



Kennametal Amends Credit Agreement to Increase Liquidity and Strength of Balance Sheet

July 6, 2009

LATROBE, Pa., July 6 /PRNewswire-FirstCall/ -- Kennametal Inc. (NYSE: KMT) announced that it has amended its \$500 million revolving bank credit agreement. The amendment provides additional flexibility with respect to financial covenants, while maintaining the size and maturity of the facility. Key aspects of the amendment are as follows:

- A change in the EBITDA definition to exclude all non-cash charges and cash restructuring payments up to a defined limit
- A modification of the leverage covenant threshold
- An enhancement to selected lender credit protection measures in the event leverage metrics exceed certain levels

The amendment to the credit agreement will be filed with the U.S. Securities and Exchange Commission in a Form 8-K today.

"In light of the continuing volatile global economic environment, we remain focused on maintaining our strong balance sheet and preserving our liquidity," commented Kennametal Vice President and Chief Financial Officer Frank Simpkins. "Given the uncertainty of the market, we are proactively addressing this credit agreement as a means of helping us continue executing on the company's long-term strategic initiatives."

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 or event. Forward looking statements in this release concern, among other things, Kennametal's focus on its balance sheet, preservation of liquidity, and long term strategic initiatives, and are based on current expectations that involve inherent risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should the assumptions underlying the forward-looking statements prove incorrect, actual outcomes could vary materially from those indicated. Factors that could cause the actual results to differ materially from those indicated in the forward-looking statements are risks and uncertainties related to: the recent downturn in our industry; global and regional economic conditions; availability and cost of the raw materials we use to manufacture our products; our ability to protect our intellectual property in foreign jurisdictions; our foreign operations and international markets; energy costs; commodity prices; competition; integrating acquisitions and achieving the expected savings and synergies; business divestitures; demands on management resources; demand for and market acceptance of new and existing products; and implementation of restructuring plans and environmental remediation matters. These and other risks are more fully described in Kennametal's report on Form 10-Q for the period ending March 31, 2009 and its other periodic filings with the Securities and Exchange Commission. 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. As of the 2008 fiscal year end, customers bought approximately \$2.7 billion annually of Kennametal products and services -- delivered by our 14,000 talented employees in over 60 countries -- with 50 percent of these revenues coming from outside North America. Visit us at www.kennametal.com. [KMT-G]

SOURCE Kennametal Inc.

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