



Kennametal Completes Acquisition of Extrude Hone Corporation

March 1, 2005

LATROBE, Pa., March 1, 2005 /PRNewswire-FirstCall via COMTEX/ -- Kennametal Inc. (NYSE: KMT) announced today that it has completed the previously reported acquisition of Extrude Hone Corporation for approximately \$137 million, net of acquired cash and estimated direct acquisition costs. Extrude Hone supplies market leading engineered component process technology to customers in a variety of industries around the world. The firm, headquartered in Irwin, Pennsylvania, has major manufacturing locations in the US, Germany, and Ireland.

Pointing out the solid fit of the acquisition with Kennametal's long term growth plans, Kennametal Executive Vice President and Chief Operating Officer Carlos Cardoso commented, "Extrude Hone's processes and materials, which focus on component deburring, polishing, and producing controlled radii, help us further address both the advanced materials and highly engineered components segments of our market. This acquisition," Cardoso continued, "supports our objective to increase our customers' competitiveness by improving their performance in both manufacturing processes and end products."

Other factors attracting Kennametal to the acquisition included the fact that Extrude Hone is a strong global player with approximately 50 percent of sales outside of the US, high margins, and a revenue growth rate of two to three times Kennametal's base business. The firm also has significant accelerated growth potential in Asia.

The acquisition is expected to be modestly accretive to both earnings and margins beginning in the June quarter of FY05.

This release contains "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. You can identify these forward-looking statements by the fact they use words such as "should," "anticipate," "estimate," "approximate," "expect," "may," "will," "project," "intend," "plan," "believe," and others words of similar meaning and expression in connection with any discussion of future operating or financial performance. One can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements are likely to relate to, among other things, our goals, plans and projections regarding our financial position, results of operations, market position and product development, which are based on current expectations that involve inherent risks and uncertainties, including factors that could delay, divert or change any of them in the next several years. Although it is not possible to predict or identify all factors, they may include the following: global economic conditions; future terrorist attacks; epidemics; risks associated with integrating and divesting businesses and achieving the expected savings and synergies; demands on management resources; risks associated with international markets such as currency exchange rates, and social and political environments; competition; labor relations; commodity prices; demand for and market acceptance of new and existing products; and risks associated with the implementation of restructuring plans and environmental remediation matters. We can give no assurance that any goal or plan set forth in forward- looking statements can be achieved and readers are cautioned not to place undue reliance on such statements, which speak only as of the date made. We undertake no obligation to release publicly any revisions to forward-looking statements as a result of future events or developments.

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 some 14,000 employees worldwide, the company's annual sales approximate \$2 billion, with nearly half 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. For more information, visit the company's web site at <http://www.kennametal.com>.

SOURCE Kennametal Inc.

Investor Relations, Beth A. Riley, +1-724-539-6141, or Media Relations, Joy Chandler
+1-724-539-4618, both of Kennametal Inc.

<http://www.prnewswire.com>