



## Kennametal Releases FY01 Goodwill Adjustment

September 21, 2001

LATROBE, Pa., Sept. 21 /PRNewswire/ -- As previously announced, Kennametal Inc. (NYSE: KMT) adopted SFAS No. 142 "Goodwill and Other Intangible Assets" effective July 1, 2001, and accordingly will no longer amortize goodwill to earnings.

To facilitate comparisons, the following charts restate selected fiscal 2001 financial results to exclude goodwill amortization (in thousands, except per share amounts).

### Selected Pro Forma Fiscal Year 2001 Restatement Excluding Special Charges

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	2001
Amortization of intangibles	\$923	\$770	\$703	\$716	\$3,112
Provision for income taxes	9,366	9,751	14,760	12,501	46,378
Minority interest	1,111	967	800	862	3,740
Net income	\$15,907	\$19,290	\$27,980	\$23,514	\$86,691
	=====	=====	=====	=====	=====
Pro forma Diluted EPS	\$0.52	\$0.63	\$0.91	\$0.76	\$2.82
	=====	=====	=====	=====	=====

### Fiscal Year 2001 Goodwill Expense Summary - By Segment

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	2001
MSSG	\$2,350	\$2,339	\$2,349	\$2,344	\$9,382
AMSG	2,232	2,229	2,230	1,897	8,588
J&L	687	717	766	629	2,799
FSS	15	15	15	15	60
Corporate	116	77	-	-	193
Total	\$5,400	\$5,377	\$5,360	\$4,885	\$21,022
	=====	=====	=====	=====	=====

Kennametal Inc. aspires to be the premier tooling solutions supplier in the world with operational excellence throughout the value chain and best-in-class manufacturing and technology. Kennametal strives to deliver superior shareowner value through top-tier financial performance. The company provides customers a broad range of technologically advanced tools, tooling systems and engineering services aimed at improving customers' manufacturing competitiveness. With 13,000 employees worldwide, the company's annual sales are approximately \$1.8 billion, with a third coming from sales outside the United States. Kennametal is a five-time winner of the GM "Supplier of the Year" award and is represented in more than 60 countries. Kennametal operations in Europe are headquartered in Furth, Germany. Kennametal Asia Pacific operations are headquartered in Singapore.

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