



Kennametal Inc. Inventory Turns Improvement Initiative to Match Manufacturing Capacity and Inventory Levels to Customer Demand

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LATROBE, Pa., Feb. 16 /PRNewswire/ -- A new Inventory Turns Improvement Initiative at Kennametal Inc. (NYSE: KMT) will more accurately balance the company's manufacturing capacity and inventory levels with customer demand for its products. The program will enable Kennametal to fill its customers' metalworking tooling needs in the most comprehensive and efficient ways possible.

The corporation-wide effort follows a thorough review of Kennametal's product manufacturing and delivery process, from the acquisition of raw materials to acceptance of the products by the customer. The program involves wide-ranging changes and adjustments to the entire production and delivery path for the company's offering of tooling systems.

"This is an ambitious project that we will pursue aggressively," said Stanley B. Duzy, Jr., vice president, chief administrative officer. "One of our ambitions is to excel in customer satisfaction. Inventory availability to the customer is critical in achieving our goal. This project will not only help us achieve that goal, it also will contribute to better financial performance and deliver more value to shareowners."

Phase One began in February 2000 and includes Kennametal metalworking operations in North America and Europe. Nine cross-functional teams are addressing the key steps in the company's value chain: materials and inventory management; forecasting and planning; order entry and quotation; product life-cycle management; distribution; manufacturing; customer service; information technology; and organizational change.

The new inventory improvement initiative complements Kennametal's traditionally strong global manufacturing operations and industry-leading tooling technology. It also reinforces the company's role as a premier supplier of consumable tooling solutions for the metalworking industry. Kennametal is a vertically integrated manufacturer and marketer of a comprehensive offering of consumable tools, tooling systems, and related supplies for the metalworking, mining and highway construction industries, and wear-resistant parts for a wide range of industries. Headquartered in Latrobe, Pa., Kennametal has 13,000 employees worldwide and annual sales of approximately \$2 billion.

SOURCE Kennametal Inc.

Web site: <http://www.kennametal.com>

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