FORM 51-102F3

Material Change Report

Item 1 Name and Address of Company

GSW Inc.
2020 Winston Park Drive
Suite 100
Oakville, Ontario
L6H 6X7

Item 2 Date of Material Change

March 31, 2006

Item 3 News Release

A press release was issued by GSW Inc. ("GSW") through Canada NewsWire on March 31, 2006 and is attached to this report as Schedule A.

Item 4 Summary of Material Change

On March 31, 2006, A. O. Smith Corporation ("A.O. Smith") announced that 733,175 Class A common shares (the "Class A Shares") of GSW, representing approximately 97.9 percent of the outstanding Class A Shares, and 2,635,284 Class B subordinate voting shares (the "Class B Shares", and, together with the Class A Shares, the "Shares") of GSW, representing approximately 98.6 percent of the outstanding Class B Shares, were validly deposited to the offer made by A. O. Smith Enterprises Ltd., a wholly owned subsidiary of A. O. Smith, to purchase all of the outstanding Shares of GSW (the "Offer").

Item 5 Full Description of Material Change

On March 31, 2006, A. O. Smith announced that 733,175 Class A Shares, representing approximately 97.9 percent of the outstanding Class A Shares, and 2,635,284 Class B Shares, representing approximately 98.6 percent of the outstanding Class B Shares, were validly deposited to the Offer.

A.O. Smith has confirmed that all conditions to the Offer have been satisfied, including the 66 2/3 percent minimum tender condition, and that it has taken up all of the Shares validly deposited and will deliver funds to the depositary to pay for the Shares on April 3, 2006.

A. O. Smith also announced that, as the Offer has been accepted by holders of more than 90 percent of the Shares, it intends to acquire the remainder of the Shares not tendered by means of a compulsory acquisition under the *Canada Business Corporations Act* at the same price as the Offer price.

In accordance with the Pre-Acquisition Agreement between GSW and A.O. Smith made as of February 3, 2006, the Board of Directors of GSW will tender their resignations effective April 4, 2006, the day after A.O. Smith pays for the shares deposited under the A.O. Smith offer. The Board of Directors will be replaced by representatives of A.O. Smith.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No information has been omitted from this report on the basis that such information is confidential.

Item 8 Executive Officer

For further information please contact Jamie Hyde, Chief Financial Officer, at (905) 829-1197 Ext. 227.

Item 9 Date of Report

March 31, 2006.

Schedule "A"

Press Release

[Please see attached]

FOR IMMEDIATE RELEASE

A.O. Smith Corporation Succeeds in Bid for GSW Inc.

Oakville, ON, March 31, 2006 - GSW (TSX: GSW.a, GSW.sv.b) advises that earlier today, A. O. Smith Corporation announced that 733,175 Class A Common Shares of GSW, representing approximately 97.9 percent of the outstanding Class A Common Shares, and 2,635,284 Class B Subordinate Voting Shares of GSW, representing approximately 98.6 percent of the outstanding Class B Subordinate Voting Shares, were validly deposited to the offer made by A. O. Smith Enterprises Ltd., a wholly owned subsidiary of A. O. Smith Corporation, to purchase all of the outstanding Class A Common Shares and Class B Subordinate Voting Shares of GSW.

A.O. Smith Corporation has confirmed that all conditions to the A.O. Smith offer have been satisfied, including the 66 2/3 percent minimum tender condition, and that it has taken up all of the shares validly deposited and will deliver funds to the depositary to pay for the shares on April 3.

A. O. Smith Corporation also announced that, as the A.O. Smith offer has been accepted by holders of more than 90 percent of the Class A Common Shares and Class B Subordinate Voting Shares, it intends to acquire the remainder of the shares not tendered by means of a compulsory acquisition under the *Canada Business Corporations Act* at the same price as the offer price.

In accordance with the Pre-Acquisition Agreement between GSW and A.O. Smith Corporation made as of February 3, 2006, the Board of Directors of GSW will tender their resignations effective April 4, 2006, the day after A.O. Smith Corporation pays for the shares deposited under the A.O. Smith offer. The Board of Directors will be replaced by representatives of A.O. Smith Corporation.

Forward Looking Statements

This release contains forward-looking statements, which reflect management’s current views of future events and operations. These forward-looking statements are based on assumptions and external factors, including assumptions relating to product pricing, competitive market conditions, financial data, and other risks or uncertainties detailed from time to time in GSW Inc.’s filings with securities regulatory authorities. These forward-looking statements represent GSW Inc.’s judgment as of the date of this release and any changes in the assumptions or external factors could produce significantly different results.

GSW Inc. has been a manufacturing pioneer since 1847. Today, the company is a leading manufacturer and marketer of consumer durable products, including water heaters and building products. The company employs over 1,700 people at three operating divisions in Canada and the United States. GSW is listed on the Toronto Stock Exchange under the symbols GSW.a and GSW.sv.b. For more information about the company, visit www.gswinc.com.

For more information contact: Jamie Hyde, Chief Financial Officer, 905-829-1197, Ext.227, jhyde@gswinc.com.