



A.O. Smith Completes Purchase of GE Compressor Motor Business

MILWAUKEE, July 2 -- A.O. Smith Corporation (NYSE: AOS; Amex: SMC) today completed the acquisition of General Electric Company's (NYSE: GE) domestic compressor motor business from the GE Industrial Controls Systems Division for \$120 million.

GE's compressor motor operations, based in Scottsville, Ky., includes a 250,000 square foot plant and employs approximately 875 people. Scottsville manufactures 1/2 through six horsepower motors and serves a number of major U.S. compressor manufacturers, including Bristol Compressor and Trane Company. The business's annual sales are approximately \$130 million.

The acquisition makes A.O. Smith North America's leading manufacturer of compressor motors for the air conditioning industry. These products are critical components of residential and commercial air conditioners and commercial refrigeration equipment.

"This acquisition gives us the opportunity to enhance the service levels we provide our customers as well as expanding our manufacturing, engineering, and motor testing capabilities," John A. Bertrand, president of A.O. Smith Electrical Products Company, said.

A.O. Smith's Electrical Products Company, with headquarters in Tipp City, Ohio, manufactures compressor motors ranging in size from 1/2 horsepower up to 500 horsepower. In addition to Scottsville, the company has compressor motor plants in Mebane, N.C., Acuna, Mexico, and Bray, Ireland.

In addition to compressor motors, the company makes fractional horsepower and subfractional horsepower electric motors for a wide range of original equipment manufacturers as well as for replacement applications. The unit's 1997 sales were \$391 million.

This is the second major acquisition by A.O. Smith for its Electric Motor Technologies Platform. The company acquired privately held UPPCO, the world's largest manufacturer of subfractional horsepower "C-frame" motors in March of 1997. UPPCO is now a part of the Electrical Products Company.

A.O. Smith Corporation, with headquarters in Milwaukee, Wis., is a diversified manufacturer serving customers world wide. In addition to electric motors, its major product lines include residential and commercial water heaters; municipal, industrial, and agricultural storage tanks; and fiberglass reinforced plastic piping systems.