



A. O. Smith completes GSW due diligence and enters deposit agreement with majority shareholders

February 3, 2006

Milwaukee, Wis.—A. O. Smith (AOS-NYSE) announced today it has entered into an agreement with GSW Inc. of Oakville, Ontario Canada under which A. O. Smith will make a cash offer to acquire all of the outstanding Class A and Class B common stock of GSW at a price of \$115 (Canadian) per share or approximately \$393.5 million (Canadian).

The offer price represents a 95 percent premium over the \$59 closing price of GSW class B common stock on June 23, 2005, the day preceding the announcement by A. O. Smith of its intention to acquire GSW.

The majority shareholders of GSW, who own approximately 74 percent of the outstanding shares representing approximately 68 percent of the votes attached to all outstanding shares, have irrevocably agreed to accept and deposit their shares to the offer.

A.O. Smith has been informed that the board of directors of GSW, after receiving financial and legal advice and a favorable recommendation from a special committee of the board, has determined that the offer is fair from a financial point of view to GSW shareholders and has approved entering into the agreement with A. O. Smith and recommended that GSW shareholders accept the offer.

A. O. Smith indicated it would initiate a tender offer for all shares of GSW in approximately two weeks and expects to complete the transaction by the end of March.

The U. S. Department of Justice and Canadian Competition Bureau have favorably concluded their antitrust investigations, and A. O. Smith has received approval under the Investment Canada Act to proceed with the proposed acquisition.

A. O. Smith also said it will issue a press release announcing its 2006 earnings forecast and discussing details of the GSW acquisition on Wednesday, Feb. 8. It will follow the press release with a live conference call at 10:00 a.m. (Eastern Standard Time). The webcast of the conference call can be accessed at the company's web site, www.aosmith.com, and an audio replay of the call will be available on the web site following the live event.

GSW, with 2004 sales of approximately \$580 million (Canadian), is made up of two business segments – water heating and building products. The water heating segment, with 2004 sales of approximately \$540 million (Canadian) manufactures and markets water heaters sold in the U.S. and Canada through its American Water Heater Company and GSW Water Heater subsidiaries. The building products segment, with 2004 sales of approximately \$40 million (Canadian), manufactures and markets vinyl rain ware systems primarily for North American retail customers.

GSW employs over 1,700 people at its three operating divisions in Canada and the United States. The company is listed on the Toronto Stock Exchange under the symbols GSW.a and GSW.sv.b.

Forward-looking statements

A. O. Smith has made forward-looking statements in this document pertaining to the planned acquisition of GSW that are subject to risks and uncertainties. Such statements include the expected timing of the acquisition.

A. O. Smith Corporation, with headquarters in Milwaukee, Wis., is a diversified manufacturer serving customers worldwide. It is one of North America's largest manufacturers of electric motors for residential, commercial, and industrial applications. The company also is a leading manufacturer and marketer of water heaters for residential and commercial applications. The company, with 2005 sales of \$1.69 billion, employs approximately 17,000 people at facilities in the United States, Mexico, England, Hungary, the Netherlands, and China.