



## APQC Names Kennametal Best-Practice Partner for Innovation

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LATROBE, Pa., Jan 06, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Kennametal Inc. (NYSE: KMT) announced today it has been named one of six best-practice partners for outstanding practices in innovation by APQC, a nonprofit organization and internationally recognized leader in benchmarking, knowledge management, measurement, and quality programs. After surveying 100 major corporations in the United States known for their innovation, Kennametal was recognized for efficiencies in ACE (Achieving a Competitive Edge), the stage gated process for bringing new products to market, PPM (Performance Planning and Management) process and the company's overall innovative culture.

"We are very excited to be recognized by APQC as a best-practice partner for the second year in a row," commented Kennametal Chief Technology Officer, Dr. William Hsu. "At Kennametal, we have a continued focus on the Kennametal Value Business System (KVBS) which consists of six core processes by which we run our business. These processes, in addition to endless commitment to our values, ambitions and code of ethics, enable us to foster innovation and provide continuous improvement to our customers."

APQC and its sponsors for the Innovation: Putting Ideas into Action consortium study visited Kennametal headquarters in Latrobe, Pennsylvania for a site tour and examination of the company's best practices. In September 2005, Kennametal was named a best-practice partner in innovation and participated in a knowledge transfer session held in Houston, Texas. George Coulston, Kennametal Director, Breakthrough Technologies, attended on behalf of Kennametal and presented materials on Kennametal's overall approach to innovation.

"Innovation at Kennametal is not just technology or R&D; it's an entire process of delivering ever-increasing value to our customers," commented George Coulston, Kennametal Director, Breakthrough Technologies. "Innovation is present in everything we do across the corporation. Our 14,000 employees in over 60 countries worldwide deliver innovation to our customers each and every day. We are delighted by this distinction and look forward to sharing our best practices with other companies."

Other organizations selected as a best-practice partner by APQC included Bausch & Lomb Inc., IBM Corp, Clorox Company, Mayo Clinic and Procter & Gamble. APQC also recognized Kennametal as a best-practice partner for innovative performance in R&D Productivity in December 2004 in honor of its ACE process for new product development.

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 \$2.3 billion annually of Kennametal products and services-delivered by our 14,000 talented employees in over 60 countries-with almost 50 percent of these revenues coming from outside the United States. Visit us at <http://www.kennametal.com>.

### About APQC's Consortium Study Process

In the past decade, APQC has conducted more than 130 consortium learning studies with a focus on helping organizations improve productivity and quality. APQC's benchmarking studies provide participants a proven way to assess emerging trends, identify best-practice approaches, and connect with others around topics of mutual interest. Each time APQC convenes a consortium to study a business process or issue, a select group of organizations are chosen to serve as best-practice partners. These organizations exhibit exceptional performance or employ innovative approaches in the research area, and are studied in depth to help APQC and study sponsors identify the best practices and processes that have driven their success. APQC's experts guide the process, conduct the research, and write a formal action-based report, all for approximately one-tenth the cost of one-on-one benchmarking. For more information visit <http://www.apqc.org> or call 800-776-9676 or +1-713-681-4020. [KMT-G]

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