



A. O. SMITH ANNOUNCES LAUNCH OF CONTRACTOR REWARDS™ PROGRAM



What is Contractor Rewards?

Contractor Rewards is a new and unique program designed to help sponsors like A. O. Smith learn more about our contractors. A. O. Smith will "own" the water heater category of this program* The Contractor Rewards program targets plumbers, other trade contractors, builders and remodelers. Once fully established, A. O. Smith will begin to deliver relevant communications, product information, and promotional offers to customers. Additional Program Sponsors will be added throughout 2010. A. O. Smith and the other Program Sponsors will award enrolled contractors reward points for purchasing their products. Those points can then be redeemed for over 17,000 award items. Contractor Rewards is a tool to attract new customers, grow sales of existing products, cross sell additional products and introduce new products.

How Does the Contractor Rewards Program Work?

Contractors can enroll on-line or by calling the Program 1-800 number, and membership in the program is free. In order to build a point balance and claim rewards, contractors will provide basic information about their business, including the type of work they do, and the number of jobs they handle per year. When those contractors buy A. O. Smith water heaters, there will be a uniquely coded bright yellow label on each unit placed near the T&P Valve (Temperature & Pressure Valve). The contractor simply peels off the label and enters the code online. The points they earn are deposited in their account the next business day.

A Message From Jeff Storie, National Manager, Contractor Marketing, A. O. Smith:

"Contractor Rewards is an exciting new program that A. O. Smith is involved in, designed to improve our connection with contractors. A. O. Smith became a Title Sponsor in Contractor Rewards because we wanted to be the first to gain an advantage through this exciting new contractor focused program. By using this program, our contractors can build point balances and earn great rewards simply by continuing to purchase the same A. O. Smith products that they buy today. They can also build their point balances even faster by trying some of our new products that will be launching in 2010. We also expect this program to generate an increased demand for our products at our wholesaler's locations. We are expecting to see additional sales by participating in the Contractor Rewards program, and we are excited to be a Title Sponsor."

Every 2 weeks, the contractor will get an **ExtraPoints™ eNewsletter** containing information about the program, updates on Sponsors and products in the Program, as well as special promotions. Contractors can go online to check their point balances, see all the ways to earn points, enter codes from purchased products, and shop using their points. It's easy and rewarding. In the event a contractor doesn't have access to the internet, he or she can always call the program 1-800 number for updates and information.

How Will Contractors Find Out About Contractor Rewards?

They can visit www.contractorrewards.com. There will be a link on the A. O. Smith website, www.hotwater.com that will direct contractors to the Contractor Rewards website. A. O. Smith will also include the program logo and link on several types of advertising. The Contractor Rewards program will also be doing direct mail and emails to many groups in the building trades. The Program will be featured at selected industry trade shows. And there will be over 8 million bright yellow labels on cartons on job sites in the first year of the program.

What are the Benefits to the Contractor?

Every time a contractor enters a reward code, they earn points that they can exchange for valuable personal and business rewards, everything from electronics to laptops to contractor-grade tools. Unlike other programs, contractors that buy from participating Sponsors can combine all their points into one account and earn rewards faster. It's easy and rewarding.

What are the Benefits to our Wholesalers?

Our wholesalers will have the option to have program information to hand out to contractors. Contractors will be more loyal to A. O. Smith products and more loyal to the wholesalers who sell A. O. Smith products. This will give our wholesalers an advantage over a wholesaler "down the street" whose water heaters aren't part of the Contractor Rewards program. Our wholesalers should see increased traffic from new contractors who want to be part of Contractor Rewards and a bigger share of purchases from existing customers who will no longer split their purchases among several wholesalers.

Who is Eligible for Participation in Contractor Rewards?

The Program is open to trade contractors, including plumbers, electricians, builders, and remodelers. The program is currently limited to the US and US territories.

What A. O. Smith Products are in Contractor Rewards?

Contractors can earn points by purchasing most A. O. Smith water heaters. We're including residential and commercial, gas and electric, tankless products, and even our new products that will launch throughout 2010. Specific products and part numbers can be viewed on the Contractor Rewards website.

How do Contractors Join Contractor Rewards?

It only takes a few minutes to visit www.contractorrewards.com and complete the short enrollment process. Contractors can also call 1-877-286-7064 to enroll. The Contractor Rewards service team is available from 8:00 AM to 4:30 PM Central Time, Monday through Friday, except on Holidays.

What Other Industry Suppliers Participate in Contractor Rewards?

Joining A. O. Smith will be a number of other mega-brands in the building products industry, and discussions are underway with a number of other brand leaders. GE is in the Program with their line of load centers and emergency power transfer switches. The Contractor Rewards program is working specifically on adding more manufacturers with non-competing products in the plumbing & heating category.

When is the Program Launching?

The web site is scheduled to go live on January 25th, and will begin accepting enrollments. Labeled A. O. Smith products will start shipping to wholesalers in late January.

How do I Find Out More About the Contractor Rewards Program?

Visit www.contractorrewards.com or ask your local A. O. Smith sales rep.

