



## **Kennametal Announces Progress on Divestitures; Continues Focus on Growing Core Technology Business**

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LATROBE, Pa., June 28, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Kennametal Inc. (NYSE: KMT) announced today that it has completed the sale of its UK-based Presto brand high speed steel assets and is making progress on the divestiture of its Kemmer Praezision Electronics business. Both dispositions are in line with Kennametal's strategy to focus on its core technology business, with an emphasis on advanced materials and engineered components.

Kennametal's UK-based Presto high speed steel assets were sold to Suncraft International Corp. for \$1.5 million. Suncraft will continue to be an important supplier to Kennametal for various components and products.

The divestiture of the assets and operations of the company's Kemmer Praezision Electronics business, which manufactures and markets premium quality tungsten carbide consumable tools for the printed circuit board market, has been completed in Europe and the United States and is in progress in Asia Pacific. KPAC LLC, a private investment company, is expected to close on the remaining Asia Pacific portion of this business in the first half of fiscal 2007.

"These transactions are in line with our strategy to concentrate on our core technology business," commented President and CEO Carlos Cardoso. "These dispositions will enable us to redeploy our resources and focus on growing the advanced materials and engineered components portions of our business."

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 these statements by the fact that 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 our future operating or financial performance. These statements are likely to relate to, among other things, our goals, financial plans and projections, 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: risks relating to the business divestitures described above, and specifically, to our ability to consummate the divestiture of the Kemmer Praezision Electronics business; global and regional economic conditions; risks associated with the availability and costs of raw materials; energy costs; commodity prices; risks associated with integrating acquisitions and achieving the expected savings and synergies; competition; demands on management resources; risks associated with international markets, such as currency exchange rates and social and political environments; future terrorist attacks; labor relations; 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. (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 approximately 14,000 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](http://www.kennametal.com) [KMT-G]

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