

Date: June 19, 2015

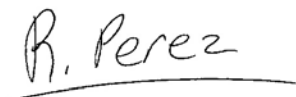
Part Number: AOSRG84032

Energy Efficiency Increased for Vertex™ Product Family

The EPA has revised its ENERGY STAR® criteria for residential water heaters, effective April 16, 2015, because, in some cases, the new NAECA-III federal efficiency guidelines were equal to or more stringent than the previous version 2.0 requirements. The EPA intends for ENERGY STAR® to distinguish the most energy efficient products that provide significant energy and cost savings to the consumer, while continuing to meet consumer expectation for performance. Most of our high efficiency products already met or exceeded the newly revised criteria, but the EPA set stricter standby loss efficiencies on certain high input gas fired water heaters which required us to upgrade our Vertex™ product lines.

A. O. Smith is pleased to announce that these class-leading products all meet the new higher efficiency requirements of the updated ENERGY STAR® 3.0 requirements for water heaters effective with product manufactured starting on April 16, 2015. The products are listed on the EPA's www.energystar.gov directory and will qualify for all incentives and programs that require ENERGY STAR® qualification. Attached are the revised specification sheets. The heights and some connection points on some products may have changed slightly due to changes made to meet the new efficiency requirements. Please note that any of these models that were manufactured prior to this date and qualified under the previous ENERGY STAR® version are still considered ENERGY STAR® qualified since they complied with the requirements that were in effect at the time of manufacture. Pricing shown in the 2015 wholesale distributor price books already reflects these upgrades.

The ENERGY STAR® criteria for commercial water heaters was not changed, but since the residential and commercial variants of this product line share many common construction features and improvements made to the residential product were carried over to the commercial models. Revised specification sheets are attached.

A handwritten signature in black ink that reads 'R. Perez' with a horizontal line underneath.

Ralph Perez
Senior Manager, Sustaining Product Management