SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
- -- EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2001

OR

__ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from ________________ to _______________

Commission File Number 1-475

A.O. Smith Corporation

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

P. O. Box 245008, Milwaukee, Wisconsin 53224-9508
Telephone: (414) 359-40

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

Class A Common Stock Outstanding as of March 31, 2001 8,685,125 shares

Common Stock Outstanding as of March 31, 2001 14,890,708 shares

Exhibit Index Page 15

Index

A. O. Smith Corporation

PART I--FINANCIAL INFORMATION

ITEM 1--FINANCIAL STATEMENTS

A.O. SMITH CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
AND RETAINED EARNINGS
Three Months ended March 31, 2001 and 2000
(000 omitted except for per share data)
(unaudited)

	Three Months Ended March 31	
	2001	2000
Continuing Operations		
Electric Motor Technologies	$ 226,253	$ 252,343
Water Systems Technologies	91,982	92,223
Net Sales	318,235	344,566
Cost of products sold	259,440	271,195
Gross profit	58,795	73,371
Selling, general and administrative expenses	38,123	42,991
Interest expense	4,801	5,431
Amortization of intangibles	1,733	1,727
Other expense - net	599	843
	13,539	22,379
Provision for income taxes	5,010	8,224
Earnings from Continuing Operations	8,529	14,155
Discontinued Operations (note 4)		
Earnings from operations less related income tax provision of $297	-	456
Net Earnings	$ 8,529	$ 14,611
Retained Earnings		
Balance at beginning of period	$ 549,237	$ 531,204
Net Earnings	8,529	14,611
Cash dividends on common shares	(3,061)	(2,807)
Balance at End of Period	$ 554,705	$ 543,008
Basic Earnings per Common Share (note 8)		
Continuing Operations	$0.36	$0.61
Discontinued Operations	-	0.02
Net Earnings	$0.36	$0.63
Diluted Earnings per Common Share (note 8)		
Continuing Operations	$0.36	$0.60
Discontinued Operations	-	0.02
Net Earnings	$0.36	$0.62
Dividends per Common Share	$0.13	$0.12

See accompanying notes to unaudited condensed consolidated financial statements.

PART I--FINANCIAL INFORMATION

ITEM 1--FINANCIAL STATEMENTS

A.O. SMITH CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2001 and December 31, 2000
(000 omitted)

	(unaudited) March 31, 2001	December 31, 2000
Assets		
Current Assets		
Cash and cash equivalents (note 2)	$ 13,058	$ 15,287
Receivables	202,718	169,117
Inventories (note 5)	169,809	169,630
Deferred income taxes	6,488	7,215
Other current assets	22,431	22,199
Net current assets - discontinued operations (note 4)	-	22,651
Total Current Assets	414,504	406,099
Property, plant and equipment	549,851	542,018
Less accumulated depreciation	267,546	259,183
Net property, plant and equipment	282,305	282,835
Net goodwill and other intangibles	243,088	244,821
Other assets	112,254	107,928
Net long-term assets - discontinued operations (note 4)	-	17,493
Total Assets	$ 1,052,151	$ 1,059,176
Liabilities		
Current Liabilities		
Trade payables	$ 97,682	$ 91,780
Accrued payroll and benefits	23,615	27,388
Accrued liabilities	29,630	26,865
Product warranty	12,130	11,574
Income taxes	2,301	1,695
Long-term debt due within one year	11,129	11,129
Total Current Liabilities	176,487	170,431
Long-term debt (note 6)	295,706	316,372
Other liabilities	62,509	61,856
Deferred income taxes	64,742	62,122
Total Liabilities	599,444	610,781
Stockholders' Equity		
Preferred Stock	-	-
Class A common stock, $5 par value: authorized 14,000,000 shares; issued 8,717,720	43,589	43,614
Common stock, $1 par value: authorized 60,000,000 shares; issued 23,831,642	23,832	23,827
Capital in excess of par value	53,693	53,521
Retained earnings (note 6)	554,705	549,237
Accumulated other comprehensive loss (note 7)	(6,929)	(5,438)
Treasury stock at cost	(216,183)	(216,366)
Total Stockholders' Equity	452,707	448,395
Total Liabilities and Stockholders' Equity	$ 1,052,151	$ 1,059,176

See accompanying notes to unaudited condensed consolidated financial statements.

PART I--FINANCIAL INFORMATION

ITEM 1--FINANCIAL STATEMENTS

A.O. SMITH CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Three Months Ended March 31, 2001 and 2000
(000 omitted)
(unaudited)

	Three Months Ended March 31 2001	Three Months Ended March 31 2000
Operating Activities		
Continuing		
Earnings from continuing operations	$ 8,529	$ 14,155
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation	9,291	9,206
Amortization	2,120	2,114
Net change in current assets and liabilities	(29,185)	(25,677)
Net change in other noncurrent assets and liabilities	(4,258)	(3,890)
Other	307	414
Cash Used In Operating Activities	(13,196)	(3,678)
Investing Activities		
Capital expenditures	(9,520)	(11,660)
Other	(88)	(360)
Cash Used in Investing Activities	(9,608)	(12,020)
Financing Activities		
Debt incurred	-	14,178
Debt retired	(20,666)	-
Net proceeds from common stock and option activity	101	38
Dividends paid	(3,061)	(2,807)
Cash Provided by (Used in) Financing Activities	(23,626)	11,409
Cash Flow Provided by (Used in) Discontinued Operations	44,201	(5,340)
Net decrease in cash and cash equivalents	(2,229)	(9,629)
Cash and cash equivalents-beginning of period (note 2)	15,287	14,761
Cash and Cash Equivalents - End of Period	$ 13,058	$ 5,132

See accompanying notes to unaudited condensed consolidated financial statements.

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

A. O. SMITH CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2001
(unaudited)

1. Basis of Presentation
The condensed consolidated financial statements presented herein are based on interim figures and are subject to audit. In the opinion of management, all adjustments consisting of normal accruals considered necessary for a fair presentation of the results of operations and of financial position have been made. The results of operations for the three-month period ended March 31, 2001 are not necessarily indicative of the results expected for the full year. The condensed consolidated balance sheet as of December 31, 2000 is derived from the audited financial statements but does not include all disclosures required by generally accepted accounting principles. Certain prior year amounts have been reclassified to conform to the 2001 presentation.

2. Statement of Cash Flows
For purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents include short-term investments held primarily for cash management purposes. These investments normally mature within three months from the date of acquisition.

3. Acquisition
On August 2, 1999, A. O. Smith Corporation (the company) acquired the assets of MagneTek, Inc.'s (MagneTek) domestic electric motor business and six wholly owned foreign subsidiaries for $244.6 million. In connection with the MagneTek acquisition, the company recorded additional purchase liabilities of $17.9 million, which included employee severance and relocation, as well as certain facility exit costs. Costs incurred and charged against the liabilities to date totaled $4.0 million. The majority of the activities are expected to be completed by the end of 2001.

4. Discontinued Operations
In the first quarter 2000, the company, with the approval of the Board of Directors, decided to divest its fiberglass piping and liquid and dry bulk storage tank businesses. These sales were completed in December 2000 and January 2001, respectively. Net sales of these businesses were $29.0 million for the three-month period ended March 31, 2000.

The operating results of the discontinued businesses have been reported separately as discontinued operations in the accompanying financial statements. Certain expenses have been allocated to the discontinued operations, including interest expense, which was allocated based on the ratio of net assets of the discontinued businesses to the total consolidated capital of the company.

5. Inventories (000 omitted)

	March 31, 2001	December 31, 2000
Finished products	$ 109,171	$ 109,702
Work in process	38,151	37,186
Raw materials	39,887	40,191
Supplies	909	860
	188,118	187,939
Allowance to state inventories at LIFO cost	18,309	18,309
	$ 169,809	$ 169,630

6. Long-Term Debt

The company's credit agreement and term notes contain certain conditions and provisions which restrict the company's payment of dividends. Under the most restrictive of these provisions, retained earnings of $62.4 million were unrestricted as of March 31, 2001.

7. Comprehensive Earnings (Loss)

The company's comprehensive earnings were $7.0 and $13.6 million for the three-month periods ended March 31, 2001 and 2000, respectively. Comprehensive earnings were comprised of net earnings, foreign currency translation adjustments, and at January 1, 2001 and March 31, 2001, realized and unrealized gains and losses on cash flow derivative instruments. Also included in comprehensive earnings for the period ended March 31, 2001 was a cumulative loss adjustment on cash flow hedges of approximately $0.6 million in connection with the adoption of Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended. The amount recorded in earnings during the three month period ending March 31, 2001, associated with the transition adjustment as of January 1, 2001, was not material to the company's financial statements.

8. Earnings per Share of Common Stock

The numerator for the calculation of basic and diluted earnings per share is net earnings. The following table sets forth the computation of basic and diluted weighted-average shares used in the earnings per share calculations:

	Three Months Ended March 31	
	2001	2000
Denominator for basic earnings per share - weighted-average shares	23,511,254	23,361,393
Effect of dilutive stock options	316,965	336,971
Denominator for diluted earnings per share	23,828,219	23,698,364

9. Operations by Segment (000 omitted)

	Three Months Ended March 31	
	2001	2000
Net Sales		
Electric Motor Technologies	$ 226,253	$ 252,343
Water Systems Technologies	91,982	92,223
Net Sales	$ 318,235	$ 344,566
Earnings before Interest and Taxes		
Electric Motor Technologies	$ 14,024	$ 26,072
Water Systems Technologies	9,851	9,523
Total Segments	23,875	35,595
Corporate Expenses	(5,535)	(7,785)
Interest Expense	(4,801)	(5,431)
Earnings from Continuing Operations before Income Taxes	13,539	22,379
Provision for Income Taxes	(5,010)	(8,224)
Earnings from Continuing Operations	$ 8,529	$ 14,155

Intersegment sales, which are immaterial, have been excluded from segment revenues.

10. Accounting for Derivative Instruments

Effective January 1, 2001, the company adopted (SFAS) No. 133. The standard requires that all derivative instruments be recorded on the balance sheet at fair value and establishes criteria for designation and effectiveness of the hedging relationships. Any fair value changes are recorded in net income or comprehensive income. The cumulative effect of adopting SFAS No. 133 was not material to the company's consolidated financial statements as of January 1, 2001.

The company utilizes certain derivative instruments to enhance its ability to manage currency exposures and raw materials price risks. Derivative instruments are entered into for periods consistent with the related underlying exposures and do not constitute positions independent of those exposures. The company does not enter into contracts for speculative purposes. The company has hedged certain of its forecasted exposures through 2002. The contracts are executed with major financial institutions with no credit loss anticipated for failure of the counterparties to perform.

Foreign Currency Forward Contracts

The company is exposed to foreign currency exchange risk as a result of transactions in currencies other than the functional currency of certain subsidiaries. The company utilizes foreign currency forward purchase and sale contracts to manage the volatility associated with foreign currency purchases and certain intercompany transactions in the normal course of business. Contracts typically have maturities of a year or less. Principal currencies include the Mexican peso, Hungarian forint, British pound and U.S. dollar.

Forward contracts are accounted for as cash flow hedges of a forecasted transaction. The net change in the fair value of these currency derivatives was approximately $2.4 million as of March 31, 2001. Gains and losses on these instruments are recorded in other comprehensive income/loss until the underlying transaction is recorded in earnings. When the hedged item is realized, gains or losses are reclassified from accumulated other comprehensive income/loss to the statement of earnings on the same line item as the underlying transaction. The assessment of effectiveness for forward contracts is based on changes in the forward rates.

Commodity Future Contracts

In addition to entering into supply arrangements in the normal course of business, the company also enters into future contracts to fix the cost of certain raw material purchases, principally copper, with the objective of minimizing changes in inventory cost due to market price fluctuations.

The commodity future contracts are designated as cash flow hedges. Derivative commodity liabilities of approximately $2.2 million are recorded in other liabilities as of March 31, 2001 with the value of the effective portion of the contracts of approximately $2.0 million recorded in accumulated other comprehensive income/loss and reclassified into cost of products sold in the period in which the underlying transaction is recorded in earnings. Ineffective portions of the commodity hedges are recorded into earnings in the period in which the ineffectiveness occurs in the same statement of earnings line item as the intended underlying exposure is recorded. Hedge ineffectiveness and impact on earnings was not material for the three month period ended March 31, 2001.

The majority of the amounts in accumulated other comprehensive income/loss for cash flow hedges are expected to be reclassified into earnings within a year.

PART I - FINANCIAL INFORMATION

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

RESULTS OF OPERATIONS

FIRST THREE MONTHS OF 2001 COMPARED TO 2000

Sales in the first quarter of 2001 were $318.2 million or $26.4 million lower than sales of $344.6 million in the first quarter of 2000. The entire decline in sales occurred in the Electric Motor Technologies segment, where most product lines were affected by lower demand compared with the prior year.

First quarter earnings from continuing operations were $8.5 million or $5.7 million less than the $14.2 million earned in the first quarter of 2000. On a per share basis earnings from continuing operations were $.36 and $.60 for the first quarter of 2001 and 2000, respectively. The lower earnings were a direct result of the decline in volume experienced by Electric Motor Technologies.

The company's gross profit margin was 18.5% in the first quarter of 2001 compared with the 21.3% margin achieved in the first quarter of 2000. While the water heater business margins were consistent from year to year, the margins in the electric motor business declined primarily due to under-absorption of manufacturing cost associated with the lower volume.

First quarter sales for the Electric Motor Technologies segment were $226.3 million or approximately 10% lower than sales of $252.3 million in the same period last year. Although volume in most of this segment's product lines declined in the first quarter of 2001, the major decrease occurred in the heating, ventilating and air conditioning market when compared with the first quarter of 2000.

First quarter operating profits for Electric Motor Technologies were $14.0 million in 2001 or $12.1 million less than the first quarter of 2000. The decline in earnings was due mostly to lower sales volume, with increased utility costs and Mexican labor inflation also having an impact.

First quarter sales for the Water Systems Technologies segment were $92.0 million, about equal to sales in the same period last year. Lower sales of commercial water heaters were offset by higher sales in the China market. Operating profits of $9.9 million were higher than the $9.5 million earned in the first quarter of 2000, primarily as a result of continued improved performance in China.

Selling, general, and administrative (SG&A) expense for the first quarter of 2001 was $38.1 million or $4.9 million lower than the $43.0 million expense in the first quarter of 2000. The reduction in SG&A was attributable to lower corporate expense, cost reduction programs, and lower sales. Relative to net sales, SG&A declined from 12.5% in the first quarter of 2000 to 12% in 2001.

Interest expense in the first quarter of 2001 declined to $4.8 million from $5.4 million in the first quarter of 2000 as a result of reduced debt levels and lower interest rates.

The first quarter effective tax rate of 37% in 2001 was up slightly from 36.7% in 2000.

In the first quarter of 2000, the company recognized after-tax earnings from discontinued operations of $.5 million associated with the storage tank business. This entity was sold early in January 2001. A more detailed discussion of the sale transaction can be found in the company's 2000 Annual Report on Form 10-K.

Outlook

The company recently reported it anticipates further improvement in sales and profit in the second quarter. Second-quarter earnings are expected to be in the range of $.45 to $.50 per share. The second quarter is traditionally the strongest season for HVAC sales, and industry inventory levels appear to be trending down from the higher levels attained last summer and fall.

For the full year, the company continues to anticipate 2001 earnings will exceed the 2000 results of $1.76 per share. The company recognizes that the economy is currently very volatile, making market and sales projections more difficult. However, the company believes that ongoing cost reduction efforts and capacity rationalization will continue to contribute to profitability as the year progresses.

Liquidity & Capital Resources

The company's working capital for continuing operations was $238.0 million at March 31, 2001, $25.0 million higher than at December 31, 2000. Sales related increases to accounts receivable of $33.6 million were partially offset by increases to accounts payable. Cash used by operations during the first quarter of 2001 was $13.2 million compared to $3.7 million during the same time period one year ago primarily due to lower earnings, as explained above.

Capital expenditures by continuing operations during the first quarter of 2001 totaled $9.5 million, down from the $11.7 million spent in the first quarter of 2000. The company expects capital spending in 2001 to be essentially the same as 2000 spending levels, and expects such capital expenditures to be covered by operating cash flow.

In connection with the MagneTek acquisition in August 1999, additional purchase liabilities of $17.9 million were recorded, which included employee severance and relocation, as well as certain facility exit costs. Costs incurred and charged against the liability to date totaled $4.0 million. The majority of the activities are expected to be completed by the end of 2001.

The company's long-term debt decreased by $20.7 million from $316.4 million at December 31, 2000 to $295.7 million at March 31, 2001. The proceeds received from the divestiture of the storage tank business in the first quarter were used to reduce debt. The company's leverage as measured by the ratio of total debt to total capitalization improved to 40% at March 31, 2001 from 42% at the end of last year.

At its April 5, 2001 meeting, the company's Board of Directors declared a regular quarterly dividend at $.13 per share on its common stock (Class A and Common). The dividend is payable on May 15, 2001 to shareholders of record on April 30, 2001.

ITEM 3. - QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISK

As is more fully described in the company's annual report on Form 10-K for the year ended December 31, 2000, the company is exposed to various types of market risks, primarily currency and certain commodities. The company monitors its risks in such areas on a continuous basis and, generally enters into forward and futures contracts to minimize such exposures for periods of less than one year. The company does not engage in speculation in its derivatives strategies. It is important to note that gains and losses from the company's forward and futures contract activities are offset by changes in the underlying costs of the transactions being hedged.

Forward Looking Statements

Certain statements in this report are "forward-looking statements." These forward-looking statements can generally be identified as such because the context of the statement will include words such as the company "believes," "anticipates," "estimates," "expects," "projects," or words of similar import.

Although the company believes that its expectations are based upon reasonable assumptions within the bounds of its knowledge of its business, there can be no assurance that the results expressed in forward-looking statements will be realized. Although a significant portion of the company's sales are derived from the replacement of previously installed product, and such sales are therefore less volatile, numerous factors may affect actual results and cause results to differ materially from those expressed in forward-looking statements made by, or on behalf of, the company. The company considers most important among such factors, the stability in its electric motor and water products markets, the timely and proper integration of the MagneTek motors acquisition, and the implementation of associated cost reduction programs.

All subsequent written and oral forward-looking statements attributable to the company, or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

There have been no material changes in the legal and environmental matters previously reported in Part 1, Item 3 and Note 12 of the Notes to Consolidated Financial Statements in the company's Form 10-K Report for the year ended December 31, 2000, which is incorporated herein by reference. In such report, the company advised that the State of Colorado had given notice that it intended to commence a legal action against the company to recover the remediation and oversight costs it incurred at a gold mine in Colorado that was primarily remediated by the U.S. EPA. The State filed such action against the company and other PRPs in the first quarter. The company continues to believe it has very good defenses to the claims of the former owner and the State of Colorado.

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

None.

ITEM 5 - OTHER INFORMATION

None.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

None.

SIGNATURES

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

A. O. SMITH CORPORATION

April 24, 2001

/s/John J. Kita

John J. Kita
Vice President,
Treasurer and Controller

April 24, 2001

/s/Kenneth W. Krueger

Kenneth W. Krueger
Senior Vice President
and Chief Financial Officer

INDEX TO EXHIBITS

Exhibit Number	Description
None	