
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): January 24, 2006

Kennametal Inc.

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania

(State or Other Jurisdiction of Incorporation)

1-5318

(Commission File Number)

25-0900168

(IRS Employer Identification No.)

**World Headquarters
1600 Technology Way
P.O. Box 231
Latrobe, Pennsylvania 15650-0231**

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(724) 539-5000**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition

On January 25, 2006, the Company issued a press release announcing financial results for its second quarter ended December 31, 2005.

The press release contains adjusted return on invested capital, which is a non-GAAP financial measure and is defined below.

Management believes that investors should have available the same information that management uses to assess operating performance, determine compensation and assess the capital structure of the Company. This non-GAAP measure should not be considered in isolation or as a substitute for its most comparable GAAP measure. Non-GAAP financial measures utilized by the Company may not be comparable to non-GAAP financial measures used by other companies.

Adjusted Return on Invested Capital

Adjusted Return on Invested Capital is a non-GAAP financial measure and is defined as the previous 12 months' net income, adjusted for interest expense and special items, divided by the sum of the previous 12 months' average balances of debt, securitized accounts receivable, minority interest and shareowners' equity. Management believes that this financial measure provides additional insight into the underlying capital structuring and performance of the Company. Management utilizes this non-GAAP measure in determining compensation and assessing the operations of the Company.

A copy of the Company's earnings announcement is furnished under Exhibit 99.1 attached hereto. Reconciliations of the above non-GAAP financial measures are included in the earnings announcement.

Additionally, during our quarterly teleconference we may use various non-GAAP financial measures to describe the underlying operating results. Management believes that investors should have available the same information that management uses to assess operating performance, determine compensation and assess the capital structure of the Company. These non-GAAP measures should not be considered in isolation or as a substitute for the most comparable GAAP measures. Non-GAAP financial measures utilized by the Company may not be comparable to non-GAAP financial measures used by other companies. Accordingly, we have compiled below certain reconciliations as required by Regulation G.

EBIT

EBIT is an acronym for Earnings Before Interest and Taxes and is a non-GAAP financial measure. The most directly comparable GAAP measure is net income. However, we believe that EBIT is widely used as a measure of operating performance and we believe EBIT to be an important indicator of the Company's operational strength and performance. Nevertheless, the measure should not be considered in isolation or as a substitute for operating income, cash flows from operating activities or any other measure for determining liquidity that is calculated in accordance with GAAP. Additionally, Kennametal will adjust EBIT for restructuring charges, interest income and other items. Management uses this information in reviewing operating performance and in the determination of compensation.

Adjusted Sales

Kennametal adjusts current period sales as reported under GAAP for specific items including foreign currency translation. Management believes that adjusting the current period sales as reported under GAAP yields a more consistent comparison of year over year results and provides additional insight into the underlying operations. Management uses this information in reviewing operating performance and in the determination of compensation.

SUPPLEMENTAL INFORMATION AND RECONCILIATIONS

KENNAMETAL INC. EBIT RECONCILIATION (Unaudited)

(in thousands, except percents)	Quarter Ended December 31,		Six Months Ended December 31,	
	2005	2004	2005	2004
Net income, as reported	\$ 31,087	\$ 28,181	\$ 59,184	\$ 50,901
Net income as a percent of sales	5.3%	5.1%	5.1%	4.7%
Add back:				
Interest	7,984	6,121	15,813	12,577
Taxes	14,531	7,277	29,590	20,607
EBIT	53,602	41,579	104,587	84,085
Additional adjustments:				
Minority interest	511	928	1,259	1,905
Interest income	(1,107)	(561)	(2,041)	(1,250)
Securitization fees	1,170	757	2,235	1,337
Adjusted EBIT	\$ 54,176	\$ 42,703	\$ 106,040	\$ 86,077
Adjusted EBIT as a percent of sales	9.3%	7.7%	9.2%	7.9%

MSSG SEGMENT (Unaudited)

(in thousands)	Quarter Ended December 31,		Six Months Ended December 31,	
	2005	2004	2005	2004
Sales, as reported	\$ 350,430	\$ 336,230	\$ 696,968	\$ 652,100
Foreign currency exchange	4,919	—	(1,044)	—
Adjusted sales	\$ 355,349	\$ 336,230	\$ 695,924	\$ 652,100

AMSG SEGMENT (Unaudited)

(in thousands)	Quarter Ended December 31,		Six Months Ended December 31,	
	2005	2004	2005	2004
Sales, as reported	\$ 169,491	\$ 122,327	\$ 327,169	\$ 240,213
Foreign currency exchange	2,727	—	1,945	—
Adjusted sales	\$ 172,218	\$ 122,327	\$ 329,114	\$ 240,213

J&L SEGMENT (Unaudited)

(in thousands)	Quarter Ended December 31,		Six Months Ended December 31,	
	2005	2004	2005	2004
Sales, as reported	\$ 65,337	\$ 61,338	\$ 130,339	\$ 122,755
Foreign currency exchange	293	—	373	—
Adjusted sales	\$ 65,630	\$ 61,338	\$ 130,712	\$ 122,755

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

(d) On January 24, 2006, upon the recommendation of the Nominating / Corporate Governance Committee of the Board of Directors of the Company, the Board elected Philip A. Dur as a director. Mr. Dur joins the Board effective January 24, 2006 as a director in the second class, with a term to expire in October 2006. Mr. Dur will serve as a member of the Compensation Committee and Nominating / Corporate Governance Committee. Mr. Dur is not a party to any transaction described in Item 404(a) of Regulation S-K involving the Company or any of its subsidiaries.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 Fiscal 2006 Second Quarter Earnings Announcement

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Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KENNAMETAL INC.

Date: January 25, 2006

By: /s/ Timothy A. Hibbard

Timothy A. Hibbard

Corporate Controller and Chief Accounting Officer



FROM: KENNAMETAL INC.
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DATE: January 25, 2006

FOR RELEASE: Immediate

KENNAMETAL REPORTS RECORD SECOND QUARTER

- Q2 06 sales up 5 percent, reflect 8 percent organic growth
- Earnings per diluted share (EPS) of \$0.79, up 7 percent
- Cash flow from operations of \$55 million, another strong quarter
- Increased full year guidance range to \$3.70 - \$3.90 EPS

LATROBE, Pa., January 25, 2006 — Kennametal Inc. (NYSE: KMT) today reported fiscal 2006 second-quarter EPS of \$0.79, including a non-recurring \$0.05 per share tax benefit. Prior year second-quarter EPS was \$0.74, including a non-recurring \$0.17 per share tax benefit.

For the first six months of fiscal 2006, EPS was \$1.52 compared with prior year EPS of \$1.35.

Kennametal Executive Chairman, Markos I. Tambakeras, said, "We are delighted with our company's performance in the December quarter, which represents the 8th consecutive quarter of year-over-year growth. This continued growth is evidence of the sustainability of our business model as well as the continuing favorable market environment. We achieved record sales, earnings and return on invested capital and will continue to build on our leadership position by remaining focused on delivering exceptional value to customers and shareowners."

In addition, President and Chief Executive Officer, Carlos M. Cardoso, said, "Second quarter performance reflects continued strength across our end markets and geographies, despite difficult comparisons to the prior year. Providing superior value to customers through our game-changing technology, end market diversity and global presence results in our competitive advantage."

Highlights of the Fiscal 2006 Second Quarter

- Record second quarter sales of \$585 million were up 5 percent versus the same quarter last year, including 8 percent organic sales growth, partially offset by 1 percent unfavorable foreign currency exchange as well as the net impact of acquisitions and divestitures.
- Net income was \$31 million compared to \$28 million in the prior year, up 10 percent.
- Second quarter EPS of \$0.79 included the effects of stock option expense related to SFAS 123(R) of \$0.03 per share, increased domestic pension expense of approximately \$0.04 per share related to the change in the discount rate and a \$0.05 per share benefit related to the release of a deferred tax valuation allowance.
- The effective tax rate in the second quarter was 31.5 percent compared to prior year's rate of 20 percent.
- Net cash flow from operations was \$55 million versus \$51 million in the same quarter last year.
- Record adjusted return on invested capital was up 140 basis points to 10.0 percent versus prior year.

Highlights of the Fiscal 2006 First Half

- Sales of \$1.2 billion were up 6 percent versus prior year, including 8 percent organic growth, partially offset by the net impact of acquisitions and divestitures.
- Net income was \$59 million compared to \$51 million in the prior year, up 16 percent.

Outlook

Economic indicators project continued growth through fiscal 2006 in North America and the rest-of-the-world markets, and flat to modest growth in European markets. For fiscal 2006, Kennametal continues to expect organic revenue growth in the 7 to 10 percent range, consistently outpacing world-wide industrial production rates by two to three times. The company anticipates the majority of its end markets to continue operating at high levels, with moderating growth rates for certain sectors.

Cardoso said, "We were very pleased with our performance for the second quarter of fiscal 2006, and the outlook for our end markets for the remainder of the year remains positive. As previously discussed, a major challenge for the industry in fiscal year 2006 continues to revolve around raw material costs, especially tungsten. We have demonstrated the ability to meet this challenge through our disciplined strategic pricing process and expect to continue doing so."

Reported EPS for fiscal year 2006 is now expected to be \$3.70 to \$3.90, including an approximately \$0.25 negative impact from the combination of expensing stock options due to SFAS 123(R) and the effects of the reduction in the discount rate applied to the company's domestic pension plans. This

revised earnings outlook represents an increase from previous 2006 EPS guidance of \$3.50 to \$3.90. In addition to continuing to narrow the earnings guidance range, the revised outlook reflects an 18 to 25 percent increase from prior year EPS of \$3.13.

Sales for the third quarter of fiscal year 2006 are expected to grow 7 to 10 percent, despite tougher comparisons. Market conditions support the company's expectations of continued top line growth in the third quarter, consistent with full year guidance. The company anticipates some continuing pressure on raw material prices. Reported EPS for the third quarter is forecasted to be in the range of \$1.00 to \$1.10, consistent with historical seasonal patterns and reflecting confidence in the company's ability to maintain the momentum of the first half.

Operating margins and ROIC are expected to continue improving for the remainder of fiscal year 2006. ROIC is expected to be in the 10 to 11 percent range for fiscal 2006.

Kennametal anticipates net cash flow provided by operating activities of approximately \$210 million to \$230 million for fiscal 2006, reflecting an increase from prior guidance of \$200 million to \$220 million. Adjusting net cash flow provided by operating activities for the impact of purchases of property, plant and equipment (\$80 million), Kennametal expects to generate between \$130 million to \$150 million of free operating cash flow for fiscal 2006.

Dividend Declared

Kennametal also announced that its Board of Directors declared a quarterly cash dividend of \$0.19 per share. The dividend is payable February 22, 2006, to shareowners of record as of the close of business on February 7, 2006.

Kennametal advises shareowners to note monthly order trends, for which the company makes a disclosure ten business days after the conclusion of each month. This information is available on the Investor Relations section of Kennametal's corporate web site at www.kennametal.com.

Second quarter results will be discussed in a live Internet broadcast at 10:00 a.m. Eastern time today. This event will be broadcast live on the company's website, www.kennametal.com. Once on the homepage, just click on the link to "Corporate", and then "Investor Relations." This event also will be available on the company's website through February 8, 2006.

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. You can identify these 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. One can also identify forward-looking statements by the fact that they do not relate

strictly to historical or current facts. These statements are likely to relate to, among other things, our 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. Although it is not possible to predict or identify all factors, they may include the following: global and regional economic conditions; risks associated with the availability and costs of raw materials; energy costs; commodity prices; risks associated with integrating and divesting businesses 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 \$2.3 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-E]

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FINANCIAL HIGHLIGHTS

In addition to reported results under generally accepted accounting principles in the United States of America (GAAP), the following financial highlight tables also include, where appropriate, a reconciliation of adjusted return on invested capital (which is a non-GAAP financial measure), to the most directly comparable GAAP measure. Management believes that the investor should have available the same information that management uses to assess operating performance, determine compensation, and assess the capital structure of the Company. This non-GAAP measure should not be considered in isolation or as a substitute for the most comparable GAAP measure. Non-GAAP financial measures utilized by the Company may not be comparable to non-GAAP financial measures used by other companies.

Consolidated Statements of Income (Unaudited):

(in thousands, except per share amounts)	Quarter Ended December 31,		Six Months Ended December 31,	
	2005	2004	2005	2004
Sales	\$ 585,258	\$ 556,218	\$ 1,154,476	\$ 1,087,654
Cost of goods sold	<u>385,521</u>	<u>374,804</u>	<u>754,869</u>	<u>732,845</u>
Gross profit	199,737	181,414	399,607	354,809
Operating expense	145,282	139,513	292,944	270,462
Amortization of intangibles	<u>1,438</u>	<u>634</u>	<u>2,789</u>	<u>1,171</u>
Operating income	53,017	41,267	103,874	83,176
Interest expense	7,984	6,121	15,813	12,577
Other income, net	<u>(1,096)</u>	<u>(1,240)</u>	<u>(1,972)</u>	<u>(2,814)</u>
Income before provision for income taxes and minority interest	46,129	36,386	90,033	73,413
Provision for income taxes	14,531	7,277	29,590	20,607
Minority interest	<u>511</u>	<u>928</u>	<u>1,259</u>	<u>1,905</u>
Net income	<u>\$ 31,087</u>	<u>\$ 28,181</u>	<u>\$ 59,184</u>	<u>\$ 50,901</u>
Basic earnings per share	<u>\$ 0.81</u>	<u>\$ 0.77</u>	<u>\$ 1.56</u>	<u>\$ 1.39</u>
Diluted earnings per share	<u>\$ 0.79</u>	<u>\$ 0.74</u>	<u>\$ 1.52</u>	<u>\$ 1.35</u>
Dividends per share	<u>\$ 0.19</u>	<u>\$ 0.17</u>	<u>\$ 0.38</u>	<u>\$ 0.34</u>
Basic weighted average shares outstanding	<u>38,174</u>	<u>36,744</u>	<u>38,014</u>	<u>36,550</u>
Diluted weighted average shares outstanding	<u>39,278</u>	<u>38,016</u>	<u>39,064</u>	<u>37,702</u>

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FINANCIAL HIGHLIGHTS (Continued)

SEGMENT DATA (Unaudited):

(in thousands)	Quarter Ended December 31,		Six Months Ended December 31,	
	2005	2004	2005	2004
Outside Sales:				
Metalworking Solutions and Services Group	\$ 350,430	\$ 336,230	\$ 696,968	\$ 652,100
Advanced Materials Solutions Group	169,491	122,327	327,169	240,213
J&L Industrial Supply	65,337	61,338	130,339	122,755
Full Service Supply	—	36,323	—	72,586
Total Outside Sales	<u>\$ 585,258</u>	<u>\$ 556,218</u>	<u>\$ 1,154,476</u>	<u>\$ 1,087,654</u>
Sales By Geographic Region:				
Within the United States	\$ 312,219	\$ 301,524	\$ 619,618	\$ 603,307
International	273,039	254,694	534,858	484,347
Total Sales by Geographic Region	<u>\$ 585,258</u>	<u>\$ 556,218</u>	<u>\$ 1,154,476</u>	<u>\$ 1,087,654</u>
Operating Income (Loss):				
Metalworking Solutions and Services Group	\$ 43,473	\$ 42,723	\$ 89,719	\$ 81,595
Advanced Materials Solutions Group	29,102	13,869	52,430	28,402
J&L Industrial Supply	6,312	5,866	13,156	11,587
Full Service Supply	—	546	—	666
Corporate and eliminations (1)	(25,870)	(21,737)	(51,431)	(39,074)
Total Operating Income, as reported	<u>\$ 53,017</u>	<u>\$ 41,267</u>	<u>\$ 103,874</u>	<u>\$ 83,176</u>

(1) Includes corporate functional shared services and intercompany eliminations.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited):

(in thousands)	December 31, 2005	June 30, 2005
ASSETS		
Cash and equivalents	\$ 39,454	\$ 43,220
Trade receivables, net of allowance	385,299	403,097
Receivables securitized	(100,295)	(109,786)
Accounts receivable, net	285,004	293,311
Inventories	410,888	386,674
Deferred income taxes	70,176	70,391
Other current assets	32,121	37,466
Total current assets	837,643	831,062
Property, plant and equipment, net	515,451	519,301
Goodwill and intangible assets, net	666,166	652,791
Other assets	82,504	89,183
Total	<u>\$ 2,101,764</u>	<u>\$ 2,092,337</u>
LIABILITIES		
Short-term debt, including notes payable	\$ 17,237	\$ 50,889
Accounts payable	125,764	154,839
Accrued liabilities	216,112	222,930
Total current liabilities	359,113	428,658
Long-term debt	392,808	386,485
Deferred income taxes	54,591	59,551
Other liabilities	232,360	227,321
Total liabilities	1,038,872	1,102,015
MINORITY INTEREST	16,918	17,460
SHAREOWNERS' EQUITY	1,045,974	972,862
Total	<u>\$ 2,101,764</u>	<u>\$ 2,092,337</u>

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FINANCIAL HIGHLIGHTS (Continued)

RETURN ON INVESTED CAPITAL (Unaudited):

For the Period Ended December 31, 2005 (in thousands, except percents)

	12/31/2005	9/30/2005	6/30/2005	3/31/2005	12/31/2004	Average
Invested Capital						
Debt	\$ 410,045	\$ 415,250	\$ 437,374	\$ 485,168	\$ 405,156	\$ 430,599
Accounts receivable securitized	100,295	100,445	109,786	120,749	115,253	109,306
Minority interest	16,918	18,117	17,460	19,664	19,249	18,282
Shareowners' equity	1,045,974	1,009,394	972,862	1,021,186	1,003,507	1,010,585
Total	<u>\$ 1,573,232</u>	<u>\$ 1,543,206</u>	<u>\$ 1,537,482</u>	<u>\$ 1,646,767</u>	<u>\$ 1,543,165</u>	<u>\$ 1,568,772</u>
				Quarter Ended		
				6/30/2005	3/31/2005	Total
Interest Expense						
Interest expense		\$ 7,984	\$ 7,829	\$ 7,897	\$ 6,803	\$ 30,513
Securitization fees		1,170	1,065	981	868	4,084
Total interest expense		<u>\$ 9,154</u>	<u>\$ 8,894</u>	<u>\$ 8,878</u>	<u>\$ 7,671</u>	<u>\$ 34,597</u>
Income tax benefit						12,109
Total Interest Expense, net of tax						<u>\$ 22,488</u>
				Quarter Ended		
				6/30/2005	3/31/2005	Total
Total Income						
Net Income, as reported		\$ 31,087	\$ 28,097	\$ 37,740	\$ 30,650	\$ 127,574
Restructuring and asset impairment charges		—	—	—	3,306	3,306
Loss on assets held for sale		—	—	—	1,086	1,086
Minority interest expense		511	748	238	1,449	2,946
Total Income, excluding special items		<u>\$ 31,598</u>	<u>\$ 28,845</u>	<u>\$ 37,978</u>	<u>\$ 36,491</u>	<u>\$ 134,912</u>
Total Income, excluding special items						\$ 134,912
Total Interest Expense, net of tax						22,488
						\$ 157,400
Average invested capital						\$ 1,568,772
Adjusted Return on Invested Capital						10.0%
Return on Invested Capital calculated utilizing Net Income, as reported is as follows:						
Net Income, as reported						\$ 127,574
Total Interest Expense, net of tax						22,488
						\$ 150,062
Average invested capital						\$ 1,568,772
Return on Invested Capital						9.6%

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FINANCIAL HIGHLIGHTS (Continued)

RETURN ON INVESTED CAPITAL (Unaudited):

For the Period Ended December 31, 2004 (in thousands, except percents)

	12/31/2004	9/30/2004	6/30/2004	3/31/2004	12/31/2003	Average
Invested Capital						
Debt	\$ 405,156	\$ 435,435	\$ 440,207	\$ 494,312	\$ 481,327	\$ 451,287
Accounts receivable securitized	115,253	115,309	117,480	108,916	101,422	111,676
Minority interest	19,249	17,377	16,232	16,598	16,286	17,148
Shareowners' equity	1,003,507	924,432	887,152	809,904	791,442	883,288
Total	<u>\$ 1,543,165</u>	<u>\$ 1,492,553</u>	<u>\$ 1,461,071</u>	<u>\$ 1,429,730</u>	<u>\$ 1,390,477</u>	<u>\$ 1,463,399</u>
		12/31/2004	9/30/2004	Quarter Ended 6/30/2004	3/31/2004	Total
Interest Expense						
Interest expense		\$ 6,121	\$ 6,456	\$ 6,405	\$ 6,332	\$ 25,314
Securitization fees		757	580	443	356	2,136
Total interest expense		<u>\$ 6,878</u>	<u>\$ 7,036</u>	<u>\$ 6,848</u>	<u>\$ 6,688</u>	<u>\$ 27,450</u>
Income tax benefit						8,784
Total Interest Expense, net of tax						<u>\$ 18,666</u>
		12/31/2004	9/30/2004	Quarter Ended 6/30/2004	3/31/2004	Total
Total Income						
Net Income, as reported		\$ 28,181	\$ 22,720	\$ 29,852	\$ 24,070	\$ 104,823
Minority interest expense		928	977	(36)	533	2,402
Total Income, excluding special items		<u>\$ 29,109</u>	<u>\$ 23,697</u>	<u>\$ 29,816</u>	<u>\$ 24,603</u>	<u>\$ 107,225</u>
Total Income, excluding special items						\$ 107,225
Total Interest Expense, net of tax						18,666
						\$ 123,891
Average invested capital						\$ 1,463,399
Adjusted Return on Invested Capital						8.6%
Return on Invested Capital calculated utilizing Net Income, as reported is as follows:						
Net Income, as reported						\$ 104,823
Total Interest Expense, net of tax						18,666
						\$ 123,891
Average invested capital						\$ 1,463,399
Return on Invested Capital						8.4%

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