



Kennametal Furthers its Strategy to Balance Metallurgical Sourcing by Acquiring Tungsten Processing Operations in Bolivia

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- Aligned with previously announced plans for a new global recycling facility in the U.S. and expanded tungsten-cobalt powder operations at its Tianjin, China plant serving Asia

LATROBE, Pa., May 13, 2013 /PRNewswire/ -- Kennametal Inc. (NYSE: KMT) today announced it has signed a definitive agreement to acquire the operating assets of Comercializadora Emura S.R.L. and certain related entities ("Emura"), based in La Paz, Bolivia, while securing related material sourcing agreements. Emura is the region's principal operation engaged in collection, testing, processing and exporting tungsten ore material, and is a long-standing supplier to Kennametal. The company expects to complete the transaction in July 2013, subject to customary regulatory approvals and negotiated conditions.

The acquisition would be immediately accretive to earnings and further Kennametal's efforts to diversify and balance its tungsten sourcing capabilities, following the company's [November 2012 announcement](#) outlining plans to develop an advanced carbide recycling facility in the United States serving global markets, while also adding tungsten-cobalt powder capabilities at its Tianjin facility to serve growth in Asia.

"Tungsten is a key ingredient for the technologies we develop, and ultimately vital to virtually every kind of manufacturing," said Kennametal Chairman, President and CEO Carlos Cardoso. "We look forward to welcoming the employees of Emura to our company family, and adding these assets to serve customers with the most advanced capabilities in our industry."

Emura currently supplies material Kennametal uses to produce composite alloys and high-performance cutting tools for rugged earthworks applications. The addition of Emura would enhance Kennametal's strategic sourcing of material to serve growth globally without incurring risks associated with owning mining operations.

Celebrating its 75th year as an industrial technology leader, Kennametal Inc. delivers productivity to customers seeking peak performance in demanding environments. The company provides innovative wear-resistant products, application engineering and services backed by advanced material science, serving customers in 60 countries across diverse sectors of aerospace, earthworks, energy, industrial production, transportation and infrastructure. With approximately 13,000 employees and nearly \$3 billion in sales, the company realizes half of its revenue from outside North America, and 40% globally from innovations introduced in the past five years. Recognized among the "World's Most Ethical Companies" (Ethisphere); "Outstanding Corporate Innovator" (Product Development Management Association); and "America's Safest Companies" (EHS Today) with a focus on 100% safety, Kennametal and its foundation invest in technical education, industrial technologies and material science to deliver the promise of progress and economic prosperity to people everywhere. For more information, visit the company's website at www.kennametal.com.

Certain statements in this release may be forward-looking in nature, or "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements that do not relate strictly to historical or current facts. For example, statements about the timing of consummation of the transaction; Kennametal's outlook for earnings; and our expectations regarding future growth are forward-looking statements. Any forward-looking statements are based on current knowledge, expectations and estimates that involve inherent risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should the assumptions underlying the forward-looking statements prove incorrect, our actual results could vary materially from our current expectations. There are a number of factors that could cause our actual results to differ from those indicated in the forward-looking statements. They include: the failure of any conditions to consummation of the transaction not being satisfied or waived; economic recession; availability and cost of the raw materials we use to manufacture our products; our foreign operations and international markets, such as currency exchange rates, different regulatory environments, trade barriers, exchange controls, and social and political instability; changes in the regulatory environment in which we operate, including environmental, health and safety regulations; our ability to protect and defend our intellectual property; competition; our ability to retain our management and employees; demands on management resources; demand for and market acceptance of our products; integrating acquisitions; and achieving the expected savings and synergies; business divestitures; global or regional catastrophic events; energy costs; commodity prices; labor relations; and implementation of environmental remediation matters. Many of these risks and other risks are more fully described in Kennametal's latest annual report on Form 10-K and its other periodic filings with the Securities and Exchange Commission. We undertake no obligation to release publicly any revisions to forward-looking statements as a result of future events or developments.

SOURCE Kennametal Inc.

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