

SMITH A O CORP  
Form S-4/A  
March 11, 2009  
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As filed with the Securities and Exchange Commission on March 11, 2009

Registration No. 333-157052

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**AMENDMENT NO. 1**  
**TO**  
**FORM S-4**  
**REGISTRATION STATEMENT**

*UNDER*  
*THE SECURITIES ACT OF 1933*

**A. O. SMITH CORPORATION**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of incorporation or organization)

**3621**  
(Primary Standard Industrial Classification Code Number)

**39-0619790**  
(I.R.S. Employer

Identification Number)

**11270 West Park Place**

**Milwaukee, Wisconsin 53224-9508**

**(414) 359-4000**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**James F. Stern, Esq.**

**Executive Vice President, General Counsel and Secretary**

**A. O. Smith Corporation**

**11270 West Park Place**

**Milwaukee, Wisconsin 53224-9508**

**(414) 359-4000**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copies to:*

**Robert F. Wall**

**Mark D. Gerstein**

**Winston & Strawn LLP**

**Latham & Watkins LLP**

**35 West Wacker Drive**

**233 S. Wacker Drive, Suite 5800**

**Chicago, Illinois 60601**

**Chicago, IL 60606**

**(312) 558-5600**

**(312) 876-7700**

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable following the effectiveness of this registration statement, satisfaction or waiver of the other conditions to closing of the merger described herein and consummation of the merger.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

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If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ..

Exchange Act Rule 14d-1(d) (Cross-Border Third Party Tender Offer) ..

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this document is not complete and is subject to change. We may not sell the securities offered by this document until the registration statement filed with the Securities and Exchange Commission is effective. This document is not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.**

**PRELIMINARY SUBJECT TO COMPLETION DATED MARCH 11, 2009**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Stockholders:

The boards of directors of A. O. Smith Corporation, or A. O. Smith, and Smith Investment Company, or SICO, approved an Agreement and Plan of Merger dated as of December 9, 2008 (the Merger Agreement) providing for the merger of SICO with and into SICO Acquisition, LLC, or MergerCo, a newly formed subsidiary of A. O. Smith. As of March 4, 2009, SICO owned approximately 97.9% of the outstanding shares of A. O. Smith Class A common stock and 7.1% of the outstanding shares of A. O. Smith common stock, representing a control position in A. O. Smith. A majority of the outstanding shares of SICO common stock is owned by members of the Smith Family, which is the founding family of A. O. Smith.

If the proposed merger is completed, stockholders of SICO will own shares of A. O. Smith directly, rather than through SICO. Stockholders of SICO will be entitled to receive (a) 2.396 shares of A. O. Smith Class A common stock and (b) 0.463 shares of A. O. Smith common stock for each outstanding share of SICO common stock that they hold immediately prior to the effective time of the merger, subject to the treatment of shares required to be placed into escrow, dissenting shares and fractional shares described in this joint proxy statement/prospectus. The calculation of the number of shares of A. O. Smith Class A common stock and A. O. Smith common stock the stockholders of SICO will be entitled to receive assumes that all of the shares of A. O. Smith common stock deposited into escrow are subsequently released to the former SICO stockholders. The consideration that SICO stockholders will be entitled to receive in the merger is more fully described in this joint proxy statement/prospectus under the heading The Merger Agreement Consideration to be Received in the Merger beginning on page 88.

The closing of the merger is conditioned upon, among other things, the affirmative vote of:

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing at least 66-<sup>2</sup>/<sub>3</sub>% of the votes represented by the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, in favor of the proposal to adopt the Merger Agreement;

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing a majority of the votes represented by the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, in favor of the proposal to adopt the Amended and Restated Certificate of Incorporation of A. O. Smith (the A. O. Smith Amended Charter );

the holders of A. O. Smith Class A common stock, voting as a separate class, representing a majority of the outstanding shares of A. O. Smith Class A common stock, in favor of the proposal to adopt the A. O. Smith Amended Charter;

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing a majority of the votes cast by such holders at the A. O. Smith special meeting, in favor of the proposal to approve the issuance of A. O. Smith Class A common stock and A. O. Smith common stock to SICO stockholders pursuant to the Merger Agreement (the Stock Issuance ); and

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the holders of a majority of the outstanding shares of SICO common stock in favor of the proposal to approve the Merger Agreement.

SICO, which holds shares representing 78.8% of the voting power of the total outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, and 97.9% of the voting power of the total outstanding shares of A. O. Smith Class A common stock, voting as a separate class, has agreed to vote in favor of the merger and the other related proposals to be considered at the special meeting of A. O. Smith stockholders. In addition, holders of 52.7% of the voting power of the total outstanding shares of SICO common stock have agreed to vote in favor of the merger at the special meeting of SICO stockholders. Therefore, stockholders of A. O. Smith and SICO holding voting power sufficient to adopt and approve the merger and the related proposals have agreed to vote in favor of the merger and the related proposals.

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The obligations of A. O. Smith and SICO to complete the merger also are subject to the satisfaction or waiver of several other conditions to the merger. More information about A. O. Smith, SICO and the merger is contained in this joint proxy statement/prospectus. We encourage you to read carefully this joint proxy statement/prospectus before voting, including the section entitled Risk Factors beginning on page 30.

A. O. Smith will hold a special meeting of its stockholders to consider and vote on the adoption of the Merger Agreement, the adoption of the A. O. Smith Amended Charter and the approval of the Stock Issuance.

SICO will hold a special meeting of its stockholders to consider and vote on the approval of the Merger Agreement.

The respective places, dates and times of the special meetings of A. O. Smith and SICO stockholders are as follows:

**For A. O. Smith stockholders:**  
**A. O. Smith Corporation**

**855 North Third Street**

**Tipp City, Ohio 45371**

**April 14, 2009**

**11:30 a.m., Eastern Daylight Saving Time**

**The A. O. Smith board of directors recommends that A. O. Smith stockholders vote FOR the proposal to adopt the Merger Agreement, FOR the proposal to adopt the A. O. Smith Amended Charter and FOR the proposal to approve the Stock Issuance.**

**For SICO stockholders:**  
**Smith Investment Company**

**11270 West Park Place**

**Milwaukee, Wisconsin 53224**

**April 16, 2009**

**9:30 a.m. Central Daylight Saving Time**

**The SICO board of directors unanimously recommends that SICO stockholders vote FOR the proposal to approve the Merger Agreement.**

Your vote is very important. Whether or not you plan to attend your company's special meeting, please take the time to vote by following the instructions on the enclosed proxy card or in the case of A. O. Smith stockholders, by granting your proxy electronically over the Internet or by telephone.

We enthusiastically support this merger and join with our boards of directors in recommending that our stockholders vote FOR the proposals necessary to complete the merger.

Sincerely,

Paul W. Jones  
Chairman, President and Chief

Executive Officer

A. O. Smith Corporation

A. O. Smith common stock trades on the New York Stock Exchange LLC under the symbol AOS. A. O. Smith Class A common stock is quoted on the Over-the-Counter Bulletin Board under the symbol SAOSA.

SICO common stock is quoted on the Pink OTC Markets, Inc. under the symbol SMIC.

Sincerely,

Bruce M. Smith  
Chairman, President and Chief

Executive Officer

Smith Investment Company

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**Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved of the merger and the other transactions described in this joint proxy statement/prospectus nor have they approved or disapproved of the issuance of the A. O. Smith common stock or A. O. Smith Class A common stock to be issued in connection with the merger, or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

This joint proxy statement/prospectus is dated March 11, 2009, and is being first mailed to A. O. Smith stockholders and SICO stockholders on or about March 13, 2009.



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**CERTAIN FREQUENTLY USED TERMS**

This joint proxy statement/prospectus constitutes a prospectus of A. O. Smith Corporation for the shares of A. O. Smith Class A common stock and A. O. Smith common stock that it will issue to Smith Investment Company stockholders in the merger, and a joint proxy statement for stockholders of A. O. Smith Corporation and Smith Investment Company. Unless otherwise specified or the context so requires:

A. O. Smith means A. O. Smith Corporation, a Delaware corporation.

A. O. Smith Amended Charter means the Amended and Restated Certificate of Incorporation of A. O. Smith to be submitted for approval by A. O. Smith stockholders pursuant to the Merger Agreement, which is described more fully under the heading A. O. Smith Amended Charter beginning on page 103.

A. O. Smith Class A common stock means the Class A common stock, par value \$5.00 per share, of A. O. Smith.

A. O. Smith common stock means the common stock, par value \$1.00 per share, of A. O. Smith.

A. O. Smith Existing Charter means the Restated Certificate of Incorporation of A. O. Smith, restated as of October 10, 2000.

A. O. Smith Special Committee means the Special Committee of the Board of Directors of A. O. Smith.

A. O. Smith Unaffiliated Stockholders means the holders of A. O. Smith Class A common stock and A. O. Smith common stock other than SICO.

Berlin Industries means Berlin Industries, Inc., a Delaware corporation, and its successor Berlin Industries LLC, a Delaware limited liability company, that was a wholly-owned subsidiary of SICO prior to the Spin-Off.

Central States means Central States Distribution Service, Inc., an Illinois corporation, and its successor Central States Distribution Service LLC, a Delaware limited liability company, that was a wholly-owned subsidiary of SICO prior to the Spin-Off.

Class A Exchange Ratio has the meaning set forth under the heading The Merger Agreement Consideration to be Received in the Merger A. O. Smith Class A Common Stock beginning on page 89.

Closing Common Exchange Ratio has the meaning set forth under the heading The Merger Agreement Consideration to be Received in the Merger A. O. Smith Common Stock beginning on page 89.

Code means the Internal Revenue Code of 1986, as amended.

DGCL means the Delaware General Corporation Law.

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Duff & Phelps means, as applicable, Duff & Phelps Securities, LLC, financial advisor to the SICO Special Committee, and its affiliate, Duff & Phelps, LLC.

Escrow Shares has the meaning set forth under the heading The Merger Agreement A. O. Smith Common Stock in Escrow.

IRS means the Internal Revenue Service.

IRS Letter Ruling means a private letter ruling from the IRS ruling that, among other things, the merger will qualify as a reorganization under Section 368(a) of the Code.

Latham means Latham & Watkins LLP, legal advisor to SICO.

Merger Agreement means the Agreement and Plan of Merger, dated as of December 9, 2008, among A. O. Smith, MergerCo, SICO and SpinCo, as the same may be amended, supplemented or otherwise modified from time to time.

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MergerCo means SICO Acquisition, LLC, a Delaware limited liability company.

Merger Consideration means the consideration to be received by the SICO stockholders in the merger as described under the heading The Merger Agreement Consideration to be Received in the Merger, beginning on page 88.

Morgan Stanley means Morgan Stanley & Co. Incorporated, financial advisor to the A. O. Smith Special Committee.

NRS means the Nevada Revised Statutes.

Per Share Escrow Release Number has the meaning set forth under the heading The Merger Agreement Consideration to be Received in the Merger A. O. Smith Common Stock in Escrow beginning on page 90.

Quarles means Quarles & Brady LLP, legal advisor to certain members of the Smith Family.

Reinhart means Reinhart Boerner Van Deuren s.c., legal advisor to the SICO Special Committee.

Shareholders Representative means SpinCo, in its capacity as shareholders representative for the stockholders of SICO as described under the heading The Merger Agreement Indemnification Shareholders Representative beginning on page 100.

SICO means Smith Investment Company, a Nevada corporation.

SICO common stock means the common stock, par value \$0.10 per share, of SICO.

SICO Special Committee means the Special Committee of the Board of Directors of SICO.

SICO Unaffiliated Stockholders means the holders of SICO common stock other than (a) the members of the Smith Family who filed a Schedule 13D/A with the SEC on August 19, 2008 and (b) any other person or entity who becomes a party to the voting trust agreement in the form attached as Annex G to this joint proxy statement/prospectus before the effective time of the merger, together with, in each case, any affiliates of any such person or entity.

Smith Family means the founding family of A. O. Smith and certain trusts for their benefit.

SpinCo means Smith Investment Company LLC, a Delaware limited liability company.

Spin-Off has the meaning set forth under the heading The Companies SICO, beginning on page 120.

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Stock Issuance refers to the issuance of shares of A. O. Smith common stock and A. O. Smith Class A common stock by A. O. Smith to SICO stockholders in the merger.

Winston means Winston & Strawn LLP, legal advisor to the A. O. Smith Special Committee.

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**REFERENCES TO ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates important business and financial information about A. O. Smith from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available for you to review at the public reference room of the United States Securities and Exchange Commission, or the SEC, located at 100 F Street, N.E., Room 1580, Washington, DC 20549, and through the SEC's website, [www.sec.gov](http://www.sec.gov). You also can obtain those documents incorporated by reference in this joint proxy statement/prospectus, excluding exhibits to those documents, without charge, by requesting them from A. O. Smith in writing at A. O. Smith Corporation, 11270 West Park Place, Milwaukee, Wisconsin 53224-9508, Attention: Corporate Secretary, or by telephone at (414) 359-4000. Additionally, you may obtain certain of those documents at A. O. Smith's website, [www.aosmith.com](http://www.aosmith.com).

**If you would like to request documents, please do so by April 4, 2009 in order to receive them before A. O. Smith's special meeting and SICO's special meeting.**

Information contained in or otherwise accessible through the A. O. Smith website listed above is not a part of this joint proxy statement/prospectus. All references in this joint proxy statement/prospectus to this website are inactive textual references and are for your information only.

No person is authorized to give any information or to make any representation with respect to the matters this joint proxy statement/prospectus describes other than those contained in this joint proxy statement/prospectus, and, if given or made, the information or representation must not be relied upon as having been authorized by A. O. Smith or SICO. This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities or a solicitation of a proxy in any jurisdiction where, or to any person to whom, it is unlawful to make such an offer or a solicitation. Neither the delivery of this joint proxy statement/prospectus nor any distribution of securities made under this joint proxy statement/prospectus shall, under any circumstances, create an implication that there has been no change in the affairs of A. O. Smith or SICO since the date of this joint proxy statement/prospectus or that the information contained herein is correct as of any time subsequent to the date of this joint proxy statement/prospectus.

See "Where You Can Find More Information" beginning on page 139.

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**VOTING BY INTERNET, TELEPHONE OR MAIL**

**Voting by A. O. Smith Stockholders**

**In addition to voting in person at the A. O. Smith special meeting, there are three ways for A. O. Smith stockholders of record as of the record date for the A. O. Smith special meeting to vote:**

**Your telephone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.**

**VOTE BY TELEPHONE TOLL FREE 1-800-560-1965 QUICK \*\*\* EASY \*\*\* IMMEDIATE**

Use any touch-tone telephone to vote your proxy 24 hours a day, 7 days a week, until 12:00 p.m. Central Daylight Saving Time on April 13, 2009.

Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions the voice provides you.

**VOTE BY INTERNET <http://www.eproxy.com/aos/> QUICK \*\*\* EASY \*\*\* IMMEDIATE**

Use the Internet to vote your proxy 24 hours a day, 7 days a week, until 12:00 p.m. Central Daylight Saving Time on April 13, 2009.

Please have your proxy card and the last four digits of your Social Security Number or Tax Identification Number available. Follow the simple instructions to obtain your records and create an electronic ballot.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to A. O. Smith Corporation, c/o Shareowner Services<sup>SM</sup>, P.O. Box 64873, St. Paul, Minnesota 55164-0873.

**If you vote by Telephone or Internet, please do not mail your Proxy Card.**

**Voting by SICO Stockholders**

**In addition to voting in person at the SICO special meeting, SICO stockholders of record as of the record date for the SICO special meeting may also vote by mail. SICO stockholders of record cannot vote by telephone or Internet.**

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Smith Investment Company, c/o Shareowner Services<sup>SM</sup>, P.O. Box 64873, St. Paul, Minnesota 55164-0873.

**Voting Shares of A. O. Smith or SICO Held in Street Name**

If you hold your shares through a bank, broker, custodian or other record holder (that is, in street name), please refer to your proxy card or the information forwarded by your bank, broker, custodian or other record holder to see what options are available to you.

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**11270 West Park Place**

**Milwaukee, WI 53224**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON TUESDAY, APRIL 14, 2009**

To the Stockholders of A. O. Smith Corporation:

The board of directors of A. O. Smith has called for a special meeting of A. O. Smith stockholders to be held on Tuesday, April 14, 2009, at 11:30 a.m., Eastern Daylight Saving Time, at A. O. Smith Corporation, 855 North Third Street, Tipp City, Ohio, for the following purposes:

1. To consider and vote upon a proposal to adopt the Merger Agreement, pursuant to which SICO will merge with and into MergerCo;
2. To consider and vote on a proposal to adopt the A. O. Smith Amended Charter which provides for:

an increase, solely for purposes of completing the merger, in the total number of authorized shares of A. O. Smith Class A common stock that A. O. Smith can issue;

an increase in the percentage of members of the A. O. Smith board of directors that holders of A. O. Smith common stock elect;

shares of A. O. Smith Class A common stock to convert automatically into A. O. Smith common stock, subject to certain exceptions, upon transfer to unaffiliated third parties; and

all shares of A. O. Smith Class A common stock to convert automatically into A. O. Smith common stock once the number of outstanding shares of A. O. Smith Class A common stock fall below 2,397,976 shares, which is approximately 8% of the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock as of the date of the Merger Agreement.

3. To consider and vote on a proposal to approve the Stock Issuance to SICO stockholders pursuant to the merger contemplated by the Merger Agreement; and

4. To transact such other business as may properly be brought before the special meeting of A. O. Smith stockholders.

The foregoing proposals are conditioned on each other and approval of each is required for completion of the merger. The obligations of A. O. Smith and SICO to complete the merger also are subject to the satisfaction or waiver of several other conditions to the merger.

Holders of record of A. O. Smith Class A common stock and A. O. Smith common stock as of March 4, 2009, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting of A. O. Smith stockholders or any adjournments or postponements of the special meeting. No business other than the proposals described in this notice will be considered at the special meeting or any adjournment or postponement thereof. A complete list of A. O. Smith stockholders of record entitled to vote at the special meeting will be available at A. O. Smith's offices at 11270 West Park Place, Milwaukee, Wisconsin 53224-9508, as of April 4, 2009, for examination by stockholders during

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ordinary business hours for purposes related to the special meeting.

A. O. Smith cannot complete the merger without the affirmative vote of:

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing at least  $66\frac{2}{3}\%$  of the votes represented by the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, in favor of the proposal to adopt the Merger Agreement;



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the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing a majority of the votes represented by the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, in favor of the proposal to adopt the A. O. Smith Amended Charter;

the holders of A. O. Smith Class A common stock, voting as a separate class, representing a majority of the outstanding shares of A. O. Smith Class A common stock, in favor of the proposal to adopt the A. O. Smith Amended Charter; and

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing a majority of the votes cast by such holders at the A. O. Smith special meeting, in favor of the proposal to approve the Stock Issuance. SICO, which holds shares representing 78.8% of the voting power of the total outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, and 97.9% of the voting power of the total outstanding shares of A. O. Smith Class A common stock, voting as a separate class, has agreed to vote in favor of the proposal to adopt the Merger Agreement and the other proposals to be considered at the special meeting of A. O. Smith stockholders. Therefore, stockholders of A. O. Smith holding voting power sufficient to approve the foregoing proposals have agreed to vote in favor of such proposals.

For more information about the proposals described above and the other transactions contemplated by the Merger Agreement, please review the accompanying joint proxy statement/prospectus, the Merger Agreement attached to it as Annex A, the A. O. Smith Amended Charter attached to it as Annex B and the other annexes to the joint proxy statement/prospectus.

**The A. O. Smith board of directors recommends that A. O. Smith stockholders vote FOR the proposal to adopt the Merger Agreement, FOR the proposal to adopt the A. O. Smith Amended Charter and FOR the proposal to approve the Stock Issuance.**

Whether or not you plan to attend the special meeting, we urge you to vote your shares over the Internet or via the toll-free telephone number, as we describe in the instructions included with your proxy card. As an alternative, you may sign, date and mail the proxy card in the envelope provided. No postage is necessary if mailed in the United States. Voting over the Internet, via the toll-free number or mailing a proxy card will not limit your right to vote in person or to attend the special meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct them on how to vote your shares. **Your failure to vote on the proposals to adopt the Merger Agreement or to adopt the A. O. Smith Amended Charter will have the same effect as voting AGAINST the proposals. Your failure to vote on the proposal to approve the Stock Issuance will have no effect on the result of the votes.**

By Order of the Board of Directors,

James F. Stern

Executive Vice President, General Counsel

and Secretary

A. O. Smith Corporation

11270 West Park Place

Milwaukee, Wisconsin 53224

**PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARDS. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CALL A. O. SMITH S CORPORATE SECRETARY**

**AT (414) 359-4000.**

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SMITH INVESTMENT COMPANY

11270 West Park Place

Milwaukee, Wisconsin 53224-9508

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON THURSDAY, APRIL 16, 2009

To the Stockholders of Smith Investment Company:

The board of directors of SICO has called for a special meeting of SICO stockholders to be held on Thursday, April 16, 2009 at 9:30 a.m., Central Daylight Saving Time, at Smith Investment Company, 11270 West Park Place, Milwaukee, Wisconsin, for the following purposes:

1. To consider and vote on a proposal to approve the Merger Agreement pursuant to which SICO will merge with and into MergerCo; and

2. To transact such other business as may properly be brought before the special meeting of SICO stockholders.

Holders of record of SICO common stock as of March 4, 2009, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting of SICO stockholders or any adjournments or postponements of the special meeting. No business other than the proposal described in this notice will be considered at the special meeting or any adjournment or postponement thereof. A complete list of SICO's stockholders of record entitled to vote at the special meeting will be available for inspection at the special meeting.

SICO cannot complete the merger without the affirmative vote of a majority of the voting power of the total outstanding shares of SICO common stock in favor of the proposal to approve the Merger Agreement. Holders of shares representing 52.7% of the voting power of the total outstanding shares of SICO common stock have agreed to vote in favor of the proposal to approve the Merger Agreement. Therefore, stockholders of SICO holding voting power sufficient to approve the Merger Agreement have agreed to vote in favor of the proposal to approve the Merger Agreement.

The obligations of A. O. Smith and SICO to complete the merger also are subject to the satisfaction or waiver of several other conditions to the merger.

For more information about the proposal described above and the other transactions contemplated by the Merger Agreement, please review the accompanying joint proxy statement/prospectus, the Merger Agreement attached to it as Annex A, and the other annexes to the joint proxy statement/prospectus.

**The SICO board of directors unanimously recommends that SICO stockholders vote FOR the proposal to approve the Merger Agreement.**

Whether or not you plan to attend the special meeting, we urge you to sign, date and mail the proxy card in the envelope provided. No postage is necessary if mailed in the United States. Mailing the proxy card will not limit your right to vote in person or attend the special meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct them on how to vote your shares. **Your failure to vote on the proposal to approve the Merger Agreement will have the same effect as voting AGAINST the proposal.**

You are or may be entitled to assert dissenter's rights under Nevada Revised Statutes 92A.300 to 92A.500, inclusive, as described under Appraisal Rights; Dissenter's Rights. A copy of Nevada Revised Statutes 92A.300 to 92A.500 is included as Annex J to this joint proxy statement/prospectus and a summary of these sections can be found under Appraisal Rights; Dissenter's Rights.

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Please do not send your stock certificates at this time. If the merger is completed, you will be sent instructions regarding the surrender of your stock certificates.

By Order of the Board of Directors,

Wesley A. Ulrich

Vice President, Chief Financial Officer,

Secretary and Treasurer

Smith Investment Company

11270 West Park Place

Milwaukee, Wisconsin 53224

**PLEASE VOTE YOUR SHARES PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSAL OR ABOUT VOTING YOUR SHARES, PLEASE CALL SICO S CORPORATE SECRETARY AT (414) 359-4030.**

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**QUESTIONS AND ANSWERS ABOUT THE MERGER**

**General Questions and Answers about the Merger and Related Transactions**

Below are frequently asked questions and answers regarding the merger.

**Q. Why am I receiving this joint proxy statement/prospectus?**

**A.** We are delivering this document to you because it is a joint proxy statement used by the A. O. Smith and SICO boards of directors to solicit proxies of A. O. Smith and SICO stockholders in connection with the Merger Agreement. This document also is a prospectus being delivered to SICO stockholders because A. O. Smith is offering shares of its Class A common stock and common stock as consideration to SICO stockholders for their shares of SICO common stock in the merger.

**Q. Why is A. O. Smith proposing this merger?**

**A.** A. O. Smith believes that substantial benefits to its stockholders can be obtained as a result of the merger. A. O. Smith and its stockholders will benefit from this transaction because its terms provide for:

an exchange ratio in the Merger Agreement reflecting a discount of 1.5%, such that the merger will result in a reduction in the number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock by issuing to the SICO stockholders 98.5% of the total number of A. O. Smith shares that SICO holds immediately before the merger;

an increase in the public float for A. O. Smith Class A common stock and A. O. Smith common stock, as the A. O. Smith shares currently held by SICO will be distributed more broadly among SICO stockholders; and

enhancement of A. O. Smith's corporate governance structure by:

providing that shares of A. O. Smith Class A common stock automatically convert into A. O. Smith common stock, subject to certain exceptions, upon transfer to unaffiliated third parties;

providing that all shares of A. O. Smith Class A common stock convert automatically into A. O. Smith common stock once the outstanding shares of A. O. Smith Class A common stock fall below 2,397,976 shares, which is approximately 8% of the total outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock as of the date of the Merger Agreement; and

increasing from 25% to 33-<sup>1</sup>/<sub>3</sub>% the percentage of directors that the holders of A. O. Smith common stock have the right to elect to the A. O. Smith board of directors.

For additional information, see *The Merger* A. O. Smith's Reasons for the Merger; Recommendations of the A. O. Smith Special Committee and the A. O. Smith Board of Directors beginning on page 62.



**Q. Why is SICO proposing this merger?**

**A.** SICO believes that substantial benefits to its stockholders can be obtained as a result of the merger.

As of March 4, 2009, SICO owned approximately 97.9% of the outstanding shares of A. O. Smith Class A common stock and 7.1% of the outstanding shares of A. O. Smith common stock, representing a control position in A. O. Smith. A majority of the outstanding shares of SICO common stock is owned by members of the Smith Family, which is the founding family of A. O. Smith.

Historically, SICO's common stock has traded at a significant discount to the underlying value of its A. O. Smith shares. On February 1, 2008, the last full trading day preceding public announcement of SICO's proposal for the merger, the aggregate market value of the outstanding shares of SICO common stock traded at a 39% discount to the aggregate value of the A. O. Smith shares held by SICO (assuming a one-for-one

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conversion of the A. O. Smith Class A common stock into A. O. Smith common stock). The merger will allow for direct ownership by the SICO stockholders of A. O. Smith shares, which will eliminate the discount to the value of the A. O. Smith shares caused by SICO's holding company structure and the tax inefficiencies associated therewith, and allow the SICO stockholders to realize the underlying value of the A. O. Smith shares held by SICO. In addition, direct ownership by the SICO stockholders of the A. O. Smith shares will provide enhanced liquidity for SICO stockholders due to the greater public float and trading volumes for the shares of A. O. Smith common stock and its NYSE listing, as compared to the SICO common stock, which has been thinly traded on the Pink OTC Markets, Inc. (the "Pink Sheets").

For additional information, see "The Merger," "SICO's Reasons for the Merger," "Recommendations of the SICO Special Committee and the SICO Board of Directors" beginning on page 66.

**Q. What will happen in the proposed transaction?**

**A.** Under the terms of the Merger Agreement, SICO will merge with and into MergerCo, with MergerCo continuing as the surviving corporation in the merger.

Upon the completion of the merger, which we also refer to as the effective time of the merger, MergerCo will be a direct, wholly-owned subsidiary of A. O. Smith. SICO stockholders will receive, pursuant to an exchange ratio set forth in the Merger Agreement, shares of A. O. Smith Class A common stock and shares of A. O. Smith common stock in exchange for their shares of SICO common stock. All other stockholders of A. O. Smith will continue to be stockholders of A. O. Smith following the merger and their shares will not be exchanged.

The closing of the merger is conditioned upon, among other things, the affirmative vote of:

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing at least 66-<sup>2</sup>/<sub>3</sub>% of the votes represented by the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, in favor of the proposal to adopt the Merger Agreement;

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing a majority of the votes represented by the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, in favor of the proposal to adopt the A. O. Smith Amended Charter;

the holders of A. O. Smith Class A common stock, voting as a separate class, representing a majority of the outstanding shares of A. O. Smith Class A common stock, in favor of the proposal to adopt the A. O. Smith Amended Charter;

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing a majority of the votes cast by such holders at the A. O. Smith special meeting, in favor of the proposal to approve the Stock Issuance; and

the holders of a majority of the outstanding shares of SICO common stock, in favor of the proposal to approve the Merger Agreement.

SICO, which holds shares representing 78.8% of the voting power of the total outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, and 97.9% of the voting power of the total outstanding shares of A. O. Smith Class A common stock, voting as a separate class, has agreed to vote in favor of the merger and the other related proposals to be considered at the special meeting of A. O. Smith stockholders. In addition, holders of 52.7% of the voting power of the total outstanding shares of SICO common stock have agreed to vote in favor of the merger at the special meeting of SICO stockholders. Therefore, stockholders of A. O. Smith and SICO holding voting power sufficient to adopt and approve the merger and the related proposals have agreed to vote in favor of the merger and the related proposals.



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If adopted, the A. O. Smith Amended Charter provides for:

an increase, solely for purposes of completing the merger, in the total number of authorized shares of A. O. Smith Class A common stock that A. O. Smith can issue from 14,000,000 shares to 22,067,252 shares;

an increase in the percentage of members of the A. O. Smith board of directors that holders of A. O. Smith common stock, voting as a separate class, elect from 25% to 33- 1/3% of the members of the board of directors (if the 33- 1/3% is not a whole number, then rounding up to the nearest whole number of directors (or four of the ten current directors));

the automatic conversion of shares of A. O. Smith Class A common stock into A. O. Smith common stock, subject to certain exceptions, upon transfer to unaffiliated third parties; and

the automatic conversion of all shares of A. O. Smith Class A common stock into A. O. Smith common stock once the outstanding shares of A. O. Smith Class A common stock fall below 2,397,976 shares, which is approximately 8% of the total outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock as of the date of the Merger Agreement.

Following the effective time of the merger, A. O. Smith will cancel the shares of A. O. Smith Class A common stock and A. O. Smith common stock currently held by SICO. Under the A. O. Smith Amended Charter, A. O. Smith will be prohibited from reissuing such shares of Class A common stock after they are cancelled. Following the merger and the cancellation of the shares of A. O. Smith Class A common stock held by SICO, the number of shares of A. O. Smith Class A common stock that A. O. Smith is authorized to issue under the A. O. Smith Amended Charter will be the same number as A. O. Smith is currently authorized to issue under the A. O. Smith Existing Charter. In addition, as of the effective time of the merger, trading of A. O. Smith Class A common stock on the Over-the-Counter Bulletin Board (the " OBB ") will cease.

You are urged to read the summary of the proposed changes to the A. O. Smith Existing Charter, as well as the proposed A. O. Smith Amended Charter, contained elsewhere in this joint proxy statement/prospectus.

For additional information regarding the merger, see " The Merger Agreement " beginning on page 88. For additional information regarding the A. O. Smith Amended Charter, see " A. O. Smith Amended Charter " beginning on page 103. For additional information regarding other conditions of the merger, see " The Merger Agreement Conditions to Obligations to Complete the Merger " beginning on page 97.

**Q. When do A. O. Smith and SICO expect to complete the merger?**

A. A. O. Smith and SICO currently intend to complete the merger promptly following the special meetings of the A. O. Smith and SICO stockholders. However, neither A. O. Smith nor SICO can predict the exact timing of the completion of the merger because the merger is subject to A. O. Smith and SICO satisfying certain conditions. See " The Merger Agreement Conditions to Obligations to Complete the Merger " beginning on page 97 and " Regulatory Approvals " beginning on page 112.

**Q. Are there risks associated with the merger and the related transactions that I should consider in deciding how to vote?**

A. Yes. There are a number of risks related to the merger and the other transactions contemplated by the Merger Agreement that are discussed in this joint proxy statement/prospectus and in other documents incorporated by reference or referred to in this joint proxy statement/prospectus. Please read with particular care the detailed description of the risks described in " Risk Factors " beginning on page 30 and, with respect to A. O. Smith, in A. O. Smith 's filings with the SEC referred to in " Where You Can Find More Information " beginning on page 139.

**Q. Who will pay the expenses associated with the merger and the related transactions?**

- A.** SICO will pay for all of its transaction expenses, as well as all reasonable out of pocket fees, costs and expenses in excess of \$200,000 incurred by A. O. Smith in connection with the merger and the related transactions. As of the date of this joint proxy statement/prospectus, it is estimated that the fees and

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expenses that SICO is responsible to pay in connection with the transactions contemplated by the Merger Agreement will be approximately \$6.75 million in total.

**Q. What are the United States federal income tax consequences of the merger to the stockholders of A. O. Smith and SICO?**

- A.** There are no United States federal income tax consequences of the merger to A. O. Smith stockholders with respect to their shares of A. O. Smith Class A common stock or A. O. Smith common stock.

The merger is intended to constitute a tax-free reorganization within the meaning of Section 368(a) of the Code, and the completion of the merger is conditioned upon receiving the IRS Letter Ruling to that effect. Accordingly, a SICO stockholder generally will not recognize gain or loss for United States federal income tax purposes upon the exchange of the stockholder's shares of SICO common stock for shares of A. O. Smith Class A common stock or A. O. Smith common stock pursuant to the merger, except for any gain or loss recognized in connection with any cash received instead of a fractional share of A. O. Smith Class A common stock or A. O. Smith common stock. Payments, if any, to the SICO stockholders by A. O. Smith for certain tax benefits, refunds and credits of SICO actually realized by A. O. Smith will be taxable when paid to the SICO stockholders.

For more information regarding tax consequences to the SICO stockholders and other tax matters, see Material United States Federal Income Tax Consequences of the Merger beginning on page 113. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. You should consult your tax advisor to determine the tax consequences of the merger to you.

**Q. How do the boards of directors of A. O. Smith and SICO recommend that I vote?**

- A.** The A. O. Smith board of directors, after careful consideration of a variety of factors, including the unanimous recommendation of the A. O. Smith Special Committee, recommends that A. O. Smith stockholders vote **FOR** the proposal to adopt the Merger Agreement, **FOR** the proposal to adopt the A. O. Smith Amended Charter and **FOR** the proposal to approve the Stock Issuance. See The Merger A. O. Smith's Reasons for the Merger; Recommendations of the A. O. Smith Special Committee and the A. O. Smith Board of Directors beginning on page 62.

The A. O. Smith Special Committee is a committee of three members of A. O. Smith's board of directors, each of whom the board has found to be independent and disinterested, that was formed for the purpose of evaluating the proposed merger and related transactions on behalf of the A. O. Smith Unaffiliated Stockholders.

The SICO board of directors, after careful consideration of a variety of factors, including the unanimous recommendation of the SICO Special Committee, recommends that SICO stockholders vote **FOR** the proposal to approve the Merger Agreement. See The Merger SICO's Reasons for the Merger; Recommendations of the SICO Special Committee and SICO Board of Directors beginning on page 66.

The SICO Special Committee is a committee of two members of SICO's board of directors, each of whom the board has found to be independent and disinterested, that was formed for the purpose of evaluating the proposed merger and related transactions on behalf of the SICO Unaffiliated Stockholders.

**Q. What do I need to do now in order to vote?**

- A.** After you have carefully read this joint proxy statement/prospectus, please respond as soon as possible so that your shares will be represented and voted at your special meeting.

If you are an A. O. Smith stockholder, you may vote by:

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submitting your proxy by Internet or telephone as described elsewhere in this joint proxy statement/prospectus and the proxy card; or

by completing, signing and dating your proxy card and returning it in the postage-paid envelope.

A. O. Smith stockholders of record may also attend the A. O. Smith special meeting and vote in person.

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If you are a SICO stockholder you may vote by completing, signing and dating your proxy card and returning it in the postage-paid envelope. SICO stockholders of record will not be permitted to submit proxies by Internet or by telephone.

SICO stockholders of record may also attend the SICO special meeting and vote in person.

If you are a SICO stockholder as well as an A. O. Smith stockholder, you must vote separately at the special meeting of SICO stockholders in your capacity as a SICO stockholder and at the special meeting of A. O. Smith stockholders in your capacity as an A. O. Smith stockholder.

For additional information on voting procedures, see *The Special Meeting of A. O. Smith Stockholders* beginning on page 38 and *The Special Meeting of SICO Stockholders* beginning on page 46, as applicable.

**Q. How do I vote my shares if my shares are held in street name ?**

- A. You should contact your broker or bank. Your broker or bank can give you directions on how to vote your shares. Your broker or bank will not vote your shares unless the broker or bank receives appropriate instructions from you. You should therefore provide your broker or bank with instructions as to how to vote your shares. For additional information on voting procedures, see *The Special Meeting of A. O. Smith Stockholders* beginning on page 38 and *The Special Meeting of SICO Stockholders* beginning on page 46, as applicable.

**Q. How will my shares be voted at the special meeting?**

- A. If you vote by completing, signing, dating and returning your signed proxy card, your shares will be voted in accordance with your instructions. If you are an A. O. Smith stockholder, you may also vote by Internet or telephone. If your proxy is properly executed and received (or, in the case of an A. O. Smith stockholder, properly submitted by Internet or telephone) in time to be voted at the special meeting, your shares represented by your proxy will be voted in accordance with your instructions. If you properly submit your proxy and do not indicate how you want to vote, your shares will be voted **FOR** adoption and approval of the applicable proposals. For additional information on voting procedures, see *The Special Meeting of A. O. Smith Stockholders* beginning on page 38 and *The Special Meeting of SICO Stockholders* beginning on page 46, as applicable.

**Q. Are any A. O. Smith stockholders already committed to vote in favor of the Merger Agreement, the A. O. Smith Amended Charter and the Stock Issuance?**

- A. Yes. In connection with the merger, A. O. Smith entered into a support agreement with SICO. Pursuant to this support agreement, SICO has agreed to vote its shares of A. O. Smith Class A common stock and A. O. Smith common stock in favor of the proposals to adopt the Merger Agreement, to adopt the A. O. Smith Amended Charter and to approve the Stock Issuance. SICO is the single largest stockholder of A. O. Smith, with beneficial ownership of approximately 8,067,052 shares (or approximately 97.9%) of outstanding A. O. Smith Class A common stock and 1,559,076 shares (or approximately 7.1%) of outstanding A. O. Smith common stock.

Because the shares of A. O. Smith Class A common stock and A. O. Smith common stock held by SICO represent approximately 78.8% of the voting power of the total outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, and 97.9% of the voting power of the total outstanding shares of A. O. Smith Class A common stock, voting as a separate class, stockholders of A. O. Smith holding voting power sufficient to approve the proposals to adopt the Merger Agreement, to adopt the A. O. Smith Amended Charter and to approve the Stock Issuance have agreed to vote in favor of these proposals at the A. O. Smith special meeting.

**Q. Are any SICO stockholders already committed to vote in favor of the Merger Agreement?**



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- A. Yes. In connection with the merger, SICO and A. O. Smith entered into a support agreement with certain members of the Smith Family who are holders of SICO common stock. Pursuant to this support agreement,

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these members of the Smith Family have agreed to vote their shares of SICO common stock in favor of the proposal to approve the Merger Agreement. These members of the Smith Family, collectively, have beneficial ownership of approximately 1,748,044 shares (or approximately 52.7%) of the outstanding SICO common stock.

Because the shares of SICO common stock held by the members of the Smith Family who signed the Smith Family support agreement represent approximately 52.7% of the voting power of the outstanding shares of SICO common stock, stockholders of SICO holding voting power sufficient to approve the proposal to approve the Merger Agreement have agreed to vote in favor of the proposal to approve the Merger Agreement at the SICO special meeting.

### **Questions and Answers for A. O. Smith Stockholders**

#### **Q. When and where is the A. O. Smith special meeting?**

A. The special meeting of the A. O. Smith stockholders will be held on Tuesday, April 14, 2009, at 11:30 a.m. Eastern Daylight Saving Time, at A. O. Smith Corporation, 855 North Third Street, Tipp City, Ohio. Please allow ample time for the check-in procedures.

#### **Q. Who is entitled to vote at the A. O. Smith special meeting?**

A. Holders of shares of A. O. Smith Class A common stock and A. O. Smith common stock at the close of business on March 4, 2009 are entitled to notice of, and to vote at, the special meeting or any adjournment or postponement of that meeting.

#### **Q. How can I attend the A. O. Smith special meeting?**

A. A. O. Smith stockholders as of the close of business on March 4, 2009, and those who hold a valid proxy for the special meeting are entitled to attend the A. O. Smith special meeting. A. O. Smith stockholders should be prepared to present photo identification for admittance. In addition, names of record holders will be verified against the list of record holders on the record date prior to being admitted to the meeting. A. O. Smith stockholders who are not record holders but who hold shares through a broker or nominee (i.e., in street name) should provide proof of beneficial ownership on the record date, such as their most recent account statement prior to March 4, 2009, or other similar evidence of ownership. If A. O. Smith stockholders do not provide photo identification or comply with the other procedures outlined above upon request, they will not be admitted to the A. O. Smith special meeting.

#### **Q. What matters will be voted on, and what vote is required by A. O. Smith stockholders?**

A. A. O. Smith stockholders will vote on the three A. O. Smith proposals described in this joint proxy statement/prospectus. We cannot complete the merger unless A. O. Smith obtains the affirmative vote of:

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing at least 66-<sup>2</sup>/<sub>3</sub>% of the votes represented by the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, in favor of the proposal to adopt the Merger Agreement;

the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing a majority of the votes represented by the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, in favor of the proposal to adopt the A. O. Smith Amended Charter;

the holders of A. O. Smith Class A common stock, voting as a separate class, representing a majority of the votes represented by the outstanding shares of A. O. Smith Class A common stock, in favor of the proposal to adopt the A. O. Smith Amended Charter; and

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the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing a majority of the votes cast by such holders at the A. O. Smith special meeting, in favor of the proposal to approve the Stock Issuance. Each holder of shares of A. O. Smith Class A common stock on the record date will be entitled to one vote for each share held of record upon each matter properly submitted at the special meeting of A. O. Smith stockholders and at any adjournment or postponement of that meeting. Each holder of shares of A. O. Smith common stock outstanding on the record date will be entitled to 1/10th of a vote for each share held of record upon each matter properly submitted at the special meeting of A. O. Smith stockholders and at any adjournment or postponement of that meeting.

**Q. If I am a holder of A. O. Smith Class A common stock who also owns A. O. Smith common stock, how do I vote?**

A. If you hold A. O. Smith Class A common stock as well as A. O. Smith common stock, you must vote each class of shares separately for each proposal, in person or by proxy, at the special meeting of A. O. Smith stockholders. The separate vote of the holders of A. O. Smith Class A common stock is required in order to approve the A. O. Smith Amended Charter. Separate proxy cards for your shares of A. O. Smith Class A common stock and A. O. Smith common stock have been provided with this joint proxy statement/prospectus. For additional information, see *The Special Meeting of A. O. Smith Stockholders* beginning on page 38.

**Q. What if I want to change my vote after I have delivered my proxy card?**

A. You may change your vote at any time before your proxy is voted at the A. O. Smith special meeting. If you are the record holder of your shares of A. O. Smith common stock or A. O. Smith Class A common stock, you may change your vote in one of four ways:

first, you can send a written notice to A. O. Smith stating that you would like to revoke your proxy;

second, you can complete and submit a new valid proxy bearing a later date by mail or by Internet or telephone;

third, you can attend the A. O. Smith special meeting and vote in person; or

fourth, you can follow the instructions on the form you receive from your broker or bank with respect to changing or revoking your proxy if your shares of A. O. Smith Class A common stock and/or A. O. Smith common stock are held by a broker or bank.

Attendance at the A. O. Smith special meeting will not in and of itself constitute revocation of a proxy. If you hold shares of A. O. Smith common stock or A. O. Smith Class A common stock in street name, you should contact your broker or bank to give it instructions to change your vote.

If you are an A. O. Smith stockholder and you choose to send a written notice of revocation or mail a new proxy (rather than submitting any new proxy by Internet or telephone), you must submit your notice of revocation or new proxy to A. O. Smith Corporation, Attention: Corporate Secretary, 11270 West Park Place, Milwaukee, Wisconsin 53224-9508, and it must be received prior to the A. O. Smith special meeting.

**Q. Can I require appraisal of my shares of A. O. Smith Class A common stock or A. O. Smith common stock?**

A. No. A. O. Smith stockholders do not have appraisal rights in connection with the merger.

**Q. Will a proxy solicitor be used?**

- A.** No. A. O. Smith has not retained a proxy soliciting firm in connection with the solicitation of proxies. Proxies may be solicited by mail or facsimile, or by A. O. Smith's directors, officers or employees, without additional compensation, in person or by telephone.

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**Q. As an A. O. Smith stockholder, who can answer my questions about the A. O. Smith special meeting, the merger or the related matters?**

- A. A. O. Smith stockholders who have questions about the A. O. Smith special meeting or the merger, need additional copies of this joint proxy statement/prospectus or have questions about the process for voting or need a replacement proxy card, should contact A. O. Smith's Corporate Secretary at (414) 359-4000.

**Questions and Answers for SICO Stockholders**

**Q. What will SICO stockholders receive in the merger?**

- A. Upon completion of the merger, each issued and outstanding share of SICO common stock will be converted into the right to receive consideration in the form of shares of A. O. Smith Class A common stock and A. O. Smith common stock. For each issued and outstanding share of SICO common stock owned by a SICO stockholder, such stockholder will be entitled to receive:

the number of shares of A. O. Smith Class A common stock equal to the Class A Exchange Ratio;

the number of shares of A. O. Smith common stock equal to the Closing Common Exchange Ratio;

the number of shares of A. O. Smith common stock released from the escrow account, pursuant to the terms of the Merger Agreement and the escrow agreement, equal to the Per Share Escrow Release Number, if any; and

cash with respect to fractional shares, if any.

Assuming all of the shares of A. O. Smith common stock deposited into the escrow account are subsequently released to the former SICO stockholders, SICO stockholders will be entitled to receive (a) 2.396 shares of A. O. Smith Class A common stock and (b) 0.463 shares of A. O. Smith common stock for each share of SICO common stock that they hold, subject to the treatment of dissenting shares and fractional shares, if any.

The exchange ratio in the Merger Agreement reflects a discount of 1.5%, such that the merger will result in a reduction in the number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock by issuing to the SICO stockholders 98.5% of the total number of A. O. Smith shares that SICO holds immediately before the merger. Based on the closing price of \$21.29 of the A. O. Smith common stock on the NYSE on March 9, 2009, the last full trading day for which closing prices were available at the time of the printing of this joint proxy statement/prospectus, the value of the shares of A. O. Smith Class A common stock and A. O. Smith common stock reflected in this discount (assuming a one for one conversion of the A. O. Smith Class A common stock into A. O. Smith common stock) was \$3.1 million.

The Merger Agreement provides that shares of A. O. Smith common stock having a fair market value of \$15,000,000 (calculated in accordance with the Merger Agreement) will be deposited into the escrow account to provide a source of indemnification for A. O. Smith and its subsidiaries under the Merger Agreement. The number of Escrow Shares will vary based upon the average of the volume-weighted average price of trades for A. O. Smith common stock on the New York Stock Exchange for the ten trading days ending on the last trading day immediately preceding the effective time of the merger. Set forth below is a table showing a range of hypothetical volume-weighted average prices of A. O. Smith common stock along with the corresponding number of shares of A. O. Smith Class A common stock and A. O. Smith common stock that would be issued at the effective time of the merger and Escrow Shares per share of SICO common stock outstanding immediately prior to the effective time of the merger. For every \$1.00 that the applicable volume-weighted average price of A. O. Smith common stock increases, the number of Escrow Shares decreases by approximately 0.005 of a share of A. O. Smith common stock for each share of SICO common stock, and the number of shares of A. O. Smith common stock issued at the effective time of the merger increases by approximately 0.005 of a share of A. O. Smith common stock for each share of SICO common stock. This table is for illustrative purposes only. The actual prices at which shares of A. O. Smith



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common stock trade during the ten trading days immediately preceding the effective time of the merger will determine the actual number of Escrow Shares, which may differ from the examples below. The actual number of Escrow Shares will not be determined until the last trading day immediately preceding the effective time of the merger.

**Hypothetical Average****Volume-Weighted**

Prices of A. O. Smith Common Stock	Shares of A. O. Smith Class A Common Stock Issued Per Share of SICO Common Stock	Shares of A. O. Smith Common Stock Issued Per Share of SICO Common Stock	Escrow Shares Issued Per Share of SICO Common Stock
\$15.50	2.396	0.171	0.292
\$16.00	2.396	0.180	0.283
\$16.50	2.396	0.189	0.274
\$17.00	2.396	0.197	0.266
\$17.50	2.396	0.205	0.258
\$18.00	2.396	0.212	0.251
\$18.50	2.396	0.219	0.244
\$19.00	2.396	0.225	0.238
\$19.50	2.396	0.231	0.232
\$20.00	2.396	0.237	0.226
\$20.50	2.396	0.242	0.221
\$21.00	2.396	0.248	0.215
\$21.50	2.396	0.253	0.210
\$22.00	2.396	0.257	0.206
\$22.50	2.396	0.262	0.201
\$23.00	2.396	0.266	0.197
\$23.50	2.396	0.271	0.192
\$24.00	2.396	0.275	0.188
\$24.50	2.396	0.278	0.185
\$25.00	2.396	0.282	0.181
\$25.50	2.396	0.286	0.177
\$26.00	2.396	0.289	0.174
\$26.50	2.396	0.292	0.171
\$27.00	2.396	0.295	0.167
\$27.50	2.396	0.299	0.164
\$28.00	2.396	0.301	0.162
\$28.50	2.396	0.304	0.159

The consideration that SICO stockholders will be entitled to receive in the merger is more fully described in this joint proxy statement/prospectus under the headings **The Merger Agreement** **Consideration to be Received in the Merger** beginning on page 88 and **Agreements Relating to the Merger** **Escrow Agreement** **Establishment of Escrow Fund** beginning on page 108.

**Q. How will I receive my Merger Consideration?**

- A.** Promptly after completion of the merger, SICO stockholders will receive a letter of transmittal with instructions on how to obtain A. O. Smith Class A common stock and A. O. Smith common stock in exchange for their shares of SICO common stock. You must return the completed letter of transmittal and your SICO common stock certificates as described in the instructions, and you will receive the Merger Consideration payable at closing as soon as practicable after Wells Fargo Bank Minnesota, N.A., the exchange agent, receives your completed letter of transmittal and SICO common stock certificates. If you hold shares through a brokerage account, your broker will handle the surrender of stock certificates to Wells Fargo Bank Minnesota, N.A. The procedures for exchange of stock certificates are more fully described in this joint proxy statement/prospectus under the heading **The Merger Agreement** **Exchange of Certificates; Letter of**



Transmittal beginning on page 91.

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**Q. Will there be restrictions on the transfer of the shares of A. O. Smith Class A common stock and A. O. Smith common stock I receive in the merger?**

- A. Under the A. O. Smith Amended Charter, the transfer of A. O. Smith Class A common stock to transferees who are not Permitted Transferees will result in the automatic conversion of the A. O. Smith Class A common stock to A. O. Smith common stock. The A. O. Smith common stock generally carries the same right as the A. O. Smith Class A common stock to receive dividends and payments in a liquidation, and is publicly traded on the NYSE, but the A. O. Smith common stock only has 1/10<sup>th</sup> vote per share on all matters other than the election of directors, as compared to one vote per share for the A. O. Smith Class A common stock. Under the A. O. Smith Amended Charter, holders of A. O. Smith common stock, voting as a class, will be entitled to elect the number of directors which constitutes 33-1/3% of the A. O. Smith board of directors, rounded up (or four of the ten directors). The provisions governing the automatic conversion of shares of A. O. Smith Class A common stock upon any transfer to transferees who are not Permitted Transferees, including the definition of Permitted Transferees, are more fully described in this joint proxy statement/prospectus under the heading A. O. Smith Amended Charter beginning on page 103.

Shares of A. O. Smith common stock will not contain transfer restrictions and will be freely tradable following receipt.

**Q. When and where is the SICO special meeting?**

- A. The special meeting of the SICO stockholders will be held on Thursday, April 16, 2009 at 9:30 a.m., Central Daylight Saving Time, at Smith Investment Company, 11270 West Park Place, Milwaukee, Wisconsin. Please allow ample time for the check-in procedures.

**Q. Who is entitled to vote at the SICO special meeting?**

- A. Holders of shares of SICO common stock as of the close of business on March 4, 2009 are entitled to notice of, and to vote at, the special meeting or any adjournment or postponement of the special meeting.

**Q. How can I attend the SICO special meeting?**

- A. SICO stockholders as of the close of business on March 4, 2009, and those who hold a valid proxy for the special meeting are entitled to attend the SICO special meeting. SICO stockholders should be prepared to present photo identification for admittance. In addition, names of record holders will be verified against the list of record holders on the record date prior to being admitted to the meeting. SICO stockholders who are not record holders but who hold shares through a broker or nominee (i.e., in street name) should provide proof of beneficial ownership on the record date, such as their most recent account statement prior to March 4, 2009, or other similar evidence of ownership. If SICO stockholders do not provide photo identification or comply with the other procedures outlined above upon request, they will not be admitted to the SICO special meeting.

**Q. What matters will be voted on and what vote is required by SICO stockholders?**

- A. SICO stockholders will vote on a proposal to approve the Merger Agreement. We cannot complete the merger unless SICO obtains the approval of the holders of a majority of the outstanding shares of SICO common stock in favor of the proposal to approve the Merger Agreement. Each holder of shares of SICO common stock on the record date will be entitled to one vote for each share held of record upon each matter properly submitted at the SICO special meeting and at any adjournment or postponement of that meeting.

**Q. What if I sell my shares of SICO common stock before the special meeting?**

- A. The record date for the special meeting is March 4, 2009. If you transfer your shares of SICO common stock after the record date but before the special meeting, you will retain your right to vote at the special meeting but will transfer the right (if the merger is completed) to receive shares of A. O. Smith Class A common stock and A. O. Smith common stock in exchange for the shares of SICO common stock you hold to the person to whom you transfer your shares.

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**Q. What if I want to change my vote after I have delivered my proxy card?**

- A. You may change your vote at any time before your proxy is voted at the SICO special meeting. If you are the record holder of your shares of SICO common stock, you may change your vote in one of three ways:

first, you can send a written notice to SICO stating that you would like to revoke your proxy;

second, you can complete and submit a new valid proxy bearing a later date by mail; or

third, you can attend the SICO special meeting and vote in person.

Attendance at the SICO special meeting will not in and of itself constitute revocation of a proxy. If you hold shares of SICO common stock in street name, you should contact your broker or bank to give it instructions to change your vote.

If you are a SICO stockholder and you choose to send a written notice of revocation or mail a new proxy, you must submit your notice of revocation or new proxy to Smith Investment Company, Attention: Corporate Secretary, 11270 West Park Place, Milwaukee, Wisconsin 53224-9508, and it must be received prior to the SICO special meeting.

**Q. Should I send in my SICO common stock certificates with my proxy card?**

- A. No. Please DO NOT send any stock certificates with your proxy card. A letter of transmittal with instructions on how to surrender your stock certificates for SICO common stock will be mailed to you promptly after completion of the merger. You should carefully review and follow the instructions regarding the surrender of your stock certificates set forth in the letter of transmittal.

**Q. Can I dissent and seek to obtain the fair value of my shares of SICO common stock?**

- A. Yes. Under NRS Chapter 92A, SICO stockholders will have dissenters' rights in connection with the merger. SICO stockholders who properly demand and perfect their dissenters' rights are entitled to obtain payment of the fair value of their shares of SICO common stock immediately before the effective time of the merger, excluding any appreciation or depreciation in anticipation of the merger. A copy of NRS 92A.300 to 92A.500 is included as Annex J to this joint proxy statement/prospectus and a summary of these sections can be found under Appraisal Rights; Dissenter's Rights beginning on page 84 of this joint proxy statement/prospectus.

**Q. Will a proxy solicitor be used?**

- A. No. SICO has not retained a proxy soliciting firm in connection with the solicitation of proxies. Proxies may be solicited by mail or facsimile, or by SICO's directors, officers or employees, without additional compensation, in person or by telephone.

**Q. As a SICO stockholder, who can answer my questions about the SICO special meeting, the merger or the related matters?**

- A. SICO stockholders who have questions about the SICO special meeting or the merger, need additional copies of this joint proxy statement/prospectus or have questions about the process for voting or need a replacement proxy card, should contact SICO's Corporate

Secretary at (414) 359-4030.

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**SUMMARY**

*This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. You should carefully read this entire joint proxy statement/prospectus, including the Annexes, and the other documents to which this joint proxy statement/prospectus refers to fully understand the merger and the related transactions. See *Where You Can Find More Information* beginning on page 139. Most items in this summary include a page reference directing you to a more complete description of those items.*

**The Parties to the Merger Agreement**

***A. O. Smith***

A. O. Smith Corporation, a Delaware corporation, is a leading manufacturer of water heating equipment and electric motors, serving a diverse mix of residential, commercial and industrial end markets principally in North America with a growing global presence. A. O. Smith is comprised of two reporting segments: Water Products and Electrical Products. The Water Products business manufactures and markets a comprehensive line of residential gas and electric water heaters, standard and specialty commercial water heating equipment, high-efficiency copper-tube boilers, and water systems tanks and offers its water heating products in North America, Europe, India and China. The Electrical Products business manufactures and markets a comprehensive line of hermetic motors, fractional horsepower alternating current (AC) and direct current (DC) motors. A. O. Smith is also one of the largest manufacturers of electric motors for residential and commercial applications in North America.

A. O. Smith is a reporting company with the SEC, and A. O. Smith common stock trades on the New York Stock Exchange (the NYSE ) under the symbol AOS. Its executive offices are located at 11270 West Park Place, Milwaukee, Wisconsin 53224-9508, Telephone: (414) 359-4000.

For additional information regarding A. O. Smith, see *The Companies A. O. Smith* beginning on page 116.

***MergerCo***

SICO Acquisition, LLC, a Delaware limited liability company and a direct, wholly-owned subsidiary of A. O. Smith, was formed solely for the purpose of facilitating the merger.

The executive offices of MergerCo are located at 11270 West Park Place, Milwaukee, Wisconsin 53224-9508, Telephone: (414) 359-4000.

For additional information regarding MergerCo, see *The Companies MergerCo* beginning on page 120.

***SICO***

Smith Investment Company, a Nevada corporation, is a holding company with headquarters in Milwaukee, Wisconsin. Shares of A. O. Smith Class A common stock and A. O. Smith common stock are SICO's principal asset, representing a control position in A. O. Smith.

On January 19, 2009, SICO completed the distribution of all of SICO's ownership interests in SpinCo in a taxable transaction to the SICO stockholders on a *pro rata* basis in the Spin-Off. Prior to the Spin-Off, SpinCo received a contribution from SICO of substantially all of SICO's assets and liabilities, other than the shares of A. O. Smith Class A common stock and A. O. Smith common stock held by SICO. These assets and liabilities primarily related to the multicolor printing and related services business conducted through Berlin Industries, and the commercial warehousing, trucking and packaging business conducted through Central States.

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SICO common stock is quoted on the Pink Sheets under the symbol SMIC. The executive offices of SICO are located at 11270 West Park Place, Milwaukee, Wisconsin 53224, Telephone: (414) 359-4030.

For additional information regarding SICO and the Spin-Off, see The Companies SICO beginning on page 120.

### ***SpinCo***

Smith Investment Company LLC, a Delaware limited liability company, was formed by SICO in connection with the Spin-Off and to facilitate the merger. On January 19, 2009, SICO completed the distribution of all of SICO's ownership interests in SpinCo in a taxable transaction to the SICO stockholders on a *pro rata* basis. Prior to the Spin-Off, SpinCo received a contribution from SICO of substantially all of SICO's assets and liabilities, other than the shares of A. O. Smith Class A common stock and A. O. Smith common stock held by SICO. These assets and liabilities primarily related to the multicolor printing and related services business conducted through Berlin Industries and the commercial warehousing, trucking and packaging business conducted through Central States. All of the membership units in SpinCo are held by the SICO stockholders as of December 22, 2008, which was the record date for the Spin-Off.

As of November 1, 2008, Central States entered into an agreement to sell substantially all of the assets of its commercial warehousing, trucking and packaging business to a third party. The transaction was completed on January 21, 2009.

The executive offices of SpinCo are located at 11270 West Park Place, Milwaukee, Wisconsin 53224, Telephone: (414) 359-4030.

For additional information regarding SpinCo and the sale of the Central States business, see The Companies SpinCo beginning on page 120.

### **The Merger and the Merger Agreement**

A. O. Smith, MergerCo, SICO and SpinCo have entered into the Merger Agreement, which provides for the merger of SICO with and into MergerCo, with MergerCo surviving the merger as a wholly-owned subsidiary of A. O. Smith. Pursuant to the Merger Agreement, each share of SICO common stock outstanding immediately prior to the effective time of the merger will be canceled and automatically converted into the right to receive shares of newly issued A. O. Smith Class A common stock and A. O. Smith common stock, as well as cash payable in lieu of any fractional shares.

Assuming all of the shares of A. O. Smith common stock deposited into the escrow account are subsequently released to the former SICO stockholders, SICO stockholders will be entitled to receive (a) 2.396 shares of A. O. Smith Class A common stock and (b) 0.463 shares of A. O. Smith common stock for each share of SICO common stock that they hold, subject to the treatment of dissenting shares and fractional shares, if any. For additional information regarding the shares to be deposited into the escrow account, see the chart provided on page 9.

Please refer to the section entitled The Merger Agreement on page 88 for a more complete description of the material terms of the Merger Agreement. The full text of the Merger Agreement is attached as Annex A to this joint proxy statement/prospectus and is incorporated herein by reference.

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### **A. O. Smith Amended Charter**

As a condition to the completion of the merger, the A. O. Smith Existing Charter must be amended and restated. The proposed A. O. Smith Amended Charter will provide for:

an increase, solely for purposes of completing the merger, in the total number of authorized shares of A. O. Smith Class A common stock that A. O. Smith can issue from 14,000,000 shares to 22,067,252 shares;

an increase in the percentage of members of the A. O. Smith board of directors that holders of A. O. Smith common stock, voting as a separate class, elect from 25% to 33-<sup>1</sup>/<sub>3</sub>% of the members of the board of directors (if such 33-<sup>1</sup>/<sub>3</sub>% is not a whole number, then rounding up to the nearest whole number of directors (or four of the ten directors));

shares of A. O. Smith Class A common stock to convert automatically into A. O. Smith common stock, subject to certain exceptions, upon transfer to unaffiliated third parties; and

all shares of A. O. Smith Class A common stock to convert automatically into A. O. Smith common stock once the outstanding shares of A. O. Smith Class A common stock fall below 2,397,976 shares, which is approximately 8% of the total outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock as of the date of the Merger Agreement.

Following the effective time of the merger, A. O. Smith will cancel the shares of A. O. Smith Class A common stock and A. O. Smith common stock currently held by SICO. Under the A. O. Smith Amended Charter, A. O. Smith will be prohibited from reissuing such shares of Class A common stock after they are cancelled. Following the effective time of the merger and the cancellation of the shares of A. O. Smith Class A common stock held by SICO, the number of shares of A. O. Smith Class A common stock that A. O. Smith is authorized to issue under the A. O. Smith Amended Charter will be the same number as A. O. Smith currently is authorized to issue under the A. O. Smith Existing Charter. In addition, as of the effective time of the merger, trading of A. O. Smith Class A common stock on the OBB will cease.

Please refer to the section entitled *A. O. Smith Amended Charter* on page 103 for additional information. The full text of the A. O. Smith Amended Charter is attached as Annex B to this joint proxy statement/prospectus and is incorporated herein by reference.

### **Agreements Relating to the Merger**

#### ***SICO Support Agreement***

As a condition to the willingness of A. O. Smith to enter into the Merger Agreement, SICO entered into a support agreement with A. O. Smith. Pursuant to this agreement, SICO has agreed to vote its shares of A. O. Smith Class A common stock and A. O. Smith common stock in favor of the merger and the other transactions contemplated thereby, including adoption of the Merger Agreement. The full text of the SICO support agreement is attached as Annex C to this joint proxy statement/prospectus and is incorporated herein by reference. Because the shares of A. O. Smith Class A common stock and A. O. Smith common stock held by SICO represent approximately 78.8% of the voting power of the total outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, and approximately 97.9% of the voting power of the total outstanding shares of A. O. Smith Class A common stock, voting as a separate class, stockholders of A. O. Smith holding voting power sufficient to approve the proposals to adopt the Merger Agreement, to adopt the A. O. Smith Amended Charter and to approve the Stock Issuance have agreed to vote in favor of these proposals at the A. O. Smith special meeting.

Please refer to the section entitled *Agreements Relating to the Merger SICO Support Agreement* beginning on page 106 for a more complete discussion of this agreement.



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***Smith Family Support Agreement***

As a condition to the willingness of A. O. Smith and SICO to enter into the Merger Agreement, certain members of the Smith Family have entered into a support agreement with respect to their SICO common stock. Pursuant to this agreement, these members of the Smith Family agreed to vote their shares of SICO common stock in favor of the merger and the other transactions contemplated thereby, including approval of the Merger Agreement. If the Merger Agreement terminates because the SICO board of directors withdraws its recommendation in support of the merger, these members of the Smith Family have agreed for a period of one year after the termination of the Merger Agreement not to vote in favor of any proposal that resulted in or is related to the withdrawal of the SICO board of directors' recommendation. Because the shares of SICO common stock held by the members of the Smith Family who signed the Smith Family support agreement represent approximately 52.7% of the voting power of the total outstanding shares of SICO common stock, stockholders of SICO holding voting power sufficient to approve the proposal to approve the Merger Agreement have agreed to vote in favor of the proposal to approve the Merger Agreement at the SICO special meeting.

Please refer to the section entitled "Agreements Relating to the Merger - Smith Family Support Agreement" beginning on page 106 for a more complete discussion of this agreement. The full text of the Smith Family support agreement is attached as Annex D to this joint proxy statement/prospectus and is incorporated herein by reference.

***Stockholder Agreement***

As a condition to the willingness of A. O. Smith to enter into the Merger Agreement and to consent to the formation of the voting trust contemplated by the voting trust agreement described below, certain members of the Smith Family entered into a stockholder agreement with A. O. Smith relating to the shares of A. O. Smith Class A common stock and A. O. Smith common stock to be issued as consideration in the merger. Pursuant to this agreement, subject to certain exceptions, these members of the Smith Family have agreed that for a period of three years after the closing of the merger, without the approval of the A. O. Smith board of directors, they will not:

directly or indirectly participate in or publicly announce an intention to participate in any solicitation of proxies other than in response to a proxy contest initiated by an unrelated third party;

submit or solicit stockholder approval for any proposal for consideration at any A. O. Smith annual or special meeting; or

solicit or commence an alternative acquisition transaction (a transaction where any person acquires more than 50% of the assets or beneficial ownership of more than 50% of any class of stock of A. O. Smith).

Holders of A. O. Smith Class A common stock are permitted under this stockholder agreement, without approval of the board of directors of A. O. Smith, (a) to solicit proxies or consents and take action by written consent, solely regarding matters affecting the rights, preferences or privileges of the A. O. Smith Class A common stock and not shared with the holders of A. O. Smith common stock and (b) to elect directors with respect to the A. O. Smith Class A common stock in accordance with the A. O. Smith Amended Charter.

Please refer to the section entitled "Agreements Relating to the Merger - Stockholder Agreement" beginning on page 107 for a more complete discussion of this agreement. The full text of the stockholder agreement is attached as Annex E to this joint proxy statement/prospectus and is incorporated herein by reference.

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***Escrow Agreement***

At the effective time of the merger, A. O. Smith, SpinCo and an escrow agent will enter into an escrow agreement for the purpose of providing a source of payment, for a period of two years after the completion of the merger, to reimburse A. O. Smith for the payment of any losses for which A. O. Smith is entitled to indemnification pursuant to the Merger Agreement. The escrow fund will include A. O. Smith common stock having a market value of \$15,000,000 as of the effective time of the merger, for which SpinCo will have the right (not more than five times) to substitute cash for all or a portion thereof. The agreement also provides for the release of a substantial portion of the shares once certain legal proceedings relating to the transactions contemplated by the Merger Agreement have been resolved.

Please refer to the section entitled *Agreements Relating to the Merger Escrow Agreement* beginning on page 108 for a more complete discussion of this agreement and to the section entitled *The Merger Agreement Indemnification* beginning on page 98 for a more detailed description of indemnification under the Merger Agreement. The full text of the form of escrow agreement is attached as Annex F to this joint proxy statement/prospectus and is incorporated herein by reference.

***Voting Trust Agreement***

In connection with the closing of the merger, certain members of the Smith Family have indicated their intention to deposit shares of A. O. Smith Class A common stock and A. O. Smith common stock they receive in the merger into a voting trust governed by a voting trust agreement. Among other rights specified in the voting trust agreement, the trustees will have the right to vote the shares in the trust. Transfers or withdrawals of shares in the trust may occur at any time, provided that:

if shares of A. O. Smith Class A common stock in the trust are being transferred or withdrawn, the shares will automatically be exchanged for shares of A. O. Smith common stock held by the trust to the extent available in the trust; and

if a beneficiary of shares in the trust provides a notice of withdrawal, the notice will constitute an offer to sell the shares to the trust. Please refer to the section entitled *Agreements Relating to the Merger Voting Trust Agreement* beginning on page 109 for a more complete discussion of this agreement. The full text of the form of voting agreement is attached as Annex G and is incorporated herein by reference.

**Recommendations of the A. O. Smith Special Committee and A. O. Smith Board of Directors**

**The A. O. Smith Special Committee recommends that the A. O. Smith Unaffiliated Stockholders Vote FOR Adoption of the Merger Agreement and the A. O. Smith Board of Directors Recommends that all A. O. Smith Stockholders Vote FOR Adoption of the Merger Agreement, FOR Adoption of the A. O. Smith Amended Charter and FOR Approval of the Stock Issuance.**

The A. O. Smith Special Committee is a committee of three independent and disinterested members of A. O. Smith's board of directors that was formed for the purpose of evaluating the proposed merger and related transactions. On December 5, 2008, the A. O. Smith Special Committee unanimously determined that the merger, the terms of the Merger Agreement and the transactions contemplated thereby are advisable and substantively and procedurally fair to, and in the best interests of, A. O. Smith and the A. O. Smith Unaffiliated Stockholders, recommended that the A. O. Smith board of directors adopt, authorize and declare advisable the merger, the Merger Agreement and the other transactions contemplated by the Merger Agreement and recommended to the A. O. Smith Unaffiliated Stockholders that they vote in favor of adoption of the Merger Agreement.

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On December 8, 2008, Morgan Stanley, independent financial advisor to the A. O. Smith Special Committee, rendered its oral opinion to the A. O. Smith Special Committee and the A. O. Smith board of directors, which opinion was subsequently confirmed in a written opinion dated as of December 9, 2008, to the effect that as of such date and based upon and subject to the various considerations set forth in the written opinion, the exchange ratio pursuant to the Merger Agreement was fair from a financial point of view to A. O. Smith. The A. O. Smith Special Committee then reaffirmed its recommendations, and the A. O. Smith board of directors (with Mr. Bruce M. Smith and Mr. Mark D. Smith having recused themselves) considered the A. O. Smith Special Committee's recommendation and reviewed the opinion rendered orally by Morgan Stanley. On December 9, 2008, the A. O. Smith board of directors again considered the A. O. Smith Special Committee's recommendation and reviewed the opinion delivered by Morgan Stanley, and the A. O. Smith board of directors (with Mr. Bruce M. Smith and Mr. Mark D. Smith having recused themselves) approved the merger, the Merger Agreement and the other transactions contemplated by the Merger Agreement, determined that the merger, the Merger Agreement and the other transactions contemplated by the Merger Agreement are advisable and substantively and procedurally fair to, and in the best interests of, A. O. Smith and its stockholders (including the A. O. Smith Unaffiliated Stockholders) and recommended that all A. O. Smith stockholders vote in favor of the adoption of the Merger Agreement, adoption of the A. O. Smith Amended Charter and approval of the Stock Issuance.

In determining whether to recommend the approval of and to approve and adopt the Merger Agreement, the A. O. Smith Special Committee and A. O. Smith board of directors separately consulted with certain members of A. O. Smith's senior management and with their legal and financial advisors. In arriving at their determination, the A. O. Smith Special Committee and A. O. Smith board of directors also considered the factors described under "The Merger A. O. Smith's Reasons for the Merger; Recommendations of the A. O. Smith Special Committee and A. O. Smith Board of Directors" beginning on page 62.

**Recommendations of the SICO Special Committee and SICO Board of Directors**

**The SICO Special Committee Recommends that the SICO Unaffiliated Stockholders Vote FOR Approval of the Merger Agreement and the SICO Board of Directors Recommends that all SICO Stockholders Vote FOR Approval of the Merger Agreement.**

The SICO Special Committee is a committee of two independent and disinterested members of SICO's board of directors that was formed for the purpose of evaluating the proposed merger and related transactions. On December 9, 2008, the SICO Special Committee unanimously determined that the Merger Agreement and the transactions contemplated thereby, including the merger, are advisable and substantively and procedurally fair to, and in the best interests of, SICO and the SICO Unaffiliated Stockholders, recommended that the SICO board of directors authorize, adopt and approve the Merger Agreement and the transactions contemplated by the Merger Agreement, including the merger, and recommended to the SICO Unaffiliated Stockholders that they vote in favor of approval of the Merger Agreement.

On December 9, 2008, SICO's board of directors, after hearing and considering the SICO Special Committee's recommendation, unanimously approved the Merger Agreement and the transactions contemplated thereby, including the merger, determined that the Merger Agreement and the transactions contemplated thereby, including the merger, are advisable and substantively and procedurally fair to, and in the best interests of, SICO and its stockholders (including the SICO Unaffiliated Stockholders) and recommended that all SICO stockholders vote in favor of approval of the Merger Agreement.

In determining whether to approve the Merger Agreement, the SICO Special Committee and the SICO board of directors separately consulted with certain members of SICO's senior management and with their legal and financial advisors. In arriving at their determination, the SICO Special Committee and the SICO board of directors also considered the factors described under "The Merger SICO's Reasons for the Merger; Recommendations of the SICO Special Committee and SICO Board of Directors" beginning on page 66.

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**Opinion of Morgan Stanley, Financial Advisor to the A. O. Smith Special Committee**

On December 8, 2008, Morgan Stanley, independent financial advisor to the A. O. Smith Special Committee, rendered its oral opinion to the A. O. Smith Special Committee and the A. O. Smith board of directors, which opinion was subsequently confirmed in a written opinion dated as of December 9, 2008, to the effect that as of such date and based upon and subject to the various considerations set forth in the written opinion, the exchange ratio pursuant to the Merger Agreement was fair, from a financial point of view, to A. O. Smith. The full text of Morgan Stanley's opinion is attached as Annex H to this joint proxy statement/prospectus, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Morgan Stanley in connection with its opinion. We urge you to read the opinion carefully in its entirety. The opinion of Morgan Stanley is addressed to the A. O. Smith Special Committee and the A. O. Smith board of directors and was one of many factors considered by the A. O. Smith Special Committee in deciding to recommend that the A. O. Smith Unaffiliated Stockholders adopt the Merger Agreement and that the A. O. Smith board of directors adopt the merger, the Merger Agreement and the other transactions contemplated thereby and by the A. O. Smith board of directors in deciding to adopt the Merger Agreement, the merger and the other transactions contemplated by the Merger Agreement and recommend stockholder approval. Additionally, the Morgan Stanley opinion addresses only the exchange ratio pursuant to the Merger Agreement and not the underlying decision by A. O. Smith to engage in the merger. Furthermore, the opinion does not constitute a recommendation to any A. O. Smith stockholder as to how that stockholder should vote at the special meeting of A. O. Smith stockholders or act on any matter relating to the merger.

Pursuant to an engagement letter with Morgan Stanley, A. O. Smith paid Morgan Stanley a \$250,000 fee upon execution of the engagement letter and a \$1,250,000 fee upon delivery of Morgan Stanley's opinion in December 2008. An additional fee of \$250,000 will be payable upon completion of the merger. Pursuant to its obligations under the Merger Agreement and a reimbursement agreement between SICO and A. O. Smith, SICO has reimbursed A. O. Smith for the first two payments.

See The Merger Opinion of Morgan Stanley, Financial Advisor to the A. O. Smith Special Committee beginning on page 69.

**Opinion of Duff & Phelps, Financial Advisor to the SICO Special Committee**

Duff & Phelps, independent financial advisor to the SICO Special Committee, has provided an opinion to the SICO Special Committee, and upon which the SICO board of directors may rely, dated as of December 9, 2008, that, as of that date, and based on and subject to the qualifications and assumptions set forth in its opinion, the consideration to be received by the SICO Unaffiliated Stockholders in the merger was fair, from a financial point of view, to such holders. The full text of Duff & Phelps' opinion is attached as Annex I to this joint proxy statement/prospectus, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Duff & Phelps in connection with its opinion. We urge you to read the opinion carefully in its entirety. The opinion of Duff & Phelps is addressed to the SICO Special Committee, and states that it may be relied upon by the SICO board of directors, and was one of many factors considered by the SICO Special Committee in deciding to recommend that the SICO board of directors approve the Merger Agreement and by the SICO board of directors in deciding to approve the Merger Agreement and the transactions contemplated thereby, including the merger. Additionally, the Duff & Phelps opinion addresses only the consideration to be received by the SICO Unaffiliated Stockholders in the merger and not the underlying decision by SICO to engage in the merger. Furthermore, the opinion does not constitute a recommendation to any SICO stockholder as to how that stockholder should vote at the special meeting of SICO stockholders or act on any matter relating to the merger.

Pursuant to an engagement letter with Duff & Phelps, SICO paid Duff & Phelps a \$200,000 fee upon execution of its engagement letter and a \$200,000 fee upon the SICO Special Committee's request to deliver Duff & Phelps' opinion in December 2008.

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See The Merger Opinion of Duff & Phelps, Financial Advisor to the SICO Special Committee beginning on page 73.

**Interests of Executive Officers and Directors of A. O. Smith and SICO in the Merger**

Stockholders should note that certain A. O. Smith directors and certain SICO directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of other A. O. Smith stockholders and SICO stockholders, respectively. Executive officers of A. O. Smith do not have interests in the merger that are different from, or in addition to, the interests of A. O. Smith stockholders generally.

The A. O. Smith Special Committee and the A. O. Smith board of directors were aware of these interests and considered them when (a) in the case of the A. O. Smith Special Committee, they voted to recommend that the A. O. Smith board of directors adopt, authorize and declare advisable the Merger Agreement, the merger and the related transactions and recommend to the A. O. Smith Unaffiliated Stockholders that they vote to adopt the Merger Agreement and (b) in the case of the A. O. Smith board of directors, they voted to adopt, authorize and declare advisable the Merger Agreement, the merger and the related transactions and recommend to A. O. Smith's stockholders that they vote in favor of the adoption of the Merger Agreement, the merger and the related transactions. The SICO Special Committee and the SICO board of directors were aware of these interests and considered them when (a) in the case of the SICO Special Committee, they voted to recommend that the SICO board of directors authorize, adopt and approve the Merger Agreement and the transactions contemplated thereby, including the merger, and recommend to the SICO Unaffiliated Stockholders that they vote to approve the Merger Agreement and (b) in the case of the SICO board of directors, they voted to approve the Merger Agreement and the transactions contemplated thereby, including the merger, and to recommend that the SICO stockholders vote to approve the Merger Agreement.

At the close of business on March 4, 2009, the record date for the special meeting of A. O. Smith stockholders, directors and executive officers of A. O. Smith, other than Bruce M. Smith and Mark D. Smith, had or shared the power to vote in the aggregate approximately 520,796 shares of outstanding A. O. Smith common stock, or approximately 2.37% of the then outstanding A. O. Smith common stock, and no shares of outstanding A. O. Smith Class A common stock.

At the close of business on March 4, 2009, the record date for the special meeting of SICO stockholders, directors and executive officers of SICO, other than Bruce M. Smith, Arthur O. Smith and Arthur O. Smith III, had or shared the power to vote in the aggregate approximately 1,500 shares of outstanding SICO common stock, which is less than 0.1% of the then outstanding SICO common stock.

For information relating to the interests of A. O. Smith's directors in the merger, see The Merger Interests of A. O. Smith Executive Officers and Directors in the Merger beginning on page 79, and for information relating to the interests of SICO's executive officers and directors in the merger, see The Merger Interests of SICO Executive Officers and Directors in the Merger beginning on page 80.

**Regulatory Approvals Required for the Merger**

Completion of the transactions contemplated by the Merger Agreement is subject to the receipt of approvals or consents from, or the making of filings with, various regulatory authorities, including the IRS. A. O. Smith and SICO currently are not aware of any additional required regulatory consents, approvals or filings. In the event any additional consents, approvals or filings are required, A. O. Smith and SICO presently contemplate that they will complete the filing of all of the required applications and notices with applicable regulatory authorities prior to the effective time of the merger. For information regarding regulatory approvals and filings, see Regulatory Approvals beginning on page 112.

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**Material United States Federal Income Tax Consequences of the Merger**

There are no United States federal income tax consequences of the merger to A. O. Smith stockholders with respect to their shares of A. O. Smith Class A common stock or A. O. Smith common stock.

The merger is intended to constitute a tax-free reorganization for United States federal income tax purposes, and the obligations of SICO and A. O. Smith to effect the merger have been conditioned upon the receipt of the IRS Letter Ruling to that effect. Accordingly, we believe holders of SICO common stock will generally not recognize any gain or loss for United States federal income tax purposes on the exchange of their SICO common stock for A. O. Smith Class A common stock or A. O. Smith common stock in the merger, except for any gain or loss recognized in connection with any cash received instead of a fractional share of A. O. Smith Class A common stock or A. O. Smith common stock. Payments, if any, to the SICO stockholders for certain tax benefits of SICO will be taxable when paid. A. O. Smith, SICO and MergerCo themselves will not recognize gain or loss as a result of the merger.

Please refer to the section entitled **Material United States Federal Income Tax Consequences of the Merger** beginning on page 113 for a more complete discussion of the United States federal income tax consequences of the merger. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. You should consult your tax advisor to determine the tax consequences of the merger to you.

**Legal Proceedings Regarding the Merger**

On February 26, 2008 Buttonwood Tree Value Partners, LP filed a purported class action complaint against SICO, A. O. Smith and certain directors and officers of SICO and A. O. Smith in the Milwaukee County Circuit Court in Wisconsin. The initial complaint alleged that the defendants breached their fiduciary duties to plaintiffs in connection with SICO's proposed transaction. The lawsuit sought, among other things, an injunction requiring that defendants provide plaintiff with all documents relevant to the terms and conditions of the proposed transaction and permit the plaintiff to participate in negotiations regarding the potential transaction between SICO and A. O. Smith.

On February 19, 2009, Buttonwood Tree Value Partners, LP filed an amended complaint alleging, among other things, that the individual defendants breached their fiduciary duties in connection with the proposed transaction, and that A. O. Smith, through its officers and directors, aided and abetted this purported breach of fiduciary duty. The amended complaint added certain members of the Smith family and the CEO of A. O. Smith. The amended complaint seeks, among other things, an injunction enjoining the proposed transaction and requiring defendants to make certain disclosures to SICO's stockholders.

Counsel for the parties have agreed in principle to settle the lawsuit and have executed a Memorandum of Understanding dated March 10, 2009. A stipulation of settlement is expected to follow. As part of the settlement, and in exchange for a dismissal of the lawsuit and release, A. O. Smith has agreed to add certain corporate governance measures to its policies and SICO and A. O. Smith have agreed to make certain additional disclosures (that plaintiffs' counsel has reviewed) to its stockholders in this joint proxy statement/prospectus.

The corporate governance measures would include the following: (1) A. O. Smith's Nominating and Governance Committee would need to approve any transaction or arrangement with A. O. Smith reportable under Item 404 of Regulation S-K under the Securities Exchange Act of 1934, involving a potential conflict of interest of an A. O. Smith director, CEO or any of their respective family members; (2) A. O. Smith's Nominating and Governance Committee would evaluate the independence of A. O. Smith directors under previously established and publicly available guidelines; (3) A. O. Smith's Nominating and Corporate Governance Committee would review on an annual basis and report to the board compliance with A. O. Smith's publicly available policy regarding conflicts of interest/affiliations involving directors and their immediate family members.

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The settlement would resolve the claims in the currently pending lawsuit. It is subject to customary conditions, including preliminary and final approval by the Court, after appropriate notice and a hearing to consider the fairness of the settlement. The settlement is also subject to completion of the merger. The defendants continue to deny any liability or responsibility for the claims made in the pending lawsuit and make no admission of any wrongdoing. There can be no assurance that the parties will ultimately enter into a stipulation of settlement or that the Court will approve the settlement even if the parties enter into a stipulation. If the Court approves the settlement, SICO stockholders from February 2, 2008 through the completion of the merger (other than the SICO directors, SICO and A. O. Smith) will release all claims, excluding valid exercises of dissenters' rights, relating to the merger that were or could be brought against SICO, A. O. Smith, the other defendants and in each case, their respective directors, officers, affiliates and agents.

**Appraisal Rights; Dissenters' Rights**

A. O. Smith stockholders do not have appraisal rights in connection with the merger and the other transactions contemplated by the Merger Agreement.

SICO stockholders who dissent from and do not approve the merger may be entitled to certain dissenters' rights in connection with the merger. Stockholders who perfect their dissenters' rights and strictly follow certain procedures in the manner prescribed by NRS 92A.300 to 92A.500 will be entitled to obtain payment of the fair value of their shares immediately before the effective time of the merger, excluding any appreciation or depreciation in anticipation of the merger.

**NRS 92A.300 TO 92A.500 ARE REPRINTED IN THEIR ENTIRETY AS ANNEX J TO THIS JOINT PROXY STATEMENT/PROSPECTUS. ANY SICO STOCKHOLDER WHO WISHES TO EXERCISE DISSENTER'S RIGHTS OR WHO WISHES TO PRESERVE HIS OR HER RIGHT TO DO SO SHOULD REVIEW ANNEX J CAREFULLY AND SHOULD CONSULT HIS OR HER LEGAL ADVISOR, SINCE FAILURE TO TIMELY COMPLY WITH THE PROCEDURES SET FORTH THEREIN WILL RESULT IN THE LOSS OF SUCH RIGHTS.**

**A VOTE IN FAVOR OF THE MERGER BY A SICO STOCKHOLDER MAY RESULT IN A LOSS OF SUCH HOLDER'S DISSENTER'S RIGHTS.**

See The Merger Appraisal Rights; Dissenters' Rights, beginning on page 84 and Annex J to this joint proxy statement/prospectus.

**Table of Contents****SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF A. O. SMITH**

The summary historical consolidated financial data set forth below should be read in conjunction with the historical consolidated financial statements of A. O. Smith and the related notes contained in the annual reports and other information that A. O. Smith has previously filed with the SEC and which are incorporated herein by reference. See [Where You Can Find More Information](#) beginning on page 139.

The summary historical consolidated financial data as of and for each of the five years ended December 31, 2008 have been derived from A. O. Smith's audited consolidated financial statements.

(dollars in millions, except per share amounts)

**SUMMARY STATEMENTS OF OPERATIONS DATA**

	Years ended December 31				
	2008	2007	2006 (1)	2005 (2)	2004
Net sales	\$ 2,304.9	\$ 2,312.1	\$ 2,161.3	\$ 1,689.2	\$ 1,653.1
Earnings					
Continuing operations	81.9	88.2	76.2	46.5	35.4
Discontinued operations			0.3		
Net earnings	\$ 81.9	\$ 88.2	\$ 76.5	\$ 46.5	\$ 35.4
Basic earnings per share of common stock:					
Continuing operations	\$ 2.72	\$ 2.89	\$ 2.51	\$ 1.57	\$ 1.21
Discontinued operations			0.01		
Net earnings per share basic	\$ 2.72	\$ 2.89	\$ 2.52	\$ 1.57	\$ 1.21
Diluted earnings per share of common stock:					
Continuing operations	\$ 2.70	\$ 2.85	\$ 2.46	\$ 1.54	\$ 1.18
Discontinued operations			0.01		
Net earnings per share diluted	\$ 2.70	\$ 2.85	\$ 2.47	\$ 1.54	\$ 1.18
Cash dividends per common share	\$ 0.74	\$ 0.70	\$ 0.66	\$ 0.64	\$ 0.62

**SELECTED BALANCE SHEET DATA**

	As of December 31				
	2008	2007	2006	2005	2004
Total assets	\$ 1,883.9	\$ 1,854.4	\$ 1,839.9	\$ 1,292.7	\$ 1,314.0
Long term debt (3)	317.3	379.6	432.1	162.4	272.5
Total stockholders' equity	641.1	757.8	684.6	612.9	590.6

(1) In April 2006, A. O. Smith acquired GSW Inc., a publicly traded Canadian based manufacturer of water heaters and building products. In December 2006, A. O. Smith sold the building products segment of this business which was treated as a discontinued operation. See Note 2 of Notes to Consolidated Financial Statements in the A. O. Smith Annual Report on Form 10-K for the year ended December 31, 2008, which Notes are incorporated herein by reference.

(2) In November 2005, A. O. Smith acquired Yueyang Zhongmin Special Electrical Machinery Co., Ltd.



(3) Excludes the current portion of long-term debt.

**Table of Contents****SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF SICO**

The summary historical consolidated financial data set forth below should be read in conjunction with the consolidated financial statements of SICO and the related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations of SICO appearing elsewhere in this joint proxy statement/prospectus. The summary historical consolidated financial data for SICO include the operations of Berlin Industries and SICO's controlled subsidiary, A. O. Smith.

The summary statements of operations data for 2008, 2007 and 2006 and the summary balance sheet data as of December 31, 2008 and 2007 have been derived from audited financial statements included elsewhere in this joint proxy statement/prospectus. The summary statements of operations data for 2005 and 2004 and the balance sheet data as of December 31, 2006, 2005 and 2004 have been derived from audited financial statements not included in this joint proxy statement/prospectus.

(dollars in millions, except per share amounts)

**SUMMARY STATEMENTS OF OPERATIONS DATA**

	<b>Years ended December 31</b>				
	<b>2008</b>	<b>2007</b>	<b>2006 (1)</b>	<b>2005 (2)</b>	<b>2004</b>
Net sales	\$ 2,358.1	\$ 2,386.5	\$ 2,232.4	\$ 1,769.6	\$ 1,739.6
Earnings:					
Continuing operations before minority interest	76.9	90.3	74.2	41.0	26.5
Minority interest in continuing earnings	(55.6)	(60.4)	(52.1)	(31.5)	(23.8)
Continuing operations	21.3	29.9	22.1	9.5	2.7
Discontinued operations	0.4	0.5	0.5	0.2	(0.5)
Net earnings	\$ 21.7	\$ 30.4	\$ 22.6	\$ 9.7	\$ 2.2
Basic and diluted earnings per share of common stock:					
Continuing operations	\$ 6.43	\$ 9.02	\$ 6.68	\$ 2.87	\$ 0.79
Discontinued operations	0.12	0.14	0.14	0.06	(0.14)
Net earnings per share	\$ 6.55	\$ 9.16	\$ 6.82	\$ 2.93	\$ 0.65
Cash dividends per common share	\$ 1.16	\$ 1.02	\$ 0.86	\$ 0.80	\$ 0.80

**SUMMARY BALANCE SHEET DATA**

	<b>As of December 31</b>				
	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Total assets	\$ 1,928.7	\$ 1,910.4	\$ 1,893.0	\$ 1,356.2	\$ 1,390.2
Long term debt (3)	317.3	387.6	442.1	174.4	286.5
Total stockholders' equity	226.6	278.7	244.7	222.0	221.4

(1) In April 2006, A. O. Smith acquired GSW Inc., a publicly traded Canadian based manufacturer of water heaters and building products. In December 2006, A. O. Smith sold the building products segment of this business which was treated as a discontinued operation. See Note 2 of Notes to Audited Consolidated Financial Statements of SICO included elsewhere herein.

(2) In November 2005, A. O. Smith acquired Yueyang Zhongmin Special Electrical Machinery Co., Ltd.

(3) Excludes the current portion of long-term debt.



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**SUMMARY UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR SICO**

The summary unaudited pro forma financial information set forth below should be read in conjunction with the unaudited pro forma condensed consolidated financial information, the consolidated financial statements and the related notes of SICO, and Management's Discussion and Analysis of Financial Condition and Results of Operations of SICO appearing elsewhere in this joint proxy statement/prospectus. The summary unaudited pro forma financial information of SICO has been prepared giving effect to the Spin-Off and the merger as if these transactions occurred as of January 1, 2008 for the summary unaudited pro forma statements of operations data for the year ended December 31, 2008; and as of December 31, 2008 for the summary unaudited pro forma balance sheet data as of December 31, 2008.

The summary unaudited pro forma condensed consolidated statements of operations data and the summary unaudited pro forma condensed consolidated balance sheet data have been derived from the unaudited pro forma condensed consolidated financial information and the audited consolidated financial statements of SICO included elsewhere in this joint proxy statement/prospectus and do not purport to represent what SICO's financial position and results of operations actually would have been had the Spin-Off, the merger and related transactions occurred on the dates indicated or to project SICO's financial performance for any future period.

The transaction between A. O. Smith and SICO is considered a reverse acquisition under SFAS 141 (R) *Business Combinations* ( SFAS 141 (R) ). A reverse acquisition occurs when the legal acquirer, or the entity that issues the securities in the merger, is identified as the acquiree for accounting purposes. In the proposed merger, A. O. Smith is the legal acquirer because SICO will be a wholly owned subsidiary of A. O. Smith after the merger, and A. O. Smith will be issuing shares of A. O. Smith Class A common stock and A. O. Smith common stock as consideration in the merger. SICO is the legal acquiree in the merger. Even though A. O. Smith is the legal acquirer, SFAS 141(R) requires that A. O. Smith be treated as the acquiree for accounting purposes and SICO be treated as the acquirer for accounting purposes.

As the legal acquirer, however, A. O. Smith will survive as a publicly listed company after completion of the merger and will be required to present financial statement information in accordance with U.S. GAAP and SEC reporting requirements. SICO will have been merged with MergerCo, will cease to exist as an independent legal entity, and will be a wholly owned subsidiary of A. O. Smith after completion of the merger. Due to the reverse acquisition accounting treatment under SFAS 141(R), A. O. Smith's financial statement information going forward will be presented as if SICO were the successor to the reporting obligation of A. O. Smith as of the date of the merger. As a result, prior period financial statement information presented in the A. O. Smith financial statements will reflect the historical activity of SICO.

In addition to being a reverse acquisition under SFAS 141(R), the merger is a common control transaction according to SFAS 160 *Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51* ( SFAS 160 ). As a result, the merger will be accounted for as an equity transaction and therefore will not require purchase accounting adjustments to reflect fair value. Because A. O. Smith is the legal acquirer, the SICO shares are treated as having been converted to SICO's ownership of A. O. Smith stock via a stock split to reflect SICO's ownership of A. O. Smith Class A common stock and A. O. Smith common stock. Prior to the merger, SICO consolidated the financial results of A. O. Smith and presented a minority interest (referred to as a noncontrolling interest under SFAS 160). The noncontrolling interest represented the portion of A. O. Smith that SICO did not own. Under a reverse acquisition, the noncontrolling interest is eliminated from the financial statement presentation in future periods as A. O. Smith is the legal acquirer and the accounting acquiree. Although the non-SICO stockholders of A. O. Smith are not exchanging their shares in the merger, the reverse acquisition accounting requires the transaction to be presented as if an acquisition of the noncontrolling interest occurred since there is no remaining noncontrolling interest once the two companies are combined into one reporting entity.

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(dollars in millions, except per share amounts)

SUMMARY UNAUDITED PRO FORMA STATEMENTS OF OPERATIONS DATA

	<b>Year Ended December 31 2008</b>
Net sales	\$ 2,304.9
Net earnings	\$ 81.9
Net earnings per share:	
Basic	\$ 2.74
Diluted	\$ 2.72
Cash dividend per share	\$ 0.74

SUMMARY UNAUDITED PRO FORMA BALANCE SHEET DATA

	<b>As of December 31 2008</b>
Total assets	\$ 1,883.9
Long term debt	317.3
Total stockholders' equity	641.1

**Table of Contents****COMPARATIVE PER SHARE DATA**

The following table sets forth (a) certain historical per share information of A. O. Smith, (b) certain historical per share information of SICO and (c) unaudited pro forma per share information after giving effect to the merger as a reverse acquisition under SFAS 141(R) and a common control transaction in accordance with SFAS 160 *Noncontrolling Interests in Consolidated Financial Statements and amendment of ARB No. 51* (SFAS 160). The unaudited pro forma condensed consolidated per share data assumes that, to give effect to the merger, each share of SICO common stock outstanding as of December 31, 2008 was converted into (a) 2.396 shares of A. O. Smith Class A common stock and (b) 0.463 shares of A. O. Smith common stock, without regard to the treatment of Escrow Shares, dissenting shares and fractional shares described in this joint proxy statement/prospectus. The calculation of these exchange ratios assumes that all of the shares of A. O. Smith common stock deposited into the escrow account have been released to the former SICO stockholders. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that A. O. Smith or MergerCo will experience after the effective time of the merger. The unaudited pro forma condensed consolidated per share data have been derived from and should be read in conjunction with the Unaudited Pro Forma Condensed Consolidated Financial Information for SICO beginning on page PF-1. The historical per share data have been derived from the historical consolidated financial statements as of and for the periods indicated of A. O. Smith, as incorporated by reference in this joint proxy statement/prospectus, and of SICO, as set forth in this joint statement/prospectus beginning on page F-1.

	<b>For the Year Ended December 31, 2008</b>
<b>A. O. Smith Historical Per Share Data:</b>	
Net Earnings:	
Basic	\$ 2.72
Diluted	2.70
Cash dividends declared	.74
Book value	21.24
<b>SICO Historical Per Share Data:</b>	
Net Income:	
Basic and Diluted	\$ 6.55
Cash dividends declared	1.16
Book value	68.31
<b>Pro Forma Consolidated Per Share Data (unaudited):</b>	
Net Income:	
Basic	\$ 2.74
Diluted	2.72
Cash dividends declared	.74
Book value	21.35

**Table of Contents****COMPARATIVE MARKET PRICE AND DIVIDEND DATA****Recent Share Prices and Dividends**

A. O. Smith common stock is listed on the NYSE under the symbol AOS. A. O. Smith Class A common stock is quoted on the OBB under the symbol SAOSA.

SICO common stock is quoted on the Pink Sheets under the symbol SMIC.

The table below sets forth, for each of the fiscal quarters indicated, the high and low sales prices of A. O. Smith common stock, as reported by the NYSE, the high and low bid quotations for A. O. Smith Class A common stock, as reported by the OBB, the high and low bid quotations for SICO common stock, as reported by the Pink Sheets, and the quarterly cash dividends declared per share of A. O. Smith common stock, A. O. Smith Class A common stock and SICO common stock. The over-the-counter market quotations reported below reflect inter-dealer prices, without mark-up, mark-down or commissions and may not represent actual transactions.

		<b>A. O. Smith</b>								
		<b>Class A</b>								
		<b>Common Stock</b>		<b>Common Stock</b>		<b>Dividend (1)</b>	<b>High</b>	<b>SICO</b>		<b>Dividend</b>
		<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>			<b>Low</b>	<b>High</b>	
<b>2007</b>	First Quarter	\$ 40.74	\$ 35.50	\$ 40.00	\$ 36.00	\$ .17	\$ 65.00	\$ 60.50	\$ .23	
	Second Quarter	41.35	37.53	\$ 41.00	\$ 37.60	.17	68.00	62.50	.23	
	Third Quarter	52.48	40.03	\$ 51.00	\$ 42.00	.18	74.00	66.00	.28	
	Fourth Quarter	47.52	32.09	\$ 43.65	\$ 34.55	.18	70.00	62.00	.28	
<b>2008</b>	First Quarter	\$ 39.02	\$ 29.25	\$ 37.00	\$ 31.99	\$ .18	\$ 106.53	\$ 62.25	\$ .28	
	Second Quarter	36.73	30.05	35.00	30.00	.18	104.00	88.00	.28	
	Third Quarter	51.09	30.70	47.00	31.00	.19	102.75	88.00	.30	
	Fourth Quarter	39.41	23.08	35.00	24.50	.19	88.00	60.00	.30	
<b>2009</b>	First Quarter (through March 4, 2009)	32.75	23.40	30.00	24.50	.19	84.00	65.00		

(1) Dividends paid per share of A. O. Smith Class A common stock and A. O. Smith common stock.

The above table shows only historical comparisons and may not provide meaningful information to A. O. Smith or SICO stockholders in determining whether to approve or adopt the Merger Agreement. The shares of A. O. Smith Class A common stock and SICO common stock are thinly traded in over-the-counter markets that are relatively illiquid, and on certain trading days may not trade at all, which may affect the quoted market prices for those shares. You are urged to obtain current market quotations for A. O. Smith common stock, A. O. Smith Class A common stock and SICO common stock and to carefully review the other information contained in this joint proxy statement/prospectus in considering whether to approve or adopt the Merger Agreement. Please refer to the section of this joint proxy statement/prospectus entitled "Where You Can Find More Information" beginning on page 139.

**Additional Share Information****A. O. Smith**

The closing price per share of A. O. Smith common stock, as reported by the NYSE, was (a) \$36.28 on February 1, 2008, the last full trading day preceding public announcement of SICO's proposal for the merger, (b) \$31.81 on December 8, 2008, the last full trading day preceding public announcement that A. O. Smith and SICO had entered into the Merger Agreement, and (c) \$21.29 on March 9, 2009, the last full trading day for which closing prices were available at the time of the printing of this joint proxy statement/prospectus.





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The closing price per share of A. O. Smith Class A common stock, as quoted by the OBB, was (a) \$33.00 on February 1, 2008, the last full trading day preceding public announcement of SICO's proposal for the merger, (b) \$32.00 on December 8, 2008, the last full trading day preceding public announcement that A. O. Smith and SICO had entered into the Merger Agreement, and (c) \$22.50 on March 9, 2009, the last full trading day for which closing prices were available at the time of the printing of this joint proxy statement/prospectus. The shares of A. O. Smith Class A common stock are thinly traded in an over-the-counter market that is relatively illiquid, and on certain trading days may not trade at all, which may affect the quoted market prices for shares of A. O. Smith Class A common stock.

No assurance can be given as to the market price of A. O. Smith common stock or A. O. Smith Class A common stock at any time after the merger. In the event that the market price of A. O. Smith common stock or A. O. Smith Class A common stock decreases or increases prior to the consummation of the merger, the value of A. O. Smith common stock and/or A. O. Smith Class A common stock to be received in the merger in exchange for SICO common stock may correspondingly decrease or increase. In addition, under the A. O. Smith Amended Charter, which will be in effect after the merger, the transfer of A. O. Smith Class A common stock to any transferee who is not a Permitted Transferee will result in the automatic conversion to A. O. Smith common stock of the shares of A. O. Smith Class A common stock so transferred. As a result of this automatic conversion upon transfer, there is not expected to be any public trading market for the shares of A. O. Smith Class A common stock after the merger, and price quotations for the shares of A. O. Smith Class A common stock will no longer be available on the OBB. This could affect the value of the shares of A. O. Smith Class A common stock after completion of the merger.

*SICO*

The closing price per share of SICO common stock, as quoted by the Pink Sheets, was (a) \$64.00 on February 1, 2008, the last full trading day preceding public announcement of SICO's proposal for the merger, (b) \$60.00 on December 8, 2008, the last full trading day preceding public announcement that A. O. Smith and SICO had entered into the Merger Agreement, and (c) \$61.00 on March 9, 2009, the last full trading day for which closing prices were available at the time of the printing of this joint proxy statement/prospectus. The shares of SICO common stock are thinly traded in an over-the-counter market that is relatively illiquid, and on certain trading days may not trade at all, which may affect the quoted market prices for shares of SICO common stock.

***Additional Dividend Information***

*A. O. Smith*

A. O. Smith has paid dividends for 69 consecutive years. While A. O. Smith has paid dividends on its Class A common stock and its common stock, there is no assurance that it will continue to pay dividends in the future. The decision to pay dividends is within the discretion of the A. O. Smith board of directors and may be affected by various factors, including A. O. Smith's earnings, financial condition, capital requirements, level of indebtedness and other considerations that the A. O. Smith board of directors deems relevant. A. O. Smith's existing credit facility, as well as future credit facilities, other future debt obligations and statutory provisions may limit its ability to pay dividends.

*SICO*

SICO has paid dividends for 69 consecutive years. Dividends are generally paid by SICO on a quarterly basis after receipt by SICO of dividends on the shares of A. O. Smith Class A common stock and A. O. Smith common stock held by SICO. The SICO board of directors has determined that SICO will not pay a dividend in the first quarter of 2009. In reaching its determination, the SICO board of directors considered the costs expected to be incurred to complete the merger and the desire of the SICO board of directors to preserve financial flexibility in light of current uncertainty in economic and financial conditions. The Merger Agreement does not

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limit the payment of dividends by SICO prior to the effective time as long as such dividends are made by SICO in the ordinary course consistent with past practices. The decision to pay dividends is within the discretion of the SICO board of directors. In determining whether to pay the second quarter 2009 dividend, if the merger has not been completed prior to such time, the SICO board of directors likely will take into account the financial condition of SICO and SpinCo, the costs incurred for the merger and the expectations of SICO stockholders, among other considerations.

**Stockholder Information**

***A. O. Smith***

As of March 4, 2009, A. O. Smith had 8,239,267 shares of A. O. Smith Class A common stock and 21,949,691 shares of A. O. Smith common stock outstanding and approximately 283 stockholders of record of A. O. Smith Class A common stock and 1,283 stockholders of record of A. O. Smith common stock. The numbers of stockholders of record do not reflect the number of persons or entities who may hold their stock in nominee or street name through brokerage firms.

***SICO***

As of March 4, 2009, SICO had 3,317,066 shares of SICO common stock outstanding and approximately 40 stockholders of record of SICO common stock. The number of stockholders of record does not reflect the number of persons or entities who may hold their stock in nominee or street name through brokerage firms.

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**RISK FACTORS**

*In addition to the other information contained in or incorporated by reference in this joint proxy statement/prospectus, including A. O. Smith's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and the matters addressed under the heading "Forward-Looking Statements" beginning on page 37 of this joint proxy statement/prospectus, you should carefully consider the following risk factors in deciding whether to vote in favor of the proposals described in this joint proxy statement/prospectus.*

**Risks Relating to the Merger**

***Completion of the merger is subject to the receipt of consents and approvals from, or the making of filings with, certain government entities that could delay completion of the merger or impose conditions that could have a material adverse effect on SICO or A. O. Smith, or significantly reduce the benefits expected to be obtained from the merger.***

The merger is subject to the receipt of approvals or consent from, or the making of filings with, certain regulatory authorities, including the IRS, in connection with the request for the IRS Letter Ruling described in this joint proxy statement/prospectus. While we do not currently expect a delay in receiving the necessary approvals from such regulatory authorities, we cannot assure you that a delay will not occur. In addition to the required regulatory clearances and approvals, the merger is subject to a number of other conditions beyond our control that may prevent, delay or otherwise negatively affect its completion. See "The Merger Agreement - Conditions to Obligations to Complete the Merger" beginning on page 97. We cannot predict whether and when these other conditions will be satisfied. Any delay in completing the merger or the imposition of any additional material conditions on or changes to the terms of the merger may significantly reduce the benefits that we expect to achieve if we successfully complete the merger within the expected timeframe. See "Regulatory Approvals" beginning on page 112.

***If the merger does not constitute a tax-free reorganization under Section 368(a) of the Code, then both SICO stockholders and A. O. Smith or MergerCo may be responsible for payment of income taxes.***

The merger is conditioned upon the receipt by A. O. Smith and SICO of the IRS Letter Ruling to the effect that the merger will be treated as a tax-free reorganization within the meaning of Section 368(a) of the Code. Although a private letter ruling from the IRS generally is binding on the IRS, if the factual representations or assumptions made in the letter ruling request are untrue or incomplete, then the ruling may not be relied upon. If the merger were determined to be taxable, then both SICO stockholders and A. O. Smith or MergerCo (as successors to SICO) may be responsible for the payment of income taxes in connection with the merger.

***The parties to the merger may fail to realize all of the expected benefits of the merger.***

The parties to the merger may fail to realize some or all of the expected benefits of the transaction in the amounts and times projected for a number of reasons, including that the transaction may be more costly than expected or have unexpected adverse results.

***The Merger Agreement limits the ability of A. O. Smith and SICO to pursue alternatives to the merger.***

The Merger Agreement provides that neither of the boards of directors of SICO nor A. O. Smith, nor the A. O. Smith Special Committee nor the SICO Special Committee may withdraw or modify its recommendation regarding the merger. Notwithstanding the foregoing, at any time prior to the adoption of the Merger Agreement by its stockholders, the board of directors of either A. O. Smith or SICO, or duly constituted committees thereof, may withdraw or modify its recommendation regarding the merger in response to a material event relating to its business which is unknown to the board of directors as of the date of the Merger Agreement and which becomes known prior to the approval or adoption of the Merger Agreement by its stockholders, if the board of directors

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(or committee thereof) determines in good faith, after consultation with its legal counsel and financial advisors, that the withdrawal or modification of the recommendation is required in order for the board of directors (or committee thereof) to comply with its fiduciary duties to its stockholders under applicable law. Regardless of whether the board of directors of A. O. Smith withdraws its recommendation regarding the merger as described in the sentence above, the board of directors of A. O. Smith may not cancel the special meeting of the A. O. Smith stockholders and is required to submit consideration of the merger and the related proposals to the A. O. Smith stockholders for a vote. The board of directors of SICO may withdraw its recommendation regarding the merger in accordance with the sentence above without any obligation to hold the special meeting of the SICO stockholders or submit consideration of the merger to the SICO stockholders for a vote. Certain members of the Smith Family who hold a majority of the outstanding shares of SICO common stock have agreed in a support agreement with SICO and A. O. Smith, for a period of one year after the termination of the Merger Agreement, not to vote in favor of any proposal that results in or is related to the withdrawal or modification of the SICO board recommendation. This agreement by the members of the Smith Family, along with the limitations in the Merger Agreement on withdrawing or modifying recommendations, may discourage third-parties from proposing alternative transactions to A. O. Smith or SICO. For a discussion of the limits on the ability of the board of directors of each of A. O. Smith and SICO to withdraw or modify its recommendation, see *The Merger Agreement Obligations of each of the A. O. Smith and SICO Boards of Directors with Respect to its Recommendation and Holding a Meeting of its Stockholders* beginning on page 94. For a discussion of the Smith Family support agreement with SICO and A. O. Smith, see *Agreements Relating to the Merger Smith Family Support Agreement* beginning on page 106.

***Failure to complete the merger could negatively affect the stock price, future business and/or operations of SICO and the stock price of A. O. Smith.***

The Merger Agreement contains a number of conditions to the obligations of the parties to complete the merger. In addition, the Merger Agreement may be terminated under certain circumstances. If the merger is not completed for any reason, SICO and A. O. Smith may be subject to a number of material risks. These risks include the following:

the market price of SICO common stock, A. O. Smith Class A common stock or A. O. Smith common stock may decline to the extent that the current market prices of SICO common stock, A. O. Smith Class A common stock or A. O. Smith common stock reflect a market assumption that the merger will be completed;

fees, costs and expenses incurred by SICO and A. O. Smith in connection with the merger, such as legal, accounting and certain financial advisor fees, costs and expenses, must be paid by SICO even if the merger is not completed; and

the Spin-Off has been completed and was not conditioned on the merger, and if the merger is not completed, SICO and SpinCo would continue as separate companies holding different portions of the assets and liabilities previously held by SICO, which could result in greater aggregate expenses and a greater administrative burden in managing the companies' businesses, assets and liabilities. If the Merger Agreement is terminated and SICO is required to pay the foregoing fees and expenses without realizing any of the benefits of the merger, it could have a material adverse effect on SICO's business, financial condition and results of operations, which could ultimately affect the market price of SICO common stock.

***Certain of A. O. Smith's directors and SICO's executive officers and directors have interests in the merger that are different from, or in addition to, the interests of A. O. Smith stockholders and SICO stockholders.***

The A. O. Smith Special Committee and the SICO Special Committee negotiated the terms of the Merger Agreement. A. O. Smith's board of directors approved and recommended that its stockholders vote to adopt the Merger Agreement, adopt the A. O. Smith Amended Charter and approve the Stock Issuance. SICO's board of

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directors approved and recommended that its stockholders vote to approve the Merger Agreement. Certain directors and/or executive officers may have interests in the merger that are different from, or in addition to, those of A. O. Smith and SICO stockholders generally. For additional information regarding such interests, see *The Merger Interests of A. O. Smith Executive Officers and Directors in the Merger* beginning on page 79 and *The Merger Interests of SICO Executive Officers and Directors in the Merger* beginning on page 80.

***A. O. Smith and SICO are defendants in a pending lawsuit in connection with the merger.***

On February 26, 2008 Buttonwood Tree Value Partners, LP filed a purported class action complaint against SICO, A. O. Smith and certain directors and officers of SICO and A. O. Smith in the Milwaukee County Circuit Court in Wisconsin. The initial complaint alleged that the defendants breached their fiduciary duties to plaintiffs in connection with SICO's proposed transaction. The lawsuit sought, among other things, an injunction requiring that defendants provide plaintiff with all documents relevant to the terms and conditions of the proposed transaction and permit the plaintiff to participate in negotiations regarding the potential transaction between SICO and A. O. Smith.

On February 19, 2009, Buttonwood Tree Value Partners, LP filed an amended complaint alleging, among other things, that the individual defendants breached their fiduciary duties in connection with the proposed transaction, and that A. O. Smith, through its officers and directors, aided and abetted this purported breach of fiduciary duty. The amended complaint added certain members of the Smith family and the CEO of A. O. Smith. The amended complaint seeks, among other things, an injunction enjoining the proposed transaction and requiring defendants to make certain disclosures to SICO's stockholders.

Counsel for the parties have agreed in principle to settle the lawsuit and have executed a Memorandum of Understanding dated March 10, 2009. A stipulation of settlement is expected to follow. As part of the settlement, and in exchange for a dismissal of the lawsuit and release, A. O. Smith has agreed to add certain corporate governance measures to its policies and SICO and A. O. Smith have agreed to make certain additional disclosures (that plaintiffs' counsel has reviewed) to its stockholders in this joint proxy statement/prospectus.

The corporate governance measures would include the following: (1) A. O. Smith's Nominating and Governance Committee would need to approve any transaction or arrangement with A. O. Smith reportable under Item 404 of Regulation S-K under the Securities Exchange Act of 1934, involving a potential conflict of interest of an A. O. Smith director, CEO or any of their respective family members; (2) A. O. Smith's Nominating and Governance Committee would evaluate the independence of A. O. Smith directors under previously established and publicly available guidelines; (3) A. O. Smith's Nominating and Corporate Governance Committee would review on an annual basis and report to the board compliance with A. O. Smith's publicly available policy regarding conflicts of interest/affiliations involving directors and their immediate family members.

The settlement would resolve the claims in the currently pending lawsuit. It is subject to customary conditions, including preliminary and final approval by the Court, after appropriate notice and a hearing to consider the fairness of the settlement. The settlement is also subject to completion of the merger. The defendants continue to deny any liability or responsibility for the claims made in the pending lawsuit and make no admission of any wrongdoing. There can be no assurance that the parties will ultimately enter into a stipulation of settlement or that the Court will approve the settlement even if the parties enter into a stipulation. If the Court approves the settlement, SICO stockholders from February 2, 2008 through the completion of the merger (other than the SICO directors, SICO and A. O. Smith) will release all claims, excluding valid exercises of dissenters' rights, relating to the merger that were or could be brought against SICO, A. O. Smith, the other defendants and in each case, their respective directors, officers, affiliates and agents.

**Risks Relating to the Merger for A. O. Smith Stockholders**

***MergerCo, as successor by merger to SICO, may remain liable to third parties after the merger.***

Under the Merger Agreement, SpinCo has agreed to assume, and to indemnify A. O. Smith and its subsidiaries, including MergerCo, for all liabilities arising out of any events, conditions, circumstances, facts,

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activities, practices, actions or omissions with respect to SICO or its subsidiaries or SpinCo or any of their respective business operations which occurred prior to the merger. A. O. Smith and its subsidiaries, including MergerCo, also are indemnified for these liabilities from the escrow of shares of A. O. Smith common stock that otherwise would be issued to the SICO stockholders in the merger. See Agreements Relating to the Merger Escrow Agreement beginning on page 108. SICO historically has been involved in multicolor printing and related services conducted through Berlin Industries, and commercial warehousing, trucking and packaging conducted through Central States. In addition, prior to 1998, SICO through its Belvedere division was engaged in the business of manufacturing and distributing equipment and fixtures for beauty and styling salons and barber shops. On January 19, 2009, SICO completed the Spin-Off. The Spin-Off is described in more detail in The Companies SICO Recent Developments, beginning on page 120. Notwithstanding the completion of the Spin-Off, MergerCo, as successor by merger to SICO, could continue to face possible liabilities with respect to the operations of Central States, Berlin Industries and the Belvedere division for actions, events or circumstances arising or occurring before the Spin-Off and the merger. The areas of potential liability include:

environmental cleanup costs and liabilities for claims made under federal, state or foreign environmental laws;

tax liabilities;

obligations under federal and state pension and retirement benefit laws; and

existing and future litigation, including litigation initiated in connection with the merger.

If SpinCo fails to indemnify A. O. Smith or MergerCo, as required under the Merger Agreement, for any of these liabilities and the value of the escrow fund is insufficient to satisfy these liabilities, A. O. Smith or MergerCo could incur material liabilities that may adversely affect A. O. Smith's business and financial performance.

***In the event SpinCo is unable to satisfy its indemnification obligations under the Merger Agreement, A. O. Smith's and MergerCo's right to indemnification under the Merger Agreement is limited to the escrow fund, which is limited in duration and may be insufficient to satisfy their claims.***

In pursuing claims for indemnification under the Merger Agreement, A. O. Smith and MergerCo have agreed to proceed first against SpinCo and then, in the event SpinCo does not satisfy its indemnification obligations, against the escrow fund pursuant to the terms of the Escrow Agreement. Although SICO has represented to A. O. Smith that SpinCo will be solvent at the time of the merger, SpinCo has substantially smaller net assets than SICO did prior to the Spin-Off, because SICO retained its shares of A. O. Smith Class A common stock and A. O. Smith common stock. If A. O. Smith or MergerCo makes a claim for indemnification under the Merger Agreement, there is a risk that SpinCo may not have the financial capability to satisfy its indemnification obligations. The escrow fund initially will be funded with shares of A. O. Smith common stock with a market value of \$15,000,000 as of the effective time of the merger. A. O. Smith cannot give any assurance that the value of the escrow fund will be sufficient to satisfy any potential indemnification claims of A. O. Smith or MergerCo under the Merger Agreement. The escrow agreement provides for the release of a substantial portion of the shares once certain legal proceedings relating to the transactions contemplated by the Merger Agreement have been resolved. In addition, the escrow fund terminates two years after the effective time, but the indemnification obligations of SpinCo under the Merger Agreement survive for five years after the effective time of the merger. As a result, A. O. Smith and MergerCo will not be able to look to the escrow fund for indemnification with respect to any claim that arises more than two years after the effective time of the merger.

***If the market price of A. O. Smith common stock declines, the value of the escrow fund will also decline.***

Under the terms of the Merger Agreement, shares of A. O. Smith common stock with a market value of \$15,000,000 as of the effective time of the merger will be deposited with the escrow agent to provide a source of payment for the indemnification rights of A. O. Smith and MergerCo. The escrow agreement provides for the

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release of a substantial portion of the shares once certain legal proceedings relating to the transactions contemplated by the Merger Agreement have been resolved. The specific dollar value of the escrow fund, and therefore the amount of security provided to MergerCo and A. O. Smith, will depend on the market value of A. O. Smith common stock, which may decrease after the effective time of the merger. As a publicly traded company, the market price of A. O. Smith common stock is subject to fluctuations based on numerous factors. There is no requirement that additional shares or funds be placed in the escrow fund in the event the market price of A. O. Smith common stock decreases.

In addition, pursuant to the Escrow Agreement, SpinCo will have the right to substitute cash for all or a portion of the Escrow Shares on up to five separate occasions. The market value of any Escrow Shares that are released pursuant to any such cash substitution will be determined as of the effective time of the merger. Therefore, SpinCo will have the ability to substitute cash for the Escrow Shares if the market price of the A. O. Smith common stock increases in order to permit the former SICO stockholders to realize the benefit of the increased value of the shares, with no corresponding obligation to increase the escrow if the share price decreases.

***If SICO stockholders who receive A. O. Smith Class A common stock and A. O. Smith common stock in the merger sell their shares, it could cause a decline in the market price of A. O. Smith common stock.***

All of the shares of A. O. Smith Class A common stock and A. O. Smith common stock to be issued in the merger are being registered with the SEC under the registration statement of which this joint proxy statement/prospectus is a part, and therefore will be immediately available for resale in the public market, except with respect to shares issued in the merger to certain affiliates of A. O. Smith (as that term is defined in Rule 405 of the Securities Act of 1933, as amended (the "Securities Act")). SICO has not sold any of its shares of A. O. Smith Class A common stock or A. O. Smith common stock during the past 16 years. After the merger is completed, each SICO stockholder will have the ability to determine if and when to sell the shares of A. O. Smith Class A common stock and A. O. Smith common stock that the stockholder receives in the merger. If a large number of SICO stockholders elect to sell the shares they receive in connection with the merger, the market price of the A. O. Smith common stock may decline. As a result of future sales of shares, or the perception that these sales could occur, the market price of A. O. Smith common stock may decline before or at the time the merger is completed, or thereafter.

Under the A. O. Smith Amended Charter, which will be in effect after the merger, the transfer of A. O. Smith Class A common stock to any transferee who is not a Permitted Transferee will result in the automatic conversion to A. O. Smith common stock of the shares of A. O. Smith Class A common stock so transferred. As a result of this automatic conversion upon transfer, there is not expected to be any public trading market for the shares of A. O. Smith Class A common stock after the merger, and price quotations for the shares of A. O. Smith Class A common stock will no longer be available on the OBB. This could affect the value of the shares of A. O. Smith Class A common stock after completion of the merger.

***Certain Smith Family members will have the ability to influence all matters requiring A. O. Smith stockholder approval.***

The Merger Agreement contemplates that certain members of the Smith Family may enter into a voting trust agreement following the completion of the merger with respect to the A. O. Smith Class A common stock and A. O. Smith common stock they receive in the merger. After giving effect to the merger, these members of the Smith Family are expected to own approximately 41.4% of the total voting power of the outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, taken together as a single class, and approximately 51.6% of the voting power of the outstanding shares of A. O. Smith Class A common stock, as a separate class. This ownership position may increase if other members of the Smith Family enter into the voting trust agreement, and the voting power relating to this ownership position may increase if shares of A. O. Smith Class A common stock held by stockholders who are not parties to the voting trust agreement are converted into

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shares of A. O. Smith common stock. Accordingly, after the merger, the Smith Family members who enter into the voting trust agreement will collectively have the ability to influence the election of the Class A directors of A. O. Smith and other matters requiring A. O. Smith stockholder approval. The voting trust agreement provides that in the event one of the parties to the voting trust agreement desires to withdraw from the trust or transfer any of its shares of A. O. Smith Class A common stock, such shares of A. O. Smith Class A common stock are automatically exchanged for shares of A. O. Smith common stock held by the trust to the extent available in the trust. In addition, the trust will have the right to purchase the shares of A. O. Smith Class A common stock and A. O. Smith common stock proposed to be withdrawn or transferred from the trust. As a result, the Smith Family members that are parties to the voting trust agreement may have the ability to maintain their collective voting rights in A. O. Smith even if certain members of the Smith Family decide to transfer their shares.

*The A. O. Smith Amended Charter will affect the rights of the stockholders of A. O. Smith Class A common stock.*

The consummation of the merger is conditioned on, among other things, the adoption of the A. O. Smith Amended Charter, which will affect certain rights of the holders of A. O. Smith Class A common stock. The proposed A. O. Smith Amended Charter will provide, among other things, for

an increase in the percentage of members of the A. O. Smith board of directors that holders of A. O. Smith common stock elect;

shares of A. O. Smith Class A common stock to convert automatically into A. O. Smith common stock, subject to certain exceptions, upon transfer to unaffiliated third parties; and

all shares of A. O. Smith Class A common stock to convert automatically into A. O. Smith common stock once the outstanding shares of A. O. Smith Class A common stock falls below 2,397,976 shares, which is approximately 8% of the number of total outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock as of the date of the Merger Agreement.

For additional information regarding the proposed changes to the A. O. Smith Existing Charter in connection with the merger, see the section entitled "A. O. Smith Amended Charter" beginning on page 103.

**Risks Relating to the Merger for SICO Stockholders**

*SICO stockholders will receive a smaller number of shares in the merger than the total number of shares of A. O. Smith held by SICO.*

The exchange ratio in the Merger Agreement reflects a discount of 1.5% such that the merger will result in the SICO stockholders receiving, in the aggregate, 98.5% of the total number of shares of each of the A. O. Smith Class A common stock and A. O. Smith common stock held by SICO prior to the effective time of the merger, subject to the treatment of Escrow Shares, fractional shares and dissenting shares described in this joint proxy statement/prospectus. Based on the closing price of \$21.29 of the A. O. Smith common stock on the NYSE on March 9, 2009, the last full trading day for which closing prices were available at the time of the printing of this joint proxy statement/prospectus, and valuing the A. O. Smith Class A common stock at such value as if it had been converted into A. O. Smith common stock, the aggregate value of the shares reflected in this 1.5% discount was \$3.1 million.

*Shares of A. O. Smith common stock deposited in escrow in connection with the merger will be at risk for post-closing indemnification claims by A. O. Smith or the other A. O. Smith indemnified parties.*

At the effective time of the merger, A. O. Smith will deposit with the escrow agent a number of shares of A. O. Smith common stock that would otherwise be deliverable to the holders of SICO common stock pursuant to the Merger Agreement with a market value of \$15,000,000 as of the effective time of the merger. These shares of A. O. Smith common stock may not be transferred as long as they remain in escrow and will be subject to



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release to A. O. Smith or the other A. O. Smith indemnified parties to the extent any of them has a right to indemnification for damages that are not satisfied by SpinCo for a period of two years after the effective time of the merger. For a description of the escrow, please refer to *Agreements Relating to the Merger Escrow Agreement* beginning on page 108.

***If the market price of A. O. Smith common stock declines, SICO and A. O. Smith may be unable to terminate the Merger Agreement and SICO stockholders will receive shares with a lower market value in connection with the merger.***

The consideration to be issued to SICO stockholders in connection with the merger, for each issued and outstanding share of SICO common stock that they own, will consist of a fixed number of shares of A. O. Smith Class A common stock and A. O. Smith common stock calculated in accordance with the Merger Agreement based upon the number of shares of SICO common stock outstanding and the number of shares of A. O. Smith Class A common stock and A. O. Smith common stock held by SICO immediately prior to the effective time of the merger. See *The Merger Agreement Consideration to be Received in the Merger* beginning on page 87. There will be no adjustment to the number of shares of A. O. Smith Class A common stock or A. O. Smith common stock issued to the SICO stockholders in connection with the merger based upon changes in the market price of A. O. Smith Class A common stock or A. O. Smith common stock prior to the effective time of the merger. In addition, neither SICO nor A. O. Smith may terminate the Merger Agreement or walk away from the merger due to changes in the market price of A. O. Smith common stock. As a result, the specific dollar value of the consideration that the SICO stockholders will receive in connection with the merger will depend on the market value of A. O. Smith Class A common stock and A. O. Smith common stock, and may decrease from the date the SICO stockholders submit their proxies. As a publicly traded company, the market price of A. O. Smith Class A common stock and A. O. Smith common stock is subject to fluctuations based on numerous factors. See *The Merger Agreement Consideration to be Received in the Merger* beginning on page 88 and *Agreements Relating to the Merger Escrow Agreement* beginning on page 108.

A. O. Smith cannot predict or give any assurances as to the market price of the A. O. Smith Class A common stock or the A. O. Smith common stock at any time before or after the completion of the merger. SICO stockholders should obtain recent market quotations for A. O. Smith Class A common stock and A. O. Smith common stock in making a determination on whether to vote in favor of the adoption or approval of the Merger Agreement. In addition, under the A. O. Smith Amended Charter, which will be in effect after the merger, the transfer of A. O. Smith Class A common stock to any transferee who is not a Permitted Transferee will result in the automatic conversion to A. O. Smith common stock of the shares of A. O. Smith Class A common stock so transferred. As a result of this automatic conversion upon transfer, there is not expected to be any public trading market for the shares of A. O. Smith Class A common stock after the merger, and price quotations for the shares of A. O. Smith Class A common stock will no longer be available on the OBB. This could affect the value of the shares of A. O. Smith Class A common stock after completion of the merger.

***The rights of SICO stockholders who become A. O. Smith stockholders in the merger will be governed by the A. O. Smith Amended Charter and A. O. Smith's bylaws.***

SICO stockholders who receive shares of A. O. Smith Class A common stock and A. O. Smith common stock in the merger will become A. O. Smith stockholders. Following the merger, their rights as stockholders will be subject to the Delaware General Corporation Law ( DGCL ), and they will be governed by the A. O. Smith Amended Charter and A. O. Smith's bylaws, rather than SICO's articles of incorporation and bylaws. There may be material differences between the current rights of SICO stockholders, as compared to the rights they will have as A. O. Smith stockholders. For more information, see *Comparative Rights of A. O. Smith and SICO Stockholders Prior to and After the Merger* beginning on page 128 of this joint proxy statement/prospectus.

### **Risks Relating to A. O. Smith**

Risks relating to A. O. Smith and its business and operations are described in A. O. Smith's Annual Report on Form 10-K for the year ended December 31, 2008 under Item 1A, *Risk Factors* and are incorporated herein by reference.

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**FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus contains or incorporates by reference a number of forward-looking statements regarding the financial condition, results of operations, earnings outlook and business prospects of A. O. Smith and SICO and may include statements for the period following the completion of the merger. You can find many of these statements by looking for words such as may, will, expect, intend, estimate, anticipate, believe, forecast, project, strategy, plan, potential, possible and other similar expressions.

These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated as of the date of this joint proxy statement/prospectus. The ability of either A. O. Smith or SICO to predict results or actual effects of its plans and strategies, or those of the combined company after the merger, is inherently uncertain. Accordingly, actual results may differ materially from those expressed in, or implied by, the forward-looking statements. Some of the factors that may cause actual results or earnings to differ materially from those contemplated by the forward-looking statements include, but are not limited to, those discussed under Risk Factors and those discussed in the filings of A. O. Smith that are incorporated herein by reference, as well as the following:

changes in A. O. Smith's businesses during the period between now and the completion of the merger may have an adverse impact on A. O. Smith;

our ability to obtain regulatory approvals of the merger on the proposed terms and schedule;

the risk of an unfavorable judgment or ruling in any transaction-related litigation;

significant volatility in raw material prices;

competitive pressures on A. O. Smith's business;

the inability of A. O. Smith to implement pricing actions;

the negative impact of future pension contributions on A. O. Smith's ability to generate cash flow;

instability in A. O. Smith's electric motor and water products markets;

further weakening in housing construction;

further weakening in commercial construction;

a further slowdown in the Chinese economy;

expected restructuring costs and savings realized;

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further adverse changes in customer liquidity and general economic and capital market conditions; and

other risks detailed in A. O. Smith's filings with the SEC.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this joint proxy statement/prospectus or the date of any document incorporated by reference in this joint proxy statement/prospectus.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this joint proxy statement/prospectus and attributable to A. O. Smith or SICO or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, A. O. Smith and SICO undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events.

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**THE SPECIAL MEETING OF A. O. SMITH STOCKHOLDERS**

**General**

This joint proxy statement/prospectus is being furnished to A. O. Smith stockholders in connection with the solicitation of proxies by the A. O. Smith board of directors to be used at the special meeting of A. O. Smith stockholders to be held on Tuesday, April 14, 2009 at 11:30 a.m., Eastern Daylight Saving Time, at A. O. Smith Corporation, 855 North Third Street, Tipp City, Ohio, and at any adjournment or postponement of that meeting. This joint proxy statement/prospectus and the enclosed proxy cards are being mailed to A. O. Smith stockholders on or about March 13, 2009.

**Purpose of the Special Meeting of A. O. Smith Stockholders**

At the special meeting of A. O. Smith stockholders, holders of A. O. Smith Class A common stock and A. O. Smith common stock will be asked to consider and vote on the following proposals to:

adopt the Merger Agreement and thereby approve the merger;

adopt the A. O. Smith Amended Charter;

approve the Stock Issuance; and

transact any other business as may properly be brought before the special meeting of A. O. Smith stockholders.

**The approval of each of the first three proposals listed above is required for completion of the merger.** The A. O. Smith Amended Charter and the Stock Issuance will become effective only if each proposal is approved by the A. O. Smith stockholders, all of the other conditions to the merger are satisfied, in the case of the A. O. Smith Amended Charter, and the merger is completed, in the case of the Stock Issuance. See A. O. Smith Proposal 1 Adoption of the Merger Agreement on page 43, A. O. Smith Proposal 2 Adoption of the A. O. Smith Amended Charter on page 44 and A. O. Smith Proposal 3 Approval of the Stock Issuance on page 45. A copy of the Merger Agreement is attached to this joint proxy statement/prospectus as Annex A and is made part of this joint proxy statement/prospectus.

**Record Date and Voting**

The A. O. Smith board of directors has fixed March 4, 2009 as the record date for determining the holders of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock entitled to receive notice of and to vote at the special meeting of A. O. Smith stockholders or any adjournment or postponement of the special meeting. Only holders of record of A. O. Smith Class A common stock and A. O. Smith common stock as of the close of business on that date will be entitled to vote at the special meeting of A. O. Smith stockholders and at any adjournment or postponement of that meeting. As of the close of business on March 4, 2009, there were 8,239,267 shares of A. O. Smith Class A common stock and 21,949,691 shares of A. O. Smith common stock outstanding, held by approximately 283 and 1,283 holders of record, respectively.

Each holder of shares of A. O. Smith Class A common stock will be entitled to one vote for each share held of record upon each matter properly submitted at the special meeting of A. O. Smith stockholders and at any adjournment or postponement of that meeting. Each holder of shares of A. O. Smith common stock outstanding on the record date will be entitled to 1/10th of a vote for each share held of record upon each matter properly submitted at the special meeting of A. O. Smith stockholders and at any adjournment or postponement of that meeting. In order for A. O. Smith to satisfy its quorum requirements, the holders of at least a majority of the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock entitled to vote at the special meeting of A. O. Smith stockholders must be present. You will be deemed to be present at the special meeting of A. O. Smith stockholders if you attend the meeting or if you submit a proxy (including through the Internet or telephone) that is received at or prior to the special meeting of A. O. Smith stockholders



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(and not revoked as described below). **IF YOU ARE A SICO STOCKHOLDER AS WELL AS AN A. O. SMITH STOCKHOLDER, YOU MUST VOTE SEPARATELY AT THE SPECIAL MEETING OF SICO STOCKHOLDERS IN YOUR CAPACITY AS A SICO STOCKHOLDER AND AT THE SPECIAL MEETING OF A. O. SMITH STOCKHOLDERS IN YOUR CAPACITY AS AN A. O. SMITH STOCKHOLDER.**

If your proxy is properly executed and received by A. O. Smith in time to be voted at the special meeting of A. O. Smith stockholders, the shares represented by your proxy (including those given through the Internet or by telephone) will be voted in accordance with the instructions that you mark on your proxy. If you execute your proxy but do not provide A. O. Smith with any instructions, your shares will be voted **FOR** the adoption of the Merger Agreement, **FOR** the adoption of the A. O. Smith Amended Charter and **FOR** the approval of the Stock Issuance.

**Vote Required**

Adoption of the Merger Agreement requires the affirmative vote of the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing at least  $66\frac{2}{3}\%$  of the votes represented by the total number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock.

Adoption of the A. O. Smith Amended Charter requires the affirmative vote of the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing a majority of the votes represented by the total number of the outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock.

Adoption of the A. O. Smith Amended Charter also requires the affirmative vote of the holders of a majority of the outstanding shares of A. O. Smith Class A common stock voting as a separate class.

Approval of the Stock Issuance requires the affirmative vote of the holders of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, representing a majority of the votes cast by such holders at the special meeting.

Shares of A. O. Smith common stock as to which the  abstain  box is selected on a proxy card will be counted as present for purposes of determining whether a quorum is present.

**The required vote of A. O. Smith stockholders to adopt the Merger Agreement is based upon the votes represented by the number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, and not the number of shares that are actually voted. Accordingly, the failure to submit a proxy card or to vote by Internet, telephone or in person at the special meeting of A. O. Smith stockholders or the abstention from voting by A. O. Smith stockholders, or the failure of any A. O. Smith stockholder who holds shares in street name through a bank or broker to give voting instructions to such bank or broker, will have the same effect as a vote AGAINST the proposal to adopt the Merger Agreement.**

**The required vote of A. O. Smith stockholders to adopt the A. O. Smith Amended Charter is based upon the votes represented by the number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, and not the number of shares that are actually voted. Accordingly, the failure to submit a proxy card or to vote by Internet, telephone or in person at the special meeting of A. O. Smith stockholders or the abstention from voting by A. O. Smith stockholders, or the failure of any A. O. Smith stockholder who holds shares in street name through a bank or broker to give voting instructions to such bank or broker, will have the same effect as a vote AGAINST the proposal to adopt the A. O. Smith Amended Charter.**

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**The required vote of A. O. Smith stockholders to approve the Stock Issuance is based on the number of shares that are actually voted, not on the number of outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock. Accordingly, the failure to submit a proxy card or to vote by Internet, telephone or in person at the special meeting of A. O. Smith stockholders or the abstention from voting by A. O. Smith stockholders, or the failure of any A. O. Smith stockholder who holds shares in street name through a bank or broker to give voting instructions to such bank or broker, will have no effect on the result of the vote to approve the Stock Issuance.**

As of the record date, A. O. Smith directors and executive officers and their affiliates, other than Bruce M. Smith and Mark D. Smith, had or shared the power to vote in the aggregate approximately 520,796 shares of A. O. Smith common stock, representing approximately 2.37% of the outstanding shares of A. O. Smith common stock, and no shares of outstanding A. O. Smith Class A common stock.

We have been advised that A. O. Smith's directors and executive officers will vote their shares of A. O. Smith common stock **FOR** the adoption of the Merger Agreement, **FOR** the adoption of the A. O. Smith Amended Charter and **FOR** the approval of the Stock Issuance.

Because the shares of A. O. Smith Class A common stock and A. O. Smith common stock held by SICO represent approximately 78.8% of the voting power of the total outstanding shares of A. O. Smith Class A common stock and A. O. Smith common stock, voting together as a single class, and approximately 97.9% of the voting power of the total outstanding shares of A. O. Smith Class A common stock, voting as a separate class, stockholders of A. O. Smith holding voting power sufficient to approve the proposals to adopt the Merger Agreement, to adopt the A. O. Smith Amended Charter and to approve the Stock Issuance have agreed to vote in favor of these proposals at the A. O. Smith special meeting.

### **Recommendations of the A. O. Smith Special Committee and A. O. Smith Board of Directors**

As discussed elsewhere in this joint proxy statement/prospectus, the A. O. Smith Special Committee unanimously determined that the Merger Agreement is advisable and substantively and procedurally fair to, and in the best interests of, A. O. Smith and the A. O. Smith Unaffiliated Stockholders and the A. O. Smith board of directors has determined that the merger, the Merger Agreement and the transactions contemplated thereby are advisable and substantively and procedurally fair to, and in the best interests of, A. O. Smith and the A. O. Smith stockholders, including the A. O. Smith Unaffiliated Stockholders, and has adopted and approved the merger, the Merger Agreement and the transactions contemplated thereby, the A. O. Smith Amended Charter and the Stock Issuance. The A. O. Smith Special Committee recommends that the A. O. Smith Unaffiliated Stockholders vote **FOR** the adoption of the Merger Agreement. The A. O. Smith board of directors recommends that A. O. Smith stockholders vote **FOR** the adoption of the Merger Agreement, **FOR** the adoption of the A. O. Smith Amended Charter and **FOR** the approval of the Stock Issuance.

**The matters to be considered at the special meeting are of great importance to the stockholders of A. O. Smith. Accordingly, you are urged to read and carefully consider the information presented in this joint proxy statement/prospectus, and to promptly respond. In particular, A. O. Smith stockholders are directed to the Merger Agreement and the A. O. Smith Amended Charter, which are attached as Annex A and Annex B, respectively, to this joint proxy statement/prospectus.**

### **Attending the Special Meeting**

All holders of A. O. Smith Class A common stock and A. O. Smith common stock at the close of business on March 4, 2009, the record date for the A. O. Smith special meeting, are invited to attend the special meeting. If you attend, you will be asked to present valid picture identification, such as a driver's license or passport, and, if

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you are not a stockholder of record, evidence from your broker or bank that you are a stockholder and are eligible to attend the meeting, such as a letter or account statement from your broker or bank. Stockholders will not be allowed to use cameras, recording devices and other electronic devices at the meeting.

**Voting by Proxy**

Stockholders who elect to vote by submitting a proxy card are asked to mark the box on the proxy card, following the instructions on your proxy card, to indicate how to vote your shares. You must also sign, date and return the enclosed proxy card using the postage-paid envelope provided. All shares represented by properly executed proxies received in time for the special meeting will be voted at the special meeting in the manner specified by the stockholders giving those proxies. Properly executed proxies that do not contain voting instructions will be voted **FOR** the adoption of the Merger Agreement, **FOR** the adoption of the A. O. Smith Amended Charter and **FOR** the approval of the Stock Issuance.

In addition to voting by submitting your proxy card by mail, A. O. Smith stockholders of record and many stockholders who hold their shares of A. O. Smith common stock through a broker or bank will have the option to submit their proxy electronically through the Internet or by telephone. Please note that there are separate arrangements for using the Internet and telephone depending on whether your shares are registered in A. O. Smith's stock records in your name or in the name of a broker, bank or other holder of record. If you hold your shares through a broker, bank or other holder of record, you should check the A. O. Smith proxy card and voting instructions forwarded by your broker, bank or other holder of record to see which options are available.

A. O. Smith stockholders of record may submit their proxies:

through the Internet by visiting <http://www.eproxy.com/aos/> and following the instructions; or

by telephone by calling the toll-free number 1-800-560-1965 on a touch-tone phone and following the recorded ins