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): **October 21, 2011**

Kennametal Inc.

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania	**1-5318**	**25-0900168**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(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 1.01 Entry into a Material Definitive Agreement

On October 21, 2011, Kennametal Inc. (the "Company") and Kennametal Europe GmbH, a Switzerland limited liability company and wholly-owned foreign subsidiary of the Company ("Kennametal Europe") entered into that certain Amendment No. 1 to the Third Amended and Restated Credit Agreement (the "Amendment") with Bank of America, N.A. (as Administrative Agent, Issuing Lender and Swingline Lender), Bank of America N.A., London Branch (as Euro Swingline Lender) and the Several Lenders from time to time parties thereto. Unless otherwise defined herein, capitalized terms used herein have the meaning ascribed to them in the Amendment, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

The Amendment amends the Company's $500 million five-year Third Amended and Restated Credit Agreement dated as of June 25, 2010 (the "Credit Agreement") among the Company, Kennametal Europe, Bank of America, N.A., London Branch (as Euro Swingline Lender), PNC Bank, National Association and JPMorgan Chase Bank, N.A. (as Co-Syndication Agents), Citizens Bank of Pennsylvania and Bank of Tokyo-Mitsubishi UFJ Trust Company (as Co-Documentation Agents), Bank of America, N.A. (as the Administrative Agent), and the other lending institutions identified in such Credit Agreement, which was set to expire June 25, 2015.

The Amendment amends the Credit Agreement by increasing the Company's total borrowing capacity from $500 million to $600 million, by increasing the sublimit for loans to foreign borrowers from $150 million to $250 million, by permitting the maximum borrowing capacity under the Credit Agreement to be increased up to $850 million at the Company's request (if the existing lenders agree to increase their commitments or if the Company adds additional lenders), by extending the term of the Credit Agreement to October 21, 2016, and by making other conforming changes to the Credit Agreement to reflect these amendments. The Amendment also provides for the substitution of a new Pricing Grid, which sets forth the specified facilities fees which the Company has agreed to pay, and updated Schedules to the Credit Agreement. Except as expressly provided in the Amendment, all of the terms, conditions and provisions of the Credit Agreement and other Loan Documents remain unchanged.

In addition to the Amendment, the Company and certain of its subsidiaries have and in the future may from time to time engage in ordinary course banking and financial activities with some of the lenders party to the Amendment (or their affiliates) and pay fees to such persons. Similarly, as described in the Company's Annual Report on Form 10-K for the year ended June 30, 2011, the Company and certain of its subsidiaries have in the past entered and may enter into foreign currency and interest rate hedging arrangements with counterparties. Existing counterparties include and future counterparties may include one or more of the lenders party to the Amendment (or their affiliates).

The foregoing description of the Amendment and the transactions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the Amendment, a copy of which is attached hereto as Exhibit 10.1.

The Amendment is being filed herewith solely to provide investors and security holders with information regarding its terms. It is not intended to be a source of financial, business or operational information about the Company or any of its subsidiaries or affiliates. The representations, warranties and covenants contained in the Amendment are made solely for purposes of the Amendment and are made as of specific dates; are solely for the benefit of the parties; may be subject to qualifications and limitations agreed upon by the parties in connection with negotiating the terms of the Amendment, including being qualified by confidential disclosures made for the purpose of allocating contractual risk between the parties instead of establishing matters as facts; and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors or security holders. Investors and security holders should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of the Company or any of its subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Amendment, which subsequent information may or may not be fully reflected in public disclosures.

Item 2.02 Results of Operations and Financial Condition
On October 27, 2011, Kennametal Inc. (Kennametal or the Company) issued an earnings announcement for its fiscal first quarter ended September 30, 2011.

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The press release contains certain non-generally accepted accounting principles (GAAP) financial measures. The following GAAP financial measures have been presented on an adjusted basis: gross profit, operating expense, operating income, Industrial operating income and margin, Infrastructure operating income and margin, net income and diluted earnings per share. Adjustments include restructuring and related charges for the three months ended September 30, 2010 and September 30, 2008. Management adjusts for these items in measuring and compensating internal performance and to more readily compare the Company's financial performance period-to-period The press release also contains free operating cash flow and adjusted return on invested capital (ROIC), which are both non-GAAP measures and are defined below.

Management believes that presentation of these non-GAAP financial measures provides useful information about the results of operations of the Company for the current and past periods. 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. Investors are cautioned that non-GAAP financial measures utilized by the Company may not be comparable to non-GAAP financial measures used by other companies.

Free Operating Cash Flow
Free operating cash flow is a non-GAAP financial measure and is defined by the Company as cash provided by operations (which is the most directly comparable GAAP measure) less capital expenditures plus proceeds from disposals of fixed assets. Management considers free operating cash flow to be an important indicator of Kennametal's cash generating capability because it better represents cash generated from operations that can be used for dividends, debt repayment, strategic initiatives (such as acquisitions), and other investing and financing activities.

Adjusted Return on Invested Capital
Adjusted Return on Invested Capital is a non-GAAP financial measure and is defined by the Company as the previous 12 months' net income, adjusted for interest expense, noncontrolling interest expense and special items, divided by the sum of the previous five quarters average balances of debt and total equity. The most directly comparable GAAP measure is return on invested capital calculated utilizing GAAP net income. Management believes that this financial measure provides additional insight into the underlying capital structure 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 earnings teleconference we may use various non-GAAP financial measures to describe the underlying operating results. Accordingly, we have compiled below certain reconciliations as required by Regulation G. These non-GAAP measures should not be considered in isolation or as a substitute for the most comparable GAAP measures. Investors are cautioned that non-GAAP financial measures utilized by the Company may not be comparable to non-GAAP financial measures used by other companies.

Debt to Capital
Debt to Capital is a non-GAAP financial measure and is defined by Kennametal as total debt divided by the sum of total equity plus total debt. The most directly comparable GAAP measure is debt to equity, which is defined as total debt divided by total equity. Management believes that Debt to Capital provides additional insight into the underlying capital structure and performance of the Company.

DEBT TO CAPITAL (UNAUDITED) (in thousands, except percents)	**September 30, 2011**	**June 30, 2011**
Total debt	$ 312,721	$ 312,882
Total equity	1,588,745	1,658,641
Debt to equity, GAAP	19.7%	18.9%
Total debt	$ 312,721	$ 312,882
Total equity	1,588,745	1,658,641
Total capital	$ 1,901,466	$ 1,971,523
Debt to capital	16.4%	15.9%

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth above in Item 1.01 with respect to the Amendment is hereby incorporated by reference herein.

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Item 5.07 Submission of Matters to a Vote of Security Holders

At the Annual Meeting of Shareowners on October 25, 2011, our shareowners voted on the election of four directors, the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2012, the reapproval of the Kennametal Inc. Management Performance Bonus Plan, advisory vote on executive compensation and advisory vote on frequency of advisory vote on executive compensation. Of the 73,717,722 shares present in person or by proxy, the following is the number of shares voted in favor of, abstained or voted against each matter and the number of shares having authority to vote on each matter but withheld.

I. With respect to the votes cast for the re-election of four directors with the terms to expire in 2013 and 2014, respectively:

	For	Against	Withheld	Broker Non-Votes
William J. Harvey (for a term to expire in 2013)	66,930,200	2,958,607	-	3,828,915
Philip A. Dur (for a term to expire in 2014)	66,820,217	3,068,590	-	3,828,915
Timothy R. McLevish (for a term to expire in 2014)	66,923,260	2,965,547	-	3,828,915
Steven H. Wunning (for a term to expire in 2014)	63,998,824	5,889,983	-	3,828,915

The following other directors' terms of office continued after the meeting: Carlos M. Cardoso, Ronald M. DeFeo, William R. Newlin, Lawrence W. Stranghoener and Larry D. Yost.

II. With respect to the ratification of the selection of the firm PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2012:

	For	Against	Abstained	Broker Non-Votes
PricewaterhouseCoopers LLP	71,871,032	1,792,351	54,338	-

III. With respect to the reapproval of the Kennametal Inc. Management Performance Bonus Plan:

	For	Against	Abstained	Broker Non-Votes
Kennametal Inc. Management Performance Bonus Plan	66,984,795	2,830,972	73,039	3,828,916

IV. With respect to the advisory vote on executive compensation:

	For	Against	Abstained	Broker Non-Votes
Executive compensation	66,263,639	3,386,879	238,288	3,828,916

V. With respect to the advisory vote on frequency of advisory vote on executive compensation:

	1 Year	2 Years	3 Years	Abstained	Broker Non-Votes
Frequency of advisory vote on executive compensation	63,389,368	666,295	5,459,546	373,597	3,828,916

In light of the shareowner vote at the Annual Meeting on Proposal V as reported above, the Company's Board of Directors has determined that the Company will include a non-binding, advisory vote in its proxy materials for its annual meeting of shareowners to approve the compensation of its named executive officers as disclosed in such proxy materials every year until the next required vote on the frequency of shareowner votes on the compensation of the Company's named executive officers.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

10.1 Amendment No. 1, dated as of October 21, 2011, to the Third Amended and Restated Credit Agreement by and among Kennametal Inc., Kennametal Europe GmbH, Bank of America, N.A., Bank of America N.A., London Branch, PNC Bank, National Association, JPMorgan Chase Bank, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Citizens Bank of Pennsylvania, Mizuho Corporate Bank, Ltd., HSBC Bank USA, N.A., U.S. Bank National Association, Comerica Bank, Commerzbank AG, New York and Grand Cayman Branches, The Huntington National Bank, First Commonwealth Bank and Intesa Sanpaolo S.P.A.

99.1 Fiscal 2012 First Quarter Earnings Announcement

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: October 27, 2011	By:	/s/ Martha A. Bailey
		Martha A. Bailey Vice President Finance and Corporate Controller

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EXHIBIT INDEX

Exhibit No.	Description
10.1	Amendment No. 1, dated as of October 21, 2011, to the Third Amended and Restated Credit Agreement by and among Kennametal Inc., Kennametal Europe GmbH, Bank of America, N.A., Bank of America N.A., London Branch, PNC Bank, National Association, JPMorgan Chase Bank, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Citizens Bank of Pennsylvania, Mizuho Corporate Bank, Ltd., HSBC Bank USA, N.A., U.S. Bank National Association, Comerica Bank, Commerzbank AG, New York and Grand Cayman Branches, The Huntington National Bank, First Commonwealth Bank and Intesa Sanpaolo S.P.A.
99.1	Fiscal 2012 First Quarter Earnings Announcement

Exhibit 10.1
EXECUTION VERSION

AMENDMENT NO. 1
to the
THIRD AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDMENT NO. 1, dated as of October 21, 2011 (the "Amendment"), to the THIRD AMENDED AND RESTATED CREDIT AGREEMENT is by and among (a) KENNAMETAL INC., a Pennsylvania corporation (the "Company"), (b) KENNAMETAL EUROPE GMBH, a limited liability company organized under the laws of Switzerland and a wholly-owned Foreign Subsidiary of the Company (the "Foreign Borrower"; and together with the Company, collectively, the "Borrowers"), (c) the several banks and other financial institutions or entities from time to time party to the Credit Agreement referred to below (the "Lenders"), BANK OF AMERICA, N.A., LONDON BRANCH, as Euro Swingline Lender, and (e) BANK OF AMERICA, N.A., as administrative agent for the Lenders (the "Administrative Agent").

WHEREAS, the Borrowers, the Lenders, and the Administrative Agent are parties to that certain Third Amended and Restated Credit Agreement dated as of June 25, 2010 (as amended and in effect from time to time, the "Credit Agreement"; capitalized terms used but not otherwise defined herein shall have the same meanings ascribed to them in the Credit Agreement);

WHEREAS, the Borrowers have requested that the Administrative Agent and the Lenders amend certain of the terms and provisions of the Credit Agreement;

WHEREAS, in connection with an increase in the Total Commitments under the Credit Agreement, lenders will become party to the Credit Agreement as Joining Lenders (as defined below); and

WHEREAS, the Administrative Agent and the Lenders have agreed, subject to the terms and conditions set forth herein, to so amend those certain terms and provisions of the Credit Agreement.

NOW, THEREFORE, the Borrowers, the Lenders, and the Administrative Agent hereby agree as follows:

1. Amendment to Credit Agreement. The Credit Agreement is hereby amended as follows:

(a) The cover page of the Credit Agreement is hereby amended by replacing the number "$500,000,000" contained therein with the number "$600,000,000".

(b) Section 1.1 (Defined Terms) of the Credit Agreement is hereby amended by restating the definitions set forth below in its entirety as follows:

"Aggregate Foreign Sublimit": means, at any time and with respect to the Foreign Borrowers, the aggregate principal amount at any one time outstanding not to exceed $250,000,000. The Aggregate Foreign Sublimit is part of, and not in addition to, the Total Commitments.

"Termination Date": October 21, 2016.

(c) The definition of "Commitment" in Section 1.1 (Defined Terms) of the Credit Agreement is hereby amended by inserting the following new sentence at the end of the such definition:

The amount of the Total Commitments as of the First Amendment Effective Date is $600,000,000.

(d) The definition of “Pricing Grid” set forth in Section 1.1 (Definitions) of the Credit Agreement is here by amended by deleting the table contained therein and substituting the following in lieu thereof:

Pricing Level	Debt Rating S&P/Moody’s	Facility Fee Rate	Eurocurrency Applicable Margin and Swingline Applicable Margin	ABR Applicable Margin	Standby Letter of Credit Fee Rate	Trade Letter of Credit Fee Rate
I	^{3}A- ^{3}A3	0.100%	0.900%	0.000%	0.900%	0.60%
II	BBB+ Baa1	0.125%	1.000%	0.000%	1.000%	0.70%
III	BBB Baa2	0.150%	1.050%	0.050%	1.050%	0.75%
IV	BBB- Baa3	0.200%	1.175%	0.175%	1.175%	0.80%
V	<BBB- <Baa3	0.250%	1.250%	0.250%	1.250%	0.85%

(e) Section 1.1 (Definitions) of the Credit Agreement is hereby further amended by adding the following new definition in the correct alphabetical order of such Section:

“First Amendment Effective Date”: October 21, 2011.

(f) Section 2.15(b) (Increase of Commitments) of the Credit Agreement is hereby amended by replacing the text “Closing Date” in the first sentence of such section with the text “First Amendment Effective Date”.

(g) Section 2.15(b)(v) (Increase of Commitments) of the Credit Agreement is hereby amended by replacing the number “$750,000,000” contained therein with the number “$850,000,000”.

(h) Section 2.33(a) (Addition of Foreign Borrowers) of the Credit Agreement is hereby amended by replacing the number “$150,000,000” contained therein with the number “250,000,000”.

(i) The Credit Agreement is hereby amended by deleting the following existing Schedules to the Credit Agreement in their entirety and substituting in lieu thereof updated Schedules to the Credit Agreement as attached hereto as Annex A: Schedule 1(a) (Foreign Borrowers and Aggregate Foreign Sublimit) and Schedule 1.1 (Commitments).

2. Conditions to Effectiveness. This Amendment shall become effective as of the date first written above upon the satisfaction of the following conditions precedent on or prior to October 21, 2011:

(a) Documentation. The Administrative Agent shall have received all of the following, in form and substance satisfactory to Administrative Agent:

(i) duly executed and delivered counterparts of this Amendment (including the Ratification of Obligations attached hereto) by the Borrowers, the Guarantors, the Administrative Agent and each of the Lenders;

(ii) a certificate of the authorized officer of each Borrower and each Guarantor, dated as of the First Amendment Effective Date, substantially in the form of Annex B attached hereto;

(iii) favorable legal opinions addressed to the Lenders and the Administrative Agent, dated as of the First Amendment Effective Date, in form and substance satisfactory to the Administrative Agent from (i) Buchanan Ingersoll & Rooney PC, counsel to the Company and the Subsidiary Guarantors and (ii) CMS von Erlach Henrici, counsel to the Kennametal Europe GmbH, as a Foreign Borrower; and

(iv) an amended and restated Note executed and delivered by the Borrower for each Lender, if such Lender requested a Note pursuant to Section 2.32 of the Credit Agreement.

(b) No Default. On the date hereof and after giving effect to this Amendment, no event shall have occurred and be continuing that would constitute a Default or an Event of Default.

(c) Fees and Expenses. The Administrative Agent, for the account of the Persons entitled thereto, shall have received payment by the Borrowers of all fees and reasonable expenses that are due and payable on or prior to the date hereof (including, without limitation, legal fees that have been previously invoiced to the Borrowers);

3. Affirmation of the Borrowers and the Subsidiary Guarantor. Each of the Borrowers hereby affirms its absolute and unconditional promise to pay to each Lender, each Multicurrency Lender, each Issuing Lender, the Swingline Lender, the Euro Swingline Lender and the Administrative Agent its Loans, its Multicurrency Loans, its L/C Obligations and all other amounts due from it under the Notes, the Credit Agreement as amended hereby and the other Loan Documents, at the times and in the amounts provided for therein. The Company hereby affirms its guaranty of the Foreign Obligations in accordance with Section 2.34 of the Credit Agreement. The Subsidiary Guarantor hereby affirms its guaranty of the Obligations (as defined in the Guarantee) in accordance with the provisions of the Guarantee. Each of the Borrowers and the Subsidiary Guarantor confirms and agrees that all references to the term “Credit Agreement” in the other Loan Documents shall hereafter refer to the Credit Agreement as amended hereby.

4. Representations and Warranties. Each of the Borrowers hereby represents and warrants to the Administrative Agent and each Lender that:

(a) Representations and Warranties in Credit Agreement. The representations and warranties of the Group Members contained in the Credit Agreement, as amended hereby, are true and correct on the date hereof (except to the extent of changes resulting from transactions contemplated or permitted by this Credit Agreement and the other Loan Documents and changes occurring in the ordinary course of business that singly or in the aggregate are not materially adverse, and to the extent that such representations and warranties relate expressly to an earlier date, which representations were true and correct as of such date); and no Default or Event of Default has occurred and is continuing.

(b) Authority, No Conflicts, Etc. The execution, delivery and performance of this Amendment and all related documents and the consummation of the transactions contemplated hereby and thereby (i) are within the corporate (or the equivalent company) authority of each Loan Party, (ii) have been duly authorized by all necessary corporate (or the equivalent company) proceedings, (iii) do not and will not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which any Loan Party is subject or any judgment, order, writ, injunction, license or permit applicable to any Loan Party and (iv) do not conflict with any provision of the constitutive documents of, or any other agreement or other instrument binding upon, such Loan Party.

(c) Enforceability of Obligations. This Amendment, the Notes, the other Loan Documents, and the Credit Agreement as amended hereby constitute the legal, valid and binding obligations of each Loan Party party thereto, enforceable against such Loan Party party thereto, in accordance with their respective terms, except as limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, or other laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in equity or at law), and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefore may be brought.

5. Joinder of Additional Lenders. The Huntington National Bank agrees to join the Credit Agreement as a Lender (the "Joining Lender"). By its signature below, the undersigned Joining Lender hereby agrees to be a party to, and bound by the terms and conditions of, the Credit Agreement as if it had been an original signatory party thereto, and from and after the date hereof shall be deemed a "Lender" under and as defined in the Credit Agreement. By its signature below, each of the undersigned Borrowers and Administrative Agent hereby consents to the joinder of the Joining Lender.

The Joining Lender (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Amendment and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it is not unlawful, nor has any Governmental Authority asserted that it is unlawful, for such Joining Lender or its applicable Lending Office(s) to make, maintain or fund Loans to, or to participate in Letters of Credit issued for the account of, any Foreign Borrower that is a party to the Credit Agreement on the First Amendment Effective Date, (iii) from and after the First Amendment Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, and has received or has been afforded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.1 of the Credit Agreement, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Amendment and to commit to the Commitment, and (v) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Amendment and to acquire the Commitment; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

6. No Other Amendments. Except as expressly provided in this Amendment, all of the terms, conditions and provisions of the Credit Agreement and the other Loan Documents shall remain the same. It is declared and agreed by each of the parties hereto that the Credit Agreement, as amended hereby, shall continue in full force and effect, and that this Amendment and the Credit Agreement shall be read and construed as one instrument.

7. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument. In proving this Amendment, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought. Delivery of an executed signature page of this Amendment by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart thereof.

8. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

9. Submission To Jurisdiction; Waivers. Each Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Amendment and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected (i) by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Borrower at its address set forth in Section 9.2 of the Credit Agreement or at such other address of which the Administrative Agent shall have been notified pursuant thereto or (ii) through any other manner that complies with the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

10. Headings, etc. Headings or captions used in this Amendment are for convenience of reference only and shall not define or limit the provisions hereof.

11. Expenses. Each of the Borrowers agrees to pay to the Administrative Agent, on demand by the Administrative Agent, all reasonable out-of-pocket costs and expenses incurred or sustained by the Administrative Agent in connection with the preparation of this Amendment (including reasonable legal fees).

[Reminder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their proper and duly authorized officers as of the date first above written.

KENNAMETAL INC.

By: /s/ Lawrence J. Lanza
Name: Lawrence J. Lanza
Title: Vice President Treasurer

KENNAMETAL EUROPE GMBH

By: /s/ Gérald Goubau
Name: Gérald Goubau
Title: Managing Director

By: /s/ Rick Marzolf
Name: Rick Marzolf
Title: Managing Director

[Signature Page to Amendment No. 1 to Credit Agreement]

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Erik Truette

Name: Erik Truette

Title: Assistant Vice President

[Signature Page to Amendment No. 1 to Credit Agreement]

BANK OF AMERICA, N.A., as Lender, Issuing Lender and Swingline Lender

By: /s/ Irene Bartenstein

Name: Irene Bartenstein

Title: Director

[Signature Page to Amendment No. 1 to Credit Agreement]

BANK OF AMERICA N.A., LONDON BRANCH, as a Euro Swingline Lender

By: /s/ Gary Saint
Name: Gary Saint
Title: Vice President

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PNC BANK, NATIONAL ASSOCIATION, as
an Issuing Lender and a Lender

By: /s/ Susan J. Dimmick
Name: Susan J. Dimmick
Title: Senior Vice President

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JPMORGAN CHASE BANK, N.A., as an
Issuing Lender and a Lender

By: /s/ Deborah R. Winkler
Name: Deborah R. Winkler
Title: Vice President

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THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., as a Lender

By: /s/ Joanne Nasuti
Name: Joanne Nasuti
Title: Vice President

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CITIZENS BANK OF PENNSYLVANIA, as a Lender

By: /s/ Debra L. McAllonis
Name: Debra L. McAllonis
Title: Senior Vice President

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MIZUHO CORPORATE BANK, LTD., as a Lender

By: /s/ Leon Mo

Name: Leon Mo

Title: Authorized Signatory

[Signature Page to Amendment No. 1 to Credit Agreement]

HSBC BANK USA, N.A., as a Lender

By: /s/ Gregory R. Duval
Name: Gregory R. Duval
Title: Vice President

[Signature Page to Amendment No. 1 to Credit Agreement]

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: /s/ Kenneth R. Fieler
Name: Kenneth R. Fieler
Title: Vice President

[Signature Page to Amendment No. 1 to Credit Agreement]

COMERICA BANK, as a Lender

By: /s/ Blake Arnett
Name: Blake Arnett
Title: Vice President

[Signature Page to Amendment No. 1 to Credit Agreement]

COMMERZBANK AG, NEW YORK AND GRAND CAYMAN BRANCHES, as a Lender

By: /s/ Matthew Havens
Name: Matthew Havens
Title: Assistant Vice President

By: /s/ Sandy Bau
Name: Sandy Bau
Title: Associate

[Signature Page to Amendment No. 1 to Credit Agreement]

The Huntington National Bank, as a Joining Lender

By: /s/ Debra W. Riefner

Name: Debra W. Riefner

Title: Senior Vice President

[Signature Page to Amendment No. 1 to Credit Agreement]

FIRST COMMONWEALTH BANK, as a Lender

By: /s/ Stephen J. Orban
Name: Stephen J. Orban
Title: Senior Vice President

[Signature Page to Amendment No. 1 to Credit Agreement]

INTESA SANPAOLO S.P.A, as a Lender

By: /s/ John Michalisin
Name: John Michalisin
Title: First Vice President

By: /s/ Franco Di Mario
Name: Franco Di Mario
Title: FVP & Head of Credit

[Signature Page to Amendment No. 1 to Credit Agreement]

RATIFICATION OF OBLIGATIONS

The undersigned Subsidiary Guarantor hereby (a) acknowledges and consents to the foregoing Amendment and each Borrower's execution thereof; (b) ratifies and confirms all of its respective obligations and liabilities under the Loan Documents to which it is a party and ratifies and confirms that such obligations and liabilities extend to and continue in effect with respect to it, and that it continues to guarantee, the Obligations of the Company under the Credit Agreement; (c) acknowledges and agrees that the Subsidiary Guarantor does not have any claim or cause of action against the Administrative Agent or any Lender (or any of its respective directors, officers, employees or agents); and (d) acknowledges, affirms and agrees that the Subsidiary Guarantor does not have any defense, claim, cause of action, counterclaim, offset or right of recoupment of any kind or nature against any of their respective obligations, indebtedness or liabilities to the Administrative Agent or any Lender.

Agreed and Acknowledged as of the date first above written:

SUBSIDIARY GUARANTOR:

KENNAMETAL HOLDINGS EUROPE, INC.

By: /s/ Lawrence J. Lanza
Name: Lawrence J. Lanza
Title: Vice President Treasurer

Exhibit 10.1A

ANNEX A
[Attached]

SCHEDULE 1(a)

FOREIGN BORROWER
Kennametal Europe GmbH

AGGREGATE FOREIGN SUBLIMIT
$250,000,000

SCHEDULE 1.1

COMMITMENTS

Lender	Commitment
Bank of America, N.A.	$71,000,000.00
PNC Bank, National Association	71,000,000.00
JPMorgan Chase Bank, N.A.	71,000,000.00
The Bank of Tokyo-Mitsubishi UFJ, LTD.	63,000,000.00
Citizens Bank of Pennsylvania	63,000,000.00
Mizuho Corporate Bank, Ltd.	56,000,000.00
HSBC Bank USA, National Association	45,000,000.00
U.S. Bank National Association	45,000,000.00
Comerica Bank	25,000,000.00
Commerzbank AG New York and Grand Cayman Branches	25,000,000.00
The Huntington National Bank	25,000,000.00
First Commonwealth Bank	20,000,000.00
Intesa Sanpaolo S.p.A New York Branch	20,000,000.00
TOTAL	**$600,000,000.00**

MULTICURRENCY SUBCOMMITMENT

Lender	Multicurrency Commitment
Bank of America, N.A.	$35,500,000.00
PNC Bank, National Association	35,500,000.00
JPMorgan Chase Bank, N.A.	35,500,000.00
The Bank of Tokyo-Mitsubishi UFJ, LTD.	31,500,000.00
Citizens Bank of Pennsylvania	31,500,000.00
Mizuho Corporate Bank, Ltd.	28,000,000.00
HSBC Bank USA, National Association	22,500,000.00
U.S. Bank National Association	22,500,000.00
Comerica Bank	12,500,000.00
Commerzbank AG New York and Grand Cayman Branches	12,500,000.00
The Huntington National Bank	12,500,000.00
First Commonwealth Bank	10,000,000.00
Intesa Sanpaolo S.p.A New York Branch	10,000,000.00
TOTAL	**$300,000,000.00**

Exhibit 10.1B

ANNEX B
[Attached]

EXHIBIT B

FORM OF FIRST AMENDMENT CLOSING CERTIFICATE

Pursuant to Section 2(a)(ii) of Amendment No. 1, dated as of October 21, 2011 (the "Amendment") to the Third Amended and Restated Credit Agreement, dated as of June 25, 2010 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; capitalized terms used herein and not defined herein are used herein as defined therein), among Kennametal Inc., a Pennsylvania corporation (the "Company") and the other Borrowers party thereto, the several Lenders from time to time parties thereto, Bank of America, N.A., London Branch, as Euro Swingline Lender, PNC Bank, National Association and JPMorgan Chase Bank, N.A., as co-syndication agents, Citizens Bank of Pennsylvania and Bank of Tokyo-Mitsubishi UFJ Trust Company as co-documentation agents, Bank of America, N.A., as the administrative agent (in such capacity, the "Administrative Agent") and the other parties thereto, the undersigned [*INSERT TITLE OF OFFICER*] of [*INSERT NAME OF LOAN PARTY*] [the Company] (the "Certifying Loan Party") hereby certifies as follows:

1. The representations and warranties of the Certifying Loan Party set forth in each of the Loan Documents to which it is a party or which are contained in any certificate furnished by or on behalf of the Certifying Loan Party pursuant to any of the Loan Documents to which it is a party are true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date.

2. ________________ is the duly elected and qualified [Secretary] [Assistant Secretary] of the Certifying Loan Party and the signature set forth for such officer below is such officer's true and genuine signature.

3. No Default or Event of Default has occurred and is continuing as of the date hereof or after giving effect to the Loans to be made on the date hereof and the use of proceeds thereof.

4. [The conditions precedent set forth in Sections 2 of the Amendment were satisfied as of the date of the Amendment.]

The undersigned [Secretary] [Assistant Secretary] of the Certifying Loan Party certifies as follows:

5. There are no liquidation or dissolution proceedings pending or to my knowledge threatened against the Certifying Loan Party, nor has any other event occurred materially adversely affecting or threatening the continued corporate existence of the Certifying Loan Party.

6. The Certifying Loan Party is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its organization.

7. Attached hereto as Annex 1 is a true and complete copy of resolutions duly adopted by the [Board of Directors] [members] of the [General Partner of the] Certifying Loan Party on ________________ and ________________; such resolutions have not in any way been amended, modified, revoked or rescinded, have been in full force and effect since their adoption to and including the date hereof and are now in full force and effect and are the only corporate proceedings of the Certifying Loan Party now in force relating to or affecting the matters referred to therein.

8. [*PICK ONE*][The By-Laws or equivalent organizational document of the Certifying Loan Party have not been amended, revoked, supplemented or otherwise modified, since the date on which such By-Laws were delivered to the Administrative Agent on or about June 25, 2010, and such By-Laws are in full force and effect as of the date hereof.][Attached hereto as Annex 2 is a true and complete copy of the By-Laws or equivalent organizational document of the Certifying Loan Party as in effect on the date hereof.]

9. [*PICK ONE*][The Certificate of Incorporation or equivalent document of the Certifying Loan Party, as certified by the appropriate Governmental Authority, has not been amended, revoked, supplemented or otherwise modified, since the date on which such Certificate of Incorporation was delivered to the Administrative Agent on or about June 25, 2010, and such Certificate of Incorporation is in full force and effect as of the date hereof.][Attached hereto as Annex 3 is a true and complete copy of the Certificate of Incorporation or equivalent organizational document of the Certifying Loan Party as in effect on the date hereof and as certified by the appropriate Governmental Authority.]

10. Attached hereto as Annex 4 is a true and complete copy of the good standing certificate or equivalent documentation from the appropriate Governmental Authority.

[Remainder of this page intentionally left blank]

[*TO BE USED IF NEW SIGNATORY TO DOCUMENTS*][11. The following persons are now duly elected and qualified officers of the Certifying Loan Party holding the offices indicated next to their respective names below, and the signatures appearing opposite their respective names below are the true and genuine signatures of such officers, and each of such officers is duly authorized to execute and deliver on behalf of the Certifying Loan Party each of the Loan Documents to which it is a party and any certificate or other document to be delivered by the Certifying Loan Party pursuant to the Loan Documents to which it is a party:

Name	Office	Signature
______________________	______________________	______________________
______________________	______________________	______________________]

[Signatures follow]

IN WITNESS WHEREOF, the undersigned have hereunto set our names as of the date set forth below.

______________________________	______________________________
Name: ______________________________	Name: ______________________________
Title: ______________________________	Title: ______________________________

Date: __________ [__], 2011

PRESS RELEASE

KENNAMETAL

FOR IMMEDIATE RELEASE:
DATE: October 27, 2011

Investor Relations
CONTACT: Quynh McGuire
PHONE: 724-539-6559

Media Relations
CONTACT: Christina Reitano
PHONE: 724-539-5708

KENNAMETAL ANNOUNCES RECORD FIRST QUARTER 2012 RESULTS AND DIVIDEND INCREASE

- Record first quarter EPS of $0.88 and operating margin of 15.4 percent
- All-time record adjusted ROIC of 16.2 percent
- Increases dividend 17 percent to $0.14 per share
- Increases EPS guidance to $3.60 to $3.85 from $3.50 to $3.80

LATROBE, Pa., (October 27, 2011) – Kennametal Inc. (NYSE: KMT) today reported a record fiscal 2012 first quarter earnings per diluted share (EPS) of $0.88 compared with prior year quarter reported EPS of $0.42. The prior year EPS included restructuring and related charges of $0.05. Prior September quarter record EPS were $0.57 at September 30, 2008.

Carlos Cardoso, Kennametal's Chairman, President and Chief Executive Officer said "Organic revenue growth of 17 percent for the quarter reflects ongoing customer demand on top of strong growth from the prior year quarter. For the September quarter, Kennametal again delivered record financial results, driven by increased sales volumes across our served end markets and geographies. At the same time, our company-specific initiatives provided additional sources of top-line growth and margin expansion during the period. This performance demonstrates that Kennametal's global team continues to successfully execute our strategies, further strengthen our foundation and position the company to achieve higher levels of profitability and earnings."

Fiscal 2012 First Quarter Key Developments

- Sales were $659 million, compared with $529 million in the same quarter last year. Sales increased as a result of organic growth of 17 percent, a 7 percent favorable impact from foreign currency effects and a favorable impact from more business days.

- Record operating income was $102 million compared with $58 million in the same quarter last year. The prior year operating income included restructuring and related charges of $4 million. Operating margin reached a first quarter record of 15.4 percent compared to the prior year previous quarterly record for adjusted operating margin of 11.7 percent. The improved margin was driven by higher sales volume and price realization, continued focus on cost containment and incremental restructuring benefits, partially offset by higher raw material costs.

- First quarter record reported EPS were $0.88 compared with prior year quarter reported EPS of $0.42. The prior year EPS included restructuring and related charges of $0.05.

- Cash outflow from operating activities was $7 million, compared with cash inflow of $26 million in the prior year. Net capital expenditures were $11 million for the quarter. Free operating cash flow for the current quarter was an outflow of $18 million compared with an inflow of $16 million in the prior year quarter. The primary drivers of the outflow were higher inventory levels and higher payments related to incentive compensation.

- The company purchased 2 million shares of its common stock under a previously announced share repurchase program.

- Adjusted ROIC was 16.2 percent as of September 30, 2011 and was an all-time company record. The previous all-time record for adjusted ROIC was 14.8 percent as of June 30, 2011.

Segment Developments for the Fiscal 2012 First Quarter

- Industrial segment sales of $418 million increased by 26 percent from $331 million in the prior year quarter, driven by organic growth of 17 percent, favorable foreign currency effects of 8 percent and favorable impact of more business days. On an organic basis, sales increased in all served market sectors led by growth in general engineering of 22 percent and a 14 percent increase in transportation. On a regional basis, sales increased by approximately 24 percent in Europe, 19 percent in the Americas and 7 percent in Asia.

- Industrial segment operating income was $73 million compared with $36 million for the same quarter of the prior year. Absent restructuring and related charges, Industrial operating income was $39 million in the prior year quarter. The primary drivers of the increase in operating income were higher sales volumes and price realization, partially offset by an increase in raw material costs. Industrial operating margin increased substantially from the prior year quarter to 17.4 percent from an adjusted operating margin of 11.8 percent in the prior year period.

- Infrastructure segment sales of $241 million increased 21 percent from $199 million in the prior year quarter, driven by 17 percent organic growth and favorable foreign currency effects of 4 percent. The organic increase was driven by 19 percent higher sales of energy and related products, as well as a 14 percent increase in demand for earthworks products. On a regional basis, sales increased by approximately 25 percent in Asia, 16 percent in the Americas and 14 percent in Europe.

- Infrastructure segment operating income was $33 million, compared with $27 million in the same quarter of the prior year. Absent restructuring and related charges, Infrastructure operating income was $28 million in the prior year quarter. Operating income grew primarily due to higher sales volumes and price realization, despite significantly higher raw material costs. Infrastructure operating margin was 13.5 percent compared to an adjusted operating margin of 14.0 percent in the prior year quarter.

Reconciliations of all non-GAAP financial measures are set forth in the attached tables, and the corresponding descriptions are contained in our report on Form 8-K to which this release is attached.

Recent Actions to Enhance Liquidity and Further Strengthen Financial Position

In October 2011, Kennametal further enhanced liquidity and strengthened its financial position by amending the company's existing revolving bank credit facility. The amendment provides additional liquidity by increasing the size of the facility from $500 million to $600 million and extending the terms to October 2016. The amendment also provides for improved pricing. Financial covenants and other key provisions remain unchanged.

Outlook

Global economic conditions and worldwide industrial production are expected to continue to reflect moderate expansion. As such, Kennametal has maintained its fiscal 2012 organic sales growth guidance range of 10 percent to 12 percent and total sales growth range of 9 percent to 11 percent.

The company has increased its EPS guidance for fiscal 2012 to the range of $3.60 to $3.85 per share from the previous range of $3.50 to $3.80 per share.

Cash flow from operations is expected to be in the range of $330 million to $360 million for fiscal 2012 as compared to the previous range of $360 million to $380 million. Based on capital expenditures of approximately $100 million, the company expects to generate between $230 million to $260 million of free operating cash flow for the full fiscal year, from the previous range of $260 million to $280 million.

Dividend Increase Declared

Kennametal also announced that its Board of Directors declared a quarterly cash dividend of $0.14 per share, which represents an increase of 17 percent, or $0.02, per share. The dividend is payable November 29, 2011 to shareowners of record as of the close of business on November 8, 2011.

Kennametal advises shareowners to note monthly order trends, for which the company generally 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 website at www.kennametal.com.

First quarter results for fiscal 2012 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, select "Investor Relations" and then "Events." The replay of this event will also be available on the company's website through November 28, 2011.

Certain statements in this release may be forward-looking in nature, or "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. For example, statements about Kennametal's outlook for earnings, sales volumes, and cash flow for fiscal year 2012 and our expectations regarding future growth and financial performance are forward-looking statements. These statements are based on current estimates 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, our actual results could vary materially from our current expectations. There are a number of factors that could cause our actual results to differ from those indicated in the forward-looking statements. They include: economic recession; availability and cost of the raw materials we use to manufacture our products; our foreign operations and international markets, such as currency exchange rates, different regulatory environments, trade barriers, exchange controls, and social and political instability; changes in the regulatory environment in which we operate, including environmental, health and safety regulations; our ability to protect and defend our intellectual property; competition; our ability to retain our management and employees; demands on management resources; demand for and market acceptance of our products; integrating acquisitions and achieving the expected savings and synergies; business divestitures; and implementation of environmental remediation matters. Many of these risks are more fully described in Kennametal's latest annual report on Form 10-K 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) delivers productivity to customers seeking peak performance in demanding environments by providing innovative custom and standard wear-resistant solutions. This proven productivity is enabled through our advanced materials sciences and application knowledge. Our commitment to a sustainable environment provides additional value to our customers. Companies operating in everything from airframes to coal mining, from engines to oil wells and from turbochargers to construction recognize Kennametal for extraordinary contributions to their value chains. In fiscal year 2011, customers bought approximately $2.4 billion of Kennametal products and services – delivered by our approximately 11,000 talented employees doing business in more than 60 countries – with more than 50 percent of these revenues coming from outside North America. Visit us at www.kennametal.com.

FINANCIAL HIGHLIGHTS

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(in thousands, except per share amounts)	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010
Sales	$ 658,877	$ 529,158
Cost of goods sold	407,817	340,418
Gross profit	251,060	188,740
Operating expense	145,989	125,020
Restructuring charges	-	3,260
Amortization of intangibles	3,461	2,948
Operating income	101,610	57,512
Interest expense	5,487	5,963
Other expense, net	574	1,911
Income from continuing operations before income taxes	95,549	49,638
Provision for income taxes	21,976	13,682
Net income	73,573	35,956
Less: Net income attributable to noncontrolling interests	1,587	1,035
Net income attributable to Kennametal	$ 71,986	$ 34,921
PER SHARE DATA ATTRIBUTABLE TO KENNAMETAL		
Basic earnings per share	$ 0.89	$ 0.43
Diluted earnings per share	$ 0.88	$ 0.42
Dividends per share	$ 0.12	$ 0.12
Basic weighted average shares outstanding	80,659	82,105
Diluted weighted average shares outstanding	81,808	82,689

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in thousands)	**September 30, 2011**	**June 30, 2011**
ASSETS		
Cash and cash equivalents	$ 102,547	$ 204,565
Accounts receivable, net	420,704	447,835
Inventories	559,525	519,973
Other current assets	107,859	115,212
Total current assets	1,190,635	1,287,585
Property, plant and equipment, net	668,403	697,062
Goodwill and other intangible assets, net	645,689	663,607
Other assets	106,791	106,215
Total assets	$ 2,611,518	$ 2,754,469
LIABILITIES		
Current maturities of long-term debt and capital leases, including notes payable	$ 310,987	$ 310,963
Accounts payable	186,805	222,678
Other current liabilities	263,105	307,880
Total current liabilities	760,897	841,521
Long-term debt and capital leases	1,734	1,919
Other liabilities	260,142	252,388
Total liabilities	1,022,773	1,095,828
KENNAMETAL SHAREOWNERS' EQUITY	1,568,290	1,638,072
NONCONTROLLING INTERESTS	20,455	20,569
Total liabilities and equity	$ 2,611,518	$ 2,754,469

SEGMENT DATA (UNAUDITED)

	Three Months Ended September 30,	
(in thousands)	**2011**	**2010**
Outside Sales :		
Industrial	$ 417,819	$ 330,658
Infrastructure	241,058	198,500
Total outside sales	$ 658,877	$ 529,158
Sales By Geographic Region:		
United States	$ 286,736	$ 242,436
International	372,141	286,722
Total sales by geographic region	$ 658,877	$ 529,158
Operating Income :		
Industrial	$ 72,685	$ 36,108
Infrastructure	32,554	26,503
Corporate [1]	(3,629)	(5,099)
Total operating income	$ 101,610	$ 57,512

(1) Represents unallocated corporate expenses

In addition to reported results under generally accepted accounting principles in the United States of America (GAAP), the following financial highlight tables include, where appropriate, a reconciliation of adjusted results including gross profit, operating expense, operating income, Industrial operating income and margin, Infrastructure operating income and margin, net income and diluted earnings per share, free operating cash flow and return on invested capital (which are non-GAAP financial measures), to the most directly comparable GAAP measures. For those adjustments that are presented 'net of tax', the tax effect of the adjustment can be derived by calculating the difference between the pre-tax and the post-tax adjustments presented. The tax effect on adjustments is calculated by preparing an overall tax calculation including the adjustments and then a tax calculation excluding the adjustments. The difference between these calculations results in the tax impact of the adjustments.

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. Investors are cautioned that non-GAAP financial measures utilized by the company may not be comparable to non-GAAP financial measures used by other companies. Reconciliations of all non-GAAP financial measures are set forth in the attached tables and descriptions of certain non-GAAP financial measures are contained in our report on Form 8-K to which this release is attached.

THREE MONTHS ENDED SEPTEMBER 30, 2010 (UNAUDITED)

(in thousands, except per share amounts)	Gross Profit	Operating Expense	Operating Income	Net Income[2]	Diluted EPS
2011 Reported Results	$ 188,740	$ 125,020	$ 57,512	$ 34,921	$ 0.42
2011 Reported Operating Margin			10.9%		
Restructuring and related charges	971	(22)	4,253	3,751	0.05
2011 Adjusted Results	$ 189,711	$ 124,998	$ 61,765	$ 38,672	$ 0.47
2011 Adjusted Operating Margin			11.7%		

(in thousands, except percents)	Industrial Operating Income	Infrastructure Operating Income
2011 Reported Results	$ 36,108	$ 26,503
2011 Reported Operating Margin	10.9%	13.4%
Restructuring and related charges	2,913	1,340
2011 Adjusted Results	$ 39,021	$ 27,843
2011 Adjusted Operating Margin	11.8%	14.0%

[2] Represents amounts attributable to Kennametal shareowners

THREE MONTHS ENDED SEPTEMBER 30, 2008 (UNAUDITED)

(in thousands, except per share amounts)	Gross Profit	Operating Expense	Operating Income	Net Income	Diluted EPS
2009 Reported Results	$ 218,778	$ 153,682	$ 53,275	$ 35,467	$ 0.47
Restructuring and related charges	723	(10)	9,145	7,408	0.10
2009 Adjusted Results	$ 219,501	$ 153,672	$ 62,420	$ 42,875	0.57

FREE OPERATING CASH FLOW (UNAUDITED)

(in thousands)	Three Months Ended September 30, 2011	2010
Net cash flow (used for) provided by operating activities	$ (7,238)	$ 26,428
Purchases of property, plant and equipment	(11,607)	(10,062)
Proceeds from disposals of property, plant and equipment	545	90
Free operating cash flow	$ (18,300)	$ 16,456

RETURN ON INVESTED CAPITAL (UNAUDITED)
September 30, 2011 (in thousands, except percents)

Invested Capital	9/30/2011	6/30/2011	3/31/2011	12/31/2010	9/30/2010	Average
Debt	$ 312,721	$ 312,882	$ 316,843	$ 316,379	$ 318,819	$ 315,529
Total equity	1,588,745	1,658,641	1,562,387	1,476,427	1,437,616	1,544,763
Total	$1,901,466	$1,971,523	$1,879,230	$1,792,806	$1,756,435	$1,860,292

	Three Months Ended				
Interest Expense	**9/30/2011**	**6/30/2011**	**3/31/2011**	**12/31/2010**	**Total**
Interest expense	$ 5,487	$ 5,466	$ 5,767	$ 5,564	$ 22,284
Income tax benefit					5,125
Total interest expense, net of tax					$ 17,159

Total Income	9/30/2011	6/30/2011	3/31/2011	12/31/2010	Total
Net income attributable to Kennametal, as reported	$ 71,986	$ 86,655	$ 64,683	$ 43,469	$ 266,793
Restructuring and related charges	-	5,588	4,379	4,366	14,333
Noncontrolling interest	1,587	174	520	821	3,102
Total income, adjusted	$ 73,573	$ 92,417	$ 69,582	$ 48,656	$ 284,228
Total interest expense, net of tax					17,159
					$ 301,387
Average invested capital					$1,860,292
Adjusted Return on Invested Capital					**16.2%**

Return on invested capital calculated utilizing net income, as reported is as follows:

Net income attributable to Kennametal, as reported	$ 266,793
Total interest expense, net of tax	17,159
	$ 283,952
Average invested capital	$1,860,292
Return on Invested Capital	**15.3%**

RETURN ON INVESTED CAPITAL (UNAUDITED)
June 30, 2011 (in thousands, except percents)

Invested Capital	6/30/2011	3/31/2011	12/31/2010	9/30/2010	6/30/2010	Average
Debt	$ 312,882	$ 316,843	$ 316,379	$ 318,819	$ 337,668	$ 320,518
Total equity	1,658,641	1,562,387	1,476,427	1,437,616	1,333,443	1,493,703
Total	$1,971,523	$1,879,230	$1,792,806	$1,756,435	$1,671,111	$1,814,221

	Three Months Ended				
Interest Expense	**6/30/2011**	**3/31/2011**	**12/31/2010**	**9/30/2010**	**Total**
Interest expense	$ 5,466	$ 5,767	$ 5,564	$ 5,963	$ 22,760
Income tax benefit					4,757
Total interest expense, net of tax					$ 18,003

Total Income	6/30/2011	3/31/2011	12/31/2010	9/30/2010	Total
Net income attributable to Kennametal, as reported	$ 86,655	$ 64,683	$ 43,469	$ 34,920	$ 229,727
Restructuring and related charges	5,588	4,379	4,366	3,751	18,084
Noncontrolling interest expense	174	520	821	1,035	2,550
Total income, adjusted	$ 92,417	$ 69,582	$ 48,656	$ 39,706	$ 250,361
Total interest expense, net of tax					18,003
					$ 268,364
Average invested capital					$1,814,221
Adjusted Return on Invested Capital					**14.8%**

Return on invested capital calculated utilizing net income, as reported is as follows:

Net income attributable to Kennametal, as reported	$ 229,727
Total interest expense, net of tax	18,003
	$ 247,730
Average invested capital	$1,814,221
Return on Invested Capital	**13.7%**