

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): **April 4, 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 2.05 Cost Associated with Exit or Disposal Activities

On April 4, 2006, Kennametal Inc. entered into a definitive agreement with Suncraft International Corp. to sell its UK-based Presto brand high-speed steel assets. The sale is expected to be completed by June 30, 2006 and is a component of the Company's previously-announced plan to accelerate its manufacturing rationalization opportunities.

The Company expects to take charges of approximately \$11.1 million resulting from the disposal, the majority of which are non-cash and will be recorded in the Company's fiscal quarter ended March 31, 2006. Proceeds from the sale were not material. The above costs include asset write-offs of \$9.5 million as well as other associated exit costs totaling \$1.6 million, which are expected to be short term cash outlays.

A copy of the press release issued by the Company in connection with the rationalization plan is attached hereto as exhibit 99.1.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release dated April 7, 2006

-end-

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: April 7, 2006

By: /s/ Frank P. Simpkins
Frank P. Simpkins
Vice President of Finance and Corporate
Controller



FROM: KENNAMETAL INC.
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Investor Relations
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DATE: April 07, 2006

FOR RELEASE: Immediate

Kennametal Announces Sale of High Speed Steel Assets in UK

LATROBE, Pa., April 07, 2006- Kennametal Inc. (NYSE: KMT) announced today that it has signed a definitive agreement with Suncraft International Corp. to sell Kennametal's UK-based Presto brand high speed steel assets. The disposition of these assets is in line with Kennametal's recently announced intention to accelerate its manufacturing rationalization opportunities.

The sale, which is expected to close by June 30, 2006, (fiscal year-end for Kennametal), remains subject to negotiated conditions of closing. The net cost impact is approximately \$0.24 per share and is included in the estimated \$0.55 to \$0.70 per share total manufacturing rationalization charge previously announced on March 15, 2006.

Suncraft will acquire the UK assets and manufacturing operations of the business and will assume the lease of a 10,827 square meter facility located in Sheffield, England. The employees at the facility will become Suncraft employees when the transaction closes.

"We are very pleased to announce this sale," commented Ron Keating, Kennametal Vice President and President of Kennametal's Metalworking Solutions Services Group. "We are able to advance our manufacturing rationalization strategy; our affected employees become part of an international company already in the high speed steel business; and Suncraft is able to strengthen its access to the UK and European markets. Also," Keating added, "Suncraft will continue to be an important supplier to Kennametal for various components and products including Kennametal's line of Cleveland brand tooling."

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-G]

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