



Kennametal Launches New Manufacturing Capabilities in Asia Pacific; Continues to Execute on Corporate Growth Strategy

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LATROBE, Pa., Aug 10, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Kennametal Inc. (NYSE: KMT) announced today the official opening of its new Tianjin, China manufacturing facility less than a year after the company first announced groundbreaking for the operation. Located in the Tianjin Economic Development Area (TEDA), the facility, initially sized at 160,000 square feet, will employ some 200 people in manufacturing and advanced engineering and design activities. The operation could grow to 450,000 square feet and employment could reach 400 people. The \$31 million invested in this plant is in addition to the approximately \$35 million that Kennametal has already invested in its China businesses in other locations. This new capability will enable the company to more effectively serve a rapidly developing Asia Pacific market as well as support Kennametal's global customers with locations in the region.

More than 700 customers, dignitaries and other special guests joined Kennametal employees for the grand opening ceremony, which included plant tours, demonstrations and exhibits.

"The size and importance of this rapidly expanding market demands that we enhance our presence," said Kennametal President and CEO Carlos Cardoso. "Our global and local customers expect us to be there with them, and to serve their needs with world class products and services. Our presence promotes customer intimacy, shorter lead times, global quality/local availability, and positions Kennametal well to succeed in this market."

Kennametal, a US-based global company, now operates sales offices and logistics support in 10 countries across Asia Pacific, including Japan, South Korea, Taiwan, China, Thailand, Malaysia, Singapore, Australia, New Zealand, and India - serving customers in many market segments, including aerospace, heavy industry, electronics, die and mold, mining, construction and vehicles. The company began operations in China in 1991 via a wholly owned subsidiary now named Kennametal Xuzhou Co. Ltd. In the ensuing fifteen years, Kennametal has established Kennametal Ltd., a manufacturing plant in Jinqiao Export Processing Zone in Pudong, Shanghai, and completed the purchase of what is now Kennametal Hardpoint Inc. From this combined base, Kennametal will offer world-class products, engineering, design services and training activities to a broad customer base in China.

"The heightening of our presence in China is directly in line with our corporate growth strategy to balance our business geographically. Currently about half our revenues come from outside North America, and we want to grow our business, both organically and through acquisition, to be one-third in North America, one-third in Europe and one-third in these important emerging economies," continued Cardoso. "This facility supports our growth inside China through producing our latest products with state-of-the-art equipment and world-class processes. This plant and the strong Kennametal team there form the corner stone of our ambition to become the undisputed market leader in China by the end of this decade," he concluded.

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. Forward-looking statements are statements that do not relate strictly to historical or current facts. You can identify forward-looking statements by the fact they use words such as "should," "anticipate," "estimate," "approximate," "expect," "may," "will," "project," "intend," "plan," "believe" and other words of similar meaning and expression in connection with any discussion of future operating or financial performance. These statements are likely to relate to, among other things, our strategy, 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. It is not possible to predict or identify all factors; however, they may include the following: risks associated with operating in the Asia Pacific region, including compliance with various local, regional and national regulatory requirements in China; global and regional economic conditions; risks associated with international markets, such as currency exchange rates and social and political environments; risks associated with the availability and costs of raw materials; energy costs; commodity prices; competition in the Asia Pacific region and globally; risks associated with the growth and expansion of our business, including our ability to achieve the expected savings and synergies from new acquisitions and construction of new facilities; demand for and market acceptance of new and existing products in emerging markets and globally; risks relating to business divestitures; demands on management resources; future terrorist attacks; labor relations; 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. (NYSE: KMT) is a leading global supplier of tooling, engineered components and advanced materials consumed in production processes. The company improves customers' competitiveness by providing superior economic returns through the delivery of application knowledge and advanced technology to master the toughest of materials application demands. Companies producing everything from airframes to coal, from medical implants to oil wells and from turbochargers to motorcycle parts recognize Kennametal for extraordinary contributions to their value chains. Customers buy over \$2 billion annually of Kennametal products and services-delivered by our nearly 13,500 talented employees in over 60 countries -- with almost 50 percent of these revenues coming from outside the United States. Visit us at www.kennametal.com. [KMT-G]

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