher volume.

The Water Products Company overcame its slow 1995 start with second quarter sales up 6.5 percent over last year's second quarter. Increased commercial water heater volume contributed significantly to the improved second quarter performance as Water Products continues to gain share in this segment of the market. The residential water heater market demonstrated a moderate recovery in the second quarter, however, the entire industry continues to trail last year's volumes. Year-to-date sales were about equal to the first six months of 1994.

Second quarter earnings for Water Products were 11.5 percent higher than the 1994 second quarter, reflecting increased volume and favorable product mix. Profits for the first half of the year were equal to those for the first six months of 1994.

Second quarter sales for Smith Fiberglass Products Inc. were lower than the second quarter of 1994 as this subsidiary continues to be affected by the industry wide slowdown in demand for service station pipe. Sales for the first half of the year reflect a slight improvement over the same period last year as strong export sales helped offset lower petroleum marketing sales.

Earnings for both the second quarter and first half of 1995 for Smith Fiberglass were lower than the comparable periods in 1994 as a result of lower margins associated with export sales, increased product development costs, and expenses related to global expansion

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activities.

The corporation's agricultural operations reflected profits for both the second quarter and first half of the year in contrast to losses incurred in the same periods in 1994. Through the first half of the year, revenues for A. O. Smith Harvestore Products, Inc. have increased nearly 21 percent over the first half of 1994 as the result of strong demand for a new unloader product and an improving market for municipal/industrial and water and waste storage products. The significant increase in sales resulted in a substantial improvement in earnings for both the second quarter and first half of 1995. The losses incurred by AgriStor Credit Corporation were lower in 1995 than 1994 due to lower operating expenses and lower debt service costs as this finance subsidiary continues to be liquidated.

Selling, general and administrative expenses for the second quarter and first half increased $3.3 million and $6.7 million respectively, over the comparable periods in 1994, but remained relatively constant as a percentage of sales. The absolute increase was associated with higher employee incentives due to increased earnings in certain units and general increases to support the higher sales volumes. Despite reduced debt levels, interest expense for the first half of the year was 8.4 percent higher than the first half of 1994 due to higher interest rates.

Other expenses were relatively consistent for the second quarters of 1995 and 1994, however the first half of 1995 reflects a $2.0 million increase over the same period in 1994. This increase is explained by translation losses, environmental costs and certain non-recurring costs incurred in 1995. The effective tax rates for the second quarter and first half of 1995 were slightly less than the same periods in 1994 due to the recognition of additional research and development tax credits in 1995.

During the first six months of 1995, the corporation was a party to futures contracts for purposes of hedging a portion of certain raw material purchases. The corporation was also a party to forward foreign exchange contracts to hedge foreign currency transactions consistent with its committed exposures. Had these contracts not been in place, the net earnings of the corporation would not have been materially affected in the second quarter or first half of 1995.

On the strength of a solid financial performance for the first half of 1995, and assuming no major economic downturn, the corporation remains optimistic about its ability to provide a third consecutive year of record profits for its shareholders.

Liquidity and Capital Resources

The Corporation's working capital was $130.8 million at June 30, 1995 compared to $113.6 million at December 31, 1995. Sales related increases in trade receivables were partially offset by a decrease in customer tooling.

Cash flow provided by operations was $7.0 million greater than the same period last year due primarily to higher earnings. The Corporation's long-term debt increased $1.2 million in the first six months to $138.0 million due to slightly higher capital expenditures. The long-term debt of the finance subsidiary declined $4.2 million to $25.1 million reflecting the continuing liquidation of that business.

In June, the Corporation amended its revolving credit agreement. The facility was increased from $140 million to $160 million, and the term of the agreement was extended two years to June 30, 2000. The amended agreement also carries lower fees and lower borrowing rates.

Due primarily to the recently announced automotive unit manufacturing plants in Roanoke, Virginia, and Plymouth, Michigan, the corporation expects its 1995 capital expenditures to exceed $100 million versus the corporation's original forecast of $80 million. The corporation anticipates that internally generated funds will cover capital expenditure requirements for the remainder of the year and that year-end debt levels will not vary significantly from current levels.

At its June 6, 1995 meeting, A. O. Smith's Board of Directors declared a regular quarterly dividend of $.15 per share on its common stock (Classes A and Common). The dividend is payable on August 15, 1995 to shareholders of record as of July 31, 1995.

PART II -- OTHER INFORMATION

ITEM 1 -- LEGAL PROCEEDINGS

At June 30, 1995, the Corporation or A. O. Smith Harvestore Products, Inc. ("AOSHPI"), a wholly-owned subsidiary of the Corporation, were defendants in approximately nine (9) lawsuits (two of which are class action lawsuits) filed by various plaintiffs who were alleging property damage claimed to have arisen out of alleged defects in AOSHPI's animal feed storage equipment. In the second quarter of 1995, no new cases were filed against the Corporation and AOSHPI and six cases were favorably resolved. The United States District Court for the Southern District of Ohio has set a trial date in the conditionally certified class action brought on

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behalf of purchasers and lessees of Harvestore structures manufactured by the Corporation and AOSHPI. Discovery in the case is ongoing and a trial of the liability issues only is scheduled to begin on October 16, 1995. Damages would be tried at a later date and only after a liability finding. Information on these lawsuits was previously reported in Part I, Item 3 of the Corporation's annual report on Form 10-K for the fiscal year ended December 31, 1994 and in Part II, Item 1 of the Corporation's Form 10-Q report for the quarterly period ended March 31, 1995, which are incorporated herein by reference.

There have been no material changes in the environmental matters previously reported in Item 3 in the Corporation's annual report on Form 10-K for the fiscal year ended December 31, 1994, which is incorporated herein by reference.

ITEM 2--CHANGES IN SECURITIES

On June 30, 1995, the Corporation's $140,000,000 Revolver Agreement with a group of ten banks was amended to $160,000,000 and the final maturity was extended from April 3, 1998 to June 30, 2000. The covenants and restrictions on the payment of dividends remain essentially the same. Refer to Note 3 on page 7 of this report for more detailed information regarding the Corporation's debt covenants, dividend payment restrictions and retained earnings.

ITEM 4 -- SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On March 1, 1995, the Corporation mailed a proxy statement to its stockholders relating to the annual meeting of stockholders on April 5, 1995. The annual meeting included the election of directors and the consideration and action upon proposals to amend the Restated Certificate of Incorporation to increase the number of authorized shares of Class A Common Stock from 7,000,000 to 14,000,000 shares and the number of authorized shares of Common Stock from 24,000,000 to 60,000,000 shares, to approve the ratification of Ernst and Young LLP as the independent auditors of the Corporation for 1995 and to act upon a stockholder proposal relating to the rotation of the annual meeting of stockholders.

Directors are elected by a plurality of the votes cast, by proxy or in person, with the holders voting as separate classes. A plurality of votes means that the nominees who receive the greatest number of votes cast are elected as directors. Consequently, any shares which are not voted, whether by abstention, broker nonvotes or otherwise, will have no effect on the election of directors.

With respect to the Company's proposal to amend the Restated Certificate of Incorporation, the affirmative vote of the holders of a majority of the outstanding shares of the Class A Common Stock and the Common Stock entitled to vote at the meeting, each voting as a separate class, is needed for adoption of the proposed amendment. In addition, the proposal must be adopted by the vote of the Class A Common Stock and the Common Stock voting together as a single class in the manner described in the paragraph below.

For all other matters considered at the meeting, both classes of stock vote together as a single class, with the Class A Common Stock entitled to one vote per share and the Common Stock entitled to 1/10th vote per share. All such other matters are decided by a majority of the votes cast. On such other matters, an abstention will have the same effect as a "no" vote but, because shares held by brokers will not be considered to vote on matters as to which the brokers withhold authority, a broker nonvote will have no effect on the vote.

1. Election of Directors

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	Votes For	Votes Withheld	Broker Non-Votes
Class A Common Stock Directors			
Tom H. Barrett	5,826,971	45,297	0
Glen R. Bomberger	5,826,971	45,297	0
Thomas I. Dolan	5,826,937	45,331	0
Robert J. O'Toole	5,827,071	45,197	0
Donald J. Schuenke	5,827,071	45,197	0
Arthur O. Smith	5,826,971	45,297	0
Bruce M. Smith	5,826,837	45,431	0
Common Stock Directors			
Russell G. Cleary	10,281,615	102,139	0
Leander W. Jennings	10,280,843	102,911	0
Dr. Agnar Pytte	10,280,961	102,793	0

2. Amendment of Restated Certificate of Incorporation to Increase the Authorized Shares

	Votes For	Votes Against	Abstentions	Broker Non Votes
Class A Common Stock	5,673,571	196,530	2,567	0
Common Stock	8,429,799	1,883,115	70,940	0
COMBINED CLASS VOTE: (Class A Common Stock	6,516,550	384,841	9,661	0

and Common Stock 1/10th vote)

3. Ratification of Ernst & Young LLP as Independent Auditors

	Votes For	Votes Against	Abstentions	Broker Non Votes
COMBINED CLASS VOTE: Class A Common Stock and Common Stock (1/10th vote)	6,834,753	72,906	3,393	0

4. Stockholder Proposal on Rotation of the Location of the Annual Stockholders Meeting

	Votes For	Votes Against	Abstentions	Broker Non Votes
COMBINED CLASS VOTE: Class A Common Stock and Common Stock (1/10th vote)	178,576	6,427,993	49,194	255,288

ITEM 6 -- EXHIBITS AND REPORTS ON FORM 8-K

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(a) Exhibits

(4) Amendment dated as of June 30, 1995 to the Revolver Agreement dated February 26, 1993.

(27) Financial Data Schedule

(b) Reports on Form 8-K

No reports on Form 8-K were filed by the Corporation in the second quarter of 1995.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

A. O. SMITH CORPORATION

August 11, 1995	*/s/ John J. Kita* *John J. Kita* *Treasurer and Controller*
August 11, 1995	*/s/ G. R. Bomberger* *G. R. Bomberger* *Executive Vice President and Chief Financial Officer*

INDEX TO EXHIBITS

Exhibit Number	Description
4	Amendment dated as of June 30, 1995 to the Revolver Agreement dated February 26, 1993.
27	Financial Data Schedule

EXECUTION COPY

EXTENSION AND THIRD AMENDMENT

EXTENSION AND THIRD AMENDMENT, dated as of June 30, 1995, to the Amended and Restated Credit Agreement, dated as of February 26, 1993 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among A.O. SMITH CORPORATION, a Delaware corporation (the "Borrower"), the banks parties thereto (the "Banks"), and Chemical Bank, as agent (in such capacity, the "Agent").

W I T N E S S E T H:

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WHEREAS, the Borrower, the Banks, and the Agent are parties to the Credit Agreement;

WHEREAS, the Borrower has requested that the Agent and the Banks amend certain provisions of the Credit Agreement in order to increase the aggregate Commitments (as defined in the Credit Agreement) to $160,000,000; and

WHEREAS, the Borrower has requested that the Agent and the Banks provide a competitive advance facility ("CAF") on an uncommitted competitive advance basis through an auction mechanism; and

WHEREAS, the Agent and the Banks are willing to agree to such amendments only upon the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms which are defined in the Credit Agreement are used herein as therein defined.

2. Amendments of Article I of the Credit Agreement.
(a) Section 1.1 of the Credit Agreement is hereby amended by deleting the definition of "Interest Rate Leverage Percentage" and by inserting the following definition:

"Interest Rate Leverage Percentage" means, as to any CD Loan or Euro-Dollar Loan, the percentage set forth in the table below under the appropriate column opposite the Leverage Ratio range which includes the Leverage Ratio of the Borrower:

Interest Rate Leverage Percentage Leverage Ratio	Euro-Dollar Loan	CD Loan
Less than or equal to 30.0%	.2500%	.3750%
Greater than 30% and less than or equal to 40.0%	.3000%	.4250%
Greater than 40% and less than or equal to 50.0%	.3125%	.4375%
Greater than 50.0%	.5000%	.6250%

For purposes of this definition, the Leverage Ratio shall be determined for any day on the basis of each notice furnished to the Banks from time to time pursuant to Section 5.10(a) or (b) and shall be effective from the date of receipt by the Agent of such notice for the period from such date until the date of receipt of the next such notice.

(b) Section 1.1 is hereby amended by adding thereto the following definitions in their appropriate alphabetical order:

"Borrowing Date" means any Domestic Business Day or Euro-Dollar Business Day, as the case may be, specified in a notice pursuant to
Section 2.2 or Section 2.14(a) as a date on which the Borrower requests the Banks to make Loans or CAF Advances, as the case may be, hereunder.

"CAF Advance" means each CAF Advance made pursuant to Section 2.13.

"CAF Advance Availability Period" means the period from and including the Third Amendment Effective Date until the date which is 7 days prior to the Termination Date.

"CAF Advance Confirmation" means each confirmation by the Borrower of its acceptance of CAF Advance Offers, which

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confirmation shall be substantially in the form of Exhibit F and shall be delivered to the Agent by telecopy.

"CAF Advance Interest Payment Date" means as to each CAF Advance, each interest payment date specified by the Borrower for such CAF Advance in the related CAF Advance Request.

"CAF Advance Maturity Date" means as to any CAF Advance, the date specified by the Borrower pursuant to Section 2.14(d)(ii) in its acceptance of the related CAF Advance Offer.

"CAF Advance Note" has the meaning specified in Section 2.16 (collectively, the "CAF Advance Notes").

"CAF Advance Offer" means each offer by a Bank to make CAF Advances pursuant to a CAF Advance Request, which offer shall contain the information specified in Exhibit E and shall be delivered to the Agent by telephone, immediately confirmed by telecopy.

"CAF Advance Request" means each request by the Borrower for Banks to submit bids to make CAF Advances, which request shall contain the information in respect of such requested CAF Advances specified in Exhibit D and shall be delivered to the Agent in writing, by telecopy, or by telephone, immediately confirmed by telecopy.

"Fixed Rate CAF Advance" means any CAF Advance made pursuant to a Fixed Rate CAF Advance Request.

"Fixed Rate CAF Advance Request" means any CAF Advance Request requesting the Banks to offer to make CAF Advances at a fixed rate (as opposed to a rate composed of the London Interbank Offered Rate plus (or minus) a margin).

"London Interbank Offered Rate CAF Advance" means any CAF Advance made pursuant to a London Interbank Offered Rate CAF Advance Request.

"London Interbank Offered Rate CAF Advance Request" means any CAF Advance Request requesting the Banks to offer to make CAF Advances at an interest rate equal to the London Interbank Offered Rate plus (or minus) a margin.

"Termination Date" means June 30, 2000.

"Third Amendment Effective Date" means the date on which all the conditions set forth in Section 8 of the Extension and Third Amendment are satisfied or waived.

3. Amendments to Article II of the Credit Agreement. (a) Sections 2.1 and 2.8 of the Credit Agreement are hereby amended by deleting the date "April 3, 1998" wherever it appears in such Sections and inserting in lieu thereof the date "June 30, 2000".

(b) Section 2.6(a) of the Credit Agreement is hereby amended by deleting such subsection in its entirety and inserting in lieu thereof the following subsection (a):

"(a) Facility Fees. The Borrower shall pay to the Agent for the account of each Bank a facility fee on the average daily amount of such Bank's Commitment at the per annum rate set forth in the table below opposite the Leverage Ratio range which includes the Leverage Ratio of the Borrower:

Leverage Ratio	Per Annum Rate
Less than or equal to 30.0%	0.1250%
Greater than 30% and less than or equal to 40.0%	0.1500%
Greater than 40% and less than or equal to 50.0%	0.1875%
Greater than 50.0%	0.2500%

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For purposes of this Section 2.6(a), the Leverage Ratio shall be determined for any day on the basis of each notice furnished to the Banks from time to time pursuant to Section 5.10 (a) and (b) and shall be effective from the date of receipt by the Agent of such notice for the period from such date until the date of receipt of the next such notice. Such facility fees shall accrue from and including the date hereof to and including June 30, 2000 and shall be payable quarterly on each June 30, September 30, December 31 and March 31."

(c) Section 2.6(b) of the Credit Agreement is hereby amended effective as of the Third Amendment Effective Date by deleting such subsection in its entirety and inserting in lieu thereof the following:
"[INTENTIONALLY OMITTED]".

(d) Article II of the Credit Agreement is hereby amended effective as of the Third Amendment Effective Date by adding thereto new Section 2.13 through 2.17 as set forth below:

Section 2.13 CAF Advances. Subject to the terms and conditions of this Agreement, the Borrower may borrow CAF Advances from time to time on any Euro-Dollar Business Day in the case of London Interbank Offered Rate CAF Advances or any Domestic Business Day in the case of any Fixed Rate CAF Advances during the CAF Advance Availability Period. CAF Advances shall be borrowed in amounts such that the aggregate amount of Loans outstanding at any time shall not exceed the aggregate amount of the Commitments at such time. Within the limits and on the conditions hereinafter set forth with respect to CAF Advances, the Borrower from time to time may borrow, repay and reborrow CAF Advances.

Section 2.14 Procedure for CAF Advance Borrowing.
(a) The Borrower shall request CAF Advances by delivering a CAF Advance Request to the Agent, not later than 12:00 Noon (New York City time) four Euro-Dollar Business Days prior to the proposed Borrowing Date (in the case of a London Interbank Offered Rate CAF Advance Request), and not later than 10:00 A.M. (New York City time) one Domestic Business Day prior to the proposed Borrowing Date (in the case of a Fixed Rate CAF Advance Request). Each CAF Advance Request may solicit bids for CAF Advances in an aggregate principal amount of $10,000,000 or an integral multiple of $1,000,000 in excess thereof and having not more than three alternative CAF Advance Maturity Dates. The CAF Advance Maturity Date for each CAF Advance shall be the date set forth therefor in the relevant CAF Advance Request, which date shall be (i) not less than 7 days nor more than 180 days after the Borrowing Date therefor, in the case of a Fixed Rate CAF Advance, (ii) one, two, three or six months after the Borrowing Date therefor, in the case of a London Interbank Offered Rate CAF Advance and (iii) not later than the Termination Date, in the case of any CAF Advance. The Agent shall notify each Bank promptly by telecopy of the contents of each CAF Advance Request received by the Agent.

(b) In the case of a London Interbank Offered Rate CAF Advance Request, upon receipt of notice from the Agent of the contents of such CAF Advance Request, each Bank may elect, in its sole discretion, to offer irrevocably to make one or more CAF Advances at the applicable London Interbank Offered Rate plus (or minus) a margin determined by such Bank in its sole discretion for each such CAF Advance. Any such irrevocable offer shall be made by delivering a CAF Advance Offer to the Agent, before 10:30 A.M. (New York City time) on the day that is three Euro-Dollar Business Days before the proposed Borrowing Date, setting forth:

(i) the maximum amount of CAF Advances for each CAF Advance Maturity Date (which amount shall be at least $5,000,000) and the aggregate maximum amount of CAF Advances for all CAF Advance Maturity Dates which such Bank would be willing to make (which amounts may, subject to Section 2.13, exceed such Bank's Commitment); and

(ii) the margin above or below the applicable London Interbank Offered Rate at which such Bank is willing to make each such CAF Advance.

The Agent shall advise the Borrower before 11:00 A.M. (New York City time) on the date which is three Euro-Dollar Business Days before the proposed Borrowing Date of the contents of each such CAF Advance Offer received by it. If the Agent, in its capacity as a Bank, shall elect, in its sole discretion, to make any such CAF Advance Offer, it shall advise the Borrower of the contents of its CAF Advance Offer before 10:15 A.M. (New York City time) on the date which is three Euro-Dollar Business Days before the proposed Borrowing Date.

(c) In the case of a Fixed Rate CAF Advance Request, upon receipt of notice from the Agent of the contents of such CAF Advance Request, each Bank may elect, in its sole discretion, to offer irrevocably to make one or more CAF Advances at a rate of interest determined by such Bank in its sole discretion for each such CAF Advance. Any such irrevocable offer shall be made by delivering a CAF Advance Offer to the Agent before 9:30 A.M. (New York City time) on the proposed Borrowing Date, setting forth:

(i) the maximum amount of CAF Advances for each CAF Advance Maturity Date (which amount shall be at least $5,000,000) and the

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aggregate maximum amount for all CAF Advance Maturity Dates, which such Bank would be willing to make (which amounts may, subject to Section 2.13, exceed such Bank's Commitment); and

(ii) the rate of interest at which such Bank is willing to make each such CAF Advance.

The Agent shall advise the Borrower before 10:00 A.M. (New York City time) on the proposed Borrowing Date of the contents of each such CAF Advance Offer received by it. If the Agent, in its capacity as a Bank, shall elect, in its sole discretion, to make any such CAF Advance Offer, it shall advise the Borrower of the contents of its CAF Advance Offer before 9:15 A.M. (New York City time) on the proposed Borrowing Date.

(d) Before 11:30 A.M. (New York City time) three Euro- Dollar Business Days before the proposed Borrowing Date (in the case of CAF Advances requested by a London Interbank Offered Rate CAF Advance Request) and before 10:30 A.M. (New York City time) on the proposed Borrowing Date (in the case of CAF Advances requested by a Fixed Rate CAF Advance Request), the Borrower, in its absolute discretion, shall:

(i) cancel such CAF Advance Request by giving the Agent telephone notice followed by confirmation by telecopy to that effect, or

(ii) by giving telephone notice to the Agent (immediately confirmed by delivery to the Agent of a CAF Advance Confirmation by telecopy) (A) subject to the provisions of Section 2.14(e), accept one or more of the offers made by any Bank or Banks pursuant to Section 2.14(b) or Section 2.14(c), as the case may be, and (B) reject any remaining offers made by Banks pursuant to Section 2.14(b) or Section 2.14(c), as the case may be.

(e) The Borrower's acceptance of CAF Advances in response to any CAF Advance Request shall be subject to the following limitations:

(i) the amount of CAF Advances accepted for each CAF Advance Maturity Date specified by any Bank in its CAF Advance Offer shall not exceed the maximum amount for such CAF Advance Maturity Date specified in such CAF Advance Offer;

(ii) the aggregate amount of CAF Advances accepted for all CAF Advance Maturity Dates specified by any Bank in its CAF Advance Offer shall not exceed the aggregate maximum amount specified in such CAF Advance Offer for all such CAF Advance Maturity Dates;

(iii) the Borrower may not accept offers for CAF Advances for any CAF Advance Maturity Date in an aggregate principal amount in excess of the maximum principal amount requested in the related CAF Advance Request; and

(iv) if the Borrower accepts any of such offers, it must accept offers based solely upon pricing for each relevant CAF Advance Maturity Date and upon no other criteria whatsoever and if two or more Banks submit offers for any CAF Advance Maturity Date at identical pricing and the Borrower accepts any of such offers but does not wish to (or by reason of the limitations set forth in Section 2.13, cannot) borrow the total amount offered by such Banks with such identical pricing, the Borrower shall accept offers from all of such Banks in amounts allocated among them pro rata according to the amounts offered by such Banks; provided that if the number of Banks that submit offers for any CAF Advance Maturity Date at identical pricing is such that, after the Borrower accepts such offers pro rata in accordance with the foregoing, the CAF Advance to be made by such Banks would be less than $5,000,000 principal amount, the number of such Banks shall be reduced by the Agent by lot until the CAF Advances to be made by such remaining Banks would be in a principal amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof).

(f) If the Borrower notifies the Agent that a CAF Advance Request is cancelled pursuant to Section 2.14(d)(i), the Agent shall give prompt telephone notice thereof to the Banks.

(g) If the Borrower accepts pursuant to Section
2.14(d)(ii) one or more of the offers made by any Bank or Banks, the Agent promptly shall notify each Bank which has made such an offer of (i) the aggregate amount of such CAF Advances to be made on such Borrowing Date for each CAF Advance Maturity Date and (ii) the acceptance or rejection of any offers to make such CAF Advances made by such Bank. Before 12:00 Noon (New York City time) on the Borrowing Date specified in the applicable CAF Advance Request, each Bank whose CAF Advance Offer has been accepted shall make available to the Agent at its office set forth in Section 9.1 the amount of CAF Advances to be made by such Bank, in immediately available funds. The Agent will make such funds available to the Borrower as soon as practicable on such date at such office of the Agent. As soon as practicable after each Borrowing Date, the Agent shall notify each Bank of the aggregate amount of CAF Advances advanced on such Borrowing Date and the respective CAF Advance Maturity Dates thereof.

Section 2.15 CAF Advance Payments. (a) The Borrower shall pay to the Agent for the account of each Bank which has made a CAF

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Advance on the applicable CAF Advance Maturity Date the then unpaid principal amount of such CAF Advance. The Borrower shall not have the right to prepay any principal amount of any CAF Advance without the consent of the Bank to which such CAF Advance is owed.

(b) The Borrower shall pay interest on the unpaid principal amount of each CAF Advance from the Borrowing Date to the applicable CAF Advance Maturity Date at the rate of interest specified in the CAF Advance Offer accepted by the Borrower in connection with such CAF Advance (calculated on the basis of a 360-day year for actual days elapsed), payable on each applicable CAF Advance Interest Payment Date.

(c) If all or a portion of the principal amount of any CAF Advance shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue principal amount shall, without limiting any rights of any Bank under this Agreement, bear interest from the date on which such payment was due at a rate per annum which is 1% above the rate which would otherwise be applicable pursuant to the CAF Advance Note evidencing such CAF Advance until the stated CAF Advance Maturity Date of such CAF Advance, and for each day thereafter at a rate per annum which is 1% above the Alternate Base Rate, in each case until paid in full (as well after as before judgment). Interest accruing pursuant to this paragraph (c) shall be payable from time to time on demand.

Section 2.16 CAF Advance Notes. The CAF Advances made by each Bank shall be evidenced by a promissory note of the Borrower, substantially in the form of Exhibit B with appropriate insertions (a "CAF Advance Note"), payable to the order of such Bank and representing the obligation of the Borrower to pay the unpaid principal amount of all CAF Advances made by such Bank, with interest on the unpaid principal amount from time to time outstanding of each CAF Advance evidenced thereby as prescribed in subsection 2.15(b). Each Bank is hereby authorized to record the date and amount of each CAF Advance made by such Bank, the CAF Advance Maturity Date thereof, the date and amount of each payment of principal thereof and the interest rate with respect thereto on the schedule attached to and constituting part of its CAF Advance Note, and any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded; provided, however, that the failure to make any such recordation shall not affect the obligations of the Borrower hereunder or under any CAF Advance Note. Each CAF Advance Note shall be dated the Third Amendment Effective Date and each CAF Advance evidenced thereby shall bear interest for the period from and including the Borrowing Date of such CAF Advance on the unpaid principal amount thereof from time to time outstanding at the applicable rate per annum determined as provided in, and such interest shall be payable as specified in, Section 2.15(b).

Section 2.17 Certain Restrictions. A CAF Advance Request may request offers for CAF Advances to be made on not more than one Borrowing Date and to mature on not more than three CAF Advance Maturity Dates. No CAF Advance Request may be submitted earlier than five Domestic Business Days after submission of any other CAF Advance Request.

4. Amendment of Article III of the Credit Agreement. Section 3.1(d) of the Credit Agreement is hereby amended by deleting said Section in its entirety and substituting in lieu thereof the following:

"(d) the fact that since December 31, 1994 there shall not have been any change in the business or financial position of the Borrower or any of its Consolidated Subsidiaries, which in the opinion of Banks holding at least 50% of the aggregate amount of the Commitments, is materially adverse to the business or financial position of the Borrower and its Consolidated Subsidiaries considered as a whole."

5. Amendment of Article IV of the Credit Agreement. Sections 4.4(a) and 4.4(b) of the Credit Agreement are hereby amended by deleting said Sections in their entirety and substituting in lieu thereof the following:

"(a) The consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of December 31, 1994 and the related consolidated statements of operations and retained earnings and changes in financial position for the fiscal year then ended, reported on by Ernst & Young and set forth in the Borrower's 1994 Form 10-K, a copy of which has been delivered to each of the Banks, fairly present, in conformity with generally accepted accounting principles, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such date and their consolidated results of operations and changes in financial position for such fiscal year.

(b) Since December 31, 1994 there have been no material adverse change in the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole."

6. Amendment of Schedule I of the Credit Agreement. The Credit Agreement is hereby further amended by deleting Schedule I in its entirety and inserting in lieu thereof Schedule I attached hereto.

7. Representations and Warranties of Borrower. The Borrower hereby represents and warrants that each of the representations and

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warranties of the Borrower contained in the Credit Agreement, as amended by this Amendment, is true and correct on the date hereof as if made on and as of the date hereof except that representations and warranties that apply to a specific date were true and correct as of such date.

8. Effectiveness. This Third Amendment shall become effective as of the first date (the "Third Amendment Effective Date") prior to June 30, 1995 or the first day thereafter when the following conditions shall have been met:

(i) the Agent shall have received counterparts hereof, duly executed by the Borrower and all the Banks;

(ii) the Agent shall have received an opinion of W. David Romoser, General Counsel of the Borrower to be attached as Exhibit A.

(iii) the Agent shall have received a copy of the resolutions, in form and substance satisfactory to the Agent, of the Board of Directors of the Borrower authorizing the execution and delivery of this Amendment, certified by the Secretary or an Assistant Secretary of the Borrower, as the case may be, as of the Third Amendment Effective Date, which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded since the date of adoption thereof.

9. Continuing Effect of Credit Agreement. This Amendment shall not constitute a waiver or amendment of any other provision of the Credit Agreement not expressly referred to herein and shall not be construed as a waiver or consent to any further or future action on the part of the Borrower that would require a waiver or consent of the Required Banks or the Agent. Except as expressly amended hereby, the provisions of the Credit Agreement are and shall remain in full force and effect.

10. Counterparts. This Amendment may be executed by the parties hereto in any number of counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

11. GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered in New York, New York by their proper and duly authorized officers as of the day and year first above written.

A.O. SMITH CORPORATION

By: /s/ John J. Kita
Title: Treasurer and Controller

CHEMICAL BANK, as Agent and as a Bank

By: /s/
Title:

BANK OF AMERICA ILLINOIS, as successor to
CONTINENTAL BANK N.A.

By: /s/
Title:

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MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By: /s/

Title:

M & I MARSHALL & ILSLEY BANK

By: /s/

Title:

CITIBANK, N.A.

By: /s/

Title:

FIRST BANK MILWAUKEE

By: /s/

Title:

FIRSTAR BANK MILWAUKEE, N.A.

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By: /s/

Title:

BANK ONE, MILWAUKEE, N.A.

By: /s/

Title:

NATIONAL BANK OF DETROIT

By: /s/

Title:

NORWEST BANK WISCONSIN, N.A.

By: /s/

Title:

Schedule I

COMMITMENT AMOUNTS

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	Commitment
Chemical Bank	$ 29,000,000
Bank of America Illinois, as successor to Continental Bank N.A.	29,000,000
Morgan Guaranty Trust Company of New York	29,000,000
M & I Marshall & Ilsley Bank	14,000,000
Citibank, N.A.	14,000,000
Firstar Bank Milwaukee, N.A.	12,000,000
First Bank Milwaukee	12,000,000
Bank One, Milwaukee, N.A.	7,000,000
National Bank of Detroit	7,000,000
Norwest Bank Wisconsin, N.A.	7,000,000

	$160,000,000

EXHIBIT A

OPINION OF
COUNSEL FOR THE BORROWER

June 30, 1995

To the Banks and the Agent
Referred to Below
c/o Chemical Bank,
as Agent
270 Park Avenue
New York, New York 10017

Dear Sirs:

I have acted as counsel for A.O. Smith Corporation (the "Borrower") in connection with the Extension and Third Amendment, dated as of June 30, 1995 (the "Third Amendment"), to the Amended and Restated Credit Agreement (the "Credit Agreement") dated as of February 26, 1993 among the Borrower, the banks listed on the signature pages thereof and Chemical Bank, as Agent. Terms defined

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in the Credit Agreement are used herein as therein defined.

I have examined originals or copies, certified or otherwise identified to my satisfaction, of such documents, corporate records, certificates of public officials and other instruments and have conducted such other investigations of fact and law as I have deemed necessary or advisable for purposes of this opinion.

Upon the basis of the foregoing, I am of the opinion that:

1. The Borrower is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

2. The execution, delivery and performance by the Borrower of the Third Amendment are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and does not contravene, or constitute a default under, any certificate of incorporation or by-laws of the Borrower or, to the best of my knowledge, of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

3. The execution, delivery and performance by the Borrower the Notes are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and does not contravene, or constitute a default under, any certificate of incorporation or by-laws of the Borrower or, to the best of my knowledge, of any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

4. The Third Amendment and the New Notes constitute the valid and the binding obligations of the Borrower enforceable in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

5. Except as set forth in the Ilhardt, et al. v. A.O. Smith Corp., et al. lawsuit, there is no action, suit or proceeding pending against, or to the best of my knowledge threatened against or affecting, the Borrower or any of its Subsidiaries before any court or arbitrator or any governmental body, agency or official, in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business, consolidated financial position or consolidated results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole or which in any manner draws into question the validity of the Third Amendment.

6. Each of the Borrower's Subsidiaries is a corporation validly existing and in good standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

Very truly yours,

Exhibit B

FORM OF
CAF ADVANCE NOTE

New York, New York
[Date]

FOR VALUE RECEIVED, the undersigned, A.O. Smith Corporation, a Delaware corporation (the "Borrower"), hereby unconditionally promises to pay to the order of (the "Bank") at the office of Chemical Bank located at 270 Park Avenue, New York, New York 10017, in lawful money of the United States of America and in immediately available funds, the aggregate unpaid principal amount of each CAF Advance which is made by the Bank to the Borrower pursuant to subsection 2.13 of the Credit Agreement, as hereinafter defined. The principal amount of each CAF Advance evidenced hereby shall be payable on the CAF Advance Maturity Date therefor set forth on the schedule attached hereto and made a part hereof or on a continuation of such schedule which shall be attached hereto and made a part hereof (the "Grid"). The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount of each CAF Advance evidenced hereby, at the rate per annum set forth in respect of such CAF Advance on the Grid, calculated on the basis of a year of 360 days and actual days elapsed from the Borrowing Date of such CAF Advance until the due date thereof (whether at the stated maturity, by acceleration or otherwise) and thereafter at the rates determined in accordance with subsection 2.15(c) of the Credit Agreement. Interest on each CAF Advance evidenced hereby shall be payable on the date or

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dates set forth in respect of such CAF Advance on the Grid. CAF Advances evidenced by this Note may not be prepaid without the consent of the Bank.

The holder of this Note is authorized to endorse on the Grid the Borrowing Date, amount, Interest rate, Interest Payment Dates and CAF Advance Maturity Date in respect of each CAF Advance made pursuant to subsection 2.13 of the Credit Agreement and each payment of principal with respect thereto. Each such endorsement shall constitute prima facie evidence of the accuracy of the information endorsed. The failure to make any such endorsement shall not affect the obligations of the Borrower in respect of such CAF Advance.

This Note is one of the CAF Advance Notes referred to in the Amended and Restated Credit Agreement dated as of February 26, 1993 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Bank, the other banks and financial institutions from time to time parties thereto and Chemical Bank, as Agent and is subject to the provisions of the Credit Agreement.

Upon the occurrence of any one or more of the Events of Default, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided in the Credit Agreement.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

A.O. SMITH CORPORATION

By
Title:

Exhibit C

SCHEDULE OF CAF ADVANCES
_____, Bank
A.O. Smith Corporation, Borrower
Amended and Restated Credit Agreement dated February 26, 1993

CAF

Borrowing Date of CAF Authoriza- Advance	Amount of CAF Advance	Interest Rate	Advance Interest Payment Dates	CAF Advance Maturity Date	Payment Date	tion

EXHIBIT D

FORM OF
CAF ADVANCE REQUEST

_____, 199__

Chemical Bank, as Agent
270 Park Avenue
New York, New York 10017

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Reference is made to the Amended and Restated Credit Agreement, dated as of February 26, 1993, among the undersigned, the Banks named therein, Chemical Bank, as Agent (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

This is a [Fixed Rate] [London Interbank Offered Rate] CAF Advance Request* pursuant to subsection 2.14 of the Credit Agreement requesting quotes for the following CAF Advances:

	Loan 1	Loan 2	Loan 3
Aggregate Principal Amount $_____	$_____	$_____	
Borrowing Date			
CAF Advance Maturity Date			
Interest Payment Dates			

Very truly yours,

* Pursuant to the Credit Agreement, a CAF Advance Request may be transmitted in writing, by telecopy, or by telephone, immediately confirmed by telecopy. In any case, a CAF Advance Request shall contain the information specified in the second paragraph of this form.

A.O. SMITH CORPORATION

By
Name:
Title:

EXHIBIT E

FORM OF
CAF ADVANCE OFFER

, 199

Chemical Bank, as Agent
270 Park Avenue
New York, New York 10017

Reference is made to the Amended and Restated Credit Agreement, dated as of February 26, 1993, among the undersigned, the Banks named therein, and Chemical Bank, as Agent (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

In accordance with subsection 2.14 of the Credit Agreement, the undersigned Bank offers to make CAF Advances thereunder in the following amounts with the following maturity dates:

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Borrowing Date: _____, 199__	Aggregate Maximum Amount: $_____
Maturity Date 1: _____, 199__	Maximum Amount: $_____
_____*	$_____ offered at
_____*	$_____ offered at
Maturity Date 2: _____, 199__	Maximum Amount: $_____
_____*	$_____ offered at
_____*	$_____ offered at
Maturity Date 3: _____, 199__	Maximum Amount: $_____
_____*	$_____ offered at
_____*	$_____ offered at

* Insert the interest rate offered for the specified CAF Advance. In the case of London Interbank Offered Rate CAF Advances, insert a margin bid. In the case of Fixed Rate CAF Advances, insert a fixed rate bid.

Very truly yours,
[NAME OF BANK]

By
Name:
Title:
Telephone No.:
Telecopy No.:

EXHIBIT F

FORM OF
CAF ADVANCE CONFIRMATION

_____ __, 19__

Chemical Bank, as Agent
270 Park Avenue
New York, New York 10017

Reference is made to the Amended and Restated Credit Agreement, dated as of February 26, 1995, among the undersigned, the Banks named therein, and Chemical Bank, as Agent (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

In accordance with subsection 2.14(d)(ii) of the Credit Agreement, the undersigned accepts and confirms the offers by the Bank(s) to make CAF Advances to the undersigned on , 19 under subsection 2.14(d) in the (respective) amount(s) set forth on the attached list of CAF Advances offered.

Very truly yours,

A.O. SMITH CORPORATION

By

EDGARpro 2002. EDGAR Online, Inc.

Name:
Title:

[The Borrower must attach CAF Advance offer list prepared by the Agent with accepted amount entered by the Borrower to right of each CAF Advance offer].

ARTICLE 5
THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF A. O. SMITH CORPORATION AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
MULTIPLIER: 1,000

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 1995
PERIOD START	JAN 01 1995
PERIOD END	JUN 30 1995
CASH	5,177
SECURITIES	0
RECEIVABLES	171,178
ALLOWANCES	0
INVENTORY	109,961
CURRENT ASSETS	340,216
PP&E	912,103
DEPRECIATION	(503,473)
TOTAL ASSETS	866,238
CURRENT LIABILITIES	209,446
BONDS	163,072
COMMON	106,043
PREFERRED MANDATORY	0
PREFERRED	0
OTHER SE	240,121
TOTAL LIABILITY AND EQUITY	866,238
SALES	792,831
TOTAL REVENUES	792,831
CGS	664,380
TOTAL COSTS	664,380
OTHER EXPENSES	61,408
LOSS PROVISION	0
INTEREST EXPENSE	6,565
INCOME PRETAX	60,478
INCOME TAX	23,150
INCOME CONTINUING	38,386
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	38,386
EPS PRIMARY	1.84
EPS DILUTED	1.84

End of Filing

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