



Kennametal Acquires VMB / Diva-Tec Group; Continues Strategic Growth

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LATROBE, Pa., Jan 03, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Kennametal Inc. (NYSE: KMT) announced today the acquisition of a leading European supplier of ECM (Electro Chemical Machining) technologies and solutions -- VMB, Diva-Tec and VMB Entgrattechnik.

This acquisition, combined with the technology of Kennametal's ExtrudeHone ECM (Electro Chemical Machining) group, creates one of the world's leading providers of ECM solutions. ExtrudeHone, a supplier of market leading engineered component process technology joined Kennametal in March 2005. The addition of the VMB / Diva-Tec Group, which employs 140 people in Babenhausen and Erkheim, Germany, will provide ExtrudeHone a more complete product range, complementary technologies and a broader array of engineering expertise. The new ExtrudeHone ECM group will be headquartered in Erkheim, Germany.

"This acquisition, though small, is in alignment with Kennametal's strategy to grow significantly in the areas of advanced materials and engineered components," commented Kennametal President and CEO, Carlos Cardoso. "The additional technology these companies offer in combination with ExtrudeHone ECM furthers our strategy to build a strong foundation for long- term growth across all market segments and geographic regions."

At Kennametal, mergers and acquisitions are conducted according to a disciplined process that is part of the Kennametal Value Business System (KVBS).

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 www.kennametal.com [KMT-G]

SOURCE Kennametal Inc.

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