
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): February 2, 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
(Address of principal executive offices)

15650-0231
(Zip code)

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

Not applicable
(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 8.01 Other Events.

On Thursday, February 2, 2006, upon the recommendation of its Compensation Committee, the Board of the Directors (the "Board") of Kennametal Inc. (the "Company") approved an increase by approximately fifteen percent (15%) of the aggregate Board compensation paid to the Company's non-employee directors, and realigned the mix of equity compensation payable to the Board consistent with the mix of equity compensation payable to its executives, which are summarized in Exhibit 10.1 to this Form 8-K and such descriptions are incorporated into this Item 8.01 by reference. The Board continues to emphasize alignment with the shareowners by paying approximately 65% of the compensation in equity. The Board had not approved an increase to the compensation paid to non-employee directors of the Board for more than a two-year period.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

10.1 Description of Compensation Payable to Non-Employee Directors

SIGNATURES

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

KENNAMETAL INC.
Registrant

Date: February 2, 2006

By: /s/ David W. Greenfield
David W. Greenfield
Vice President, Secretary
and General Counsel

Description of Compensation Payable to Non-Employee Directors

Upon the recommendation of the Compensation Committee of the Board, on February 2, 2006, the Board approved the following compensation payable to each non-employee director of the Board in respect of his service on the Board and/or a committee effective as of January 1, 2006:

| | |
|---|---|
| Annual Retainer(1) | |
| Lead Director | \$ 69,500 |
| All Other Non-Employee Directors | \$ 34,500 |
| Annual Grant of Restricted Stock or Deferred Stock Credits | |
| Lead Director | \$ 40,000 |
| All Other Non-Employee Directors | \$ 40,000 |
| Annual Committee Chairman Stipend(1) | |
| Audit Committee | \$ 16,500 |
| Compensation Committee | \$ 13,500 |
| Nominating/Corporate Governance Committee | \$ 13,500 |
| Annual Stipend for Committee Service (other than as Chairman)(1) | |
| Audit Committee | \$ 9,900 |
| Compensation Committee | \$ 8,000 |
| Nominating/Corporate Governance Committee | \$ 8,000 |
| Stock Options(2) | One-time grant of 7,000 shares upon election to Board of Directors; Annual grant of 3,500 shares thereafter |

(1) Directors' fees are paid quarterly.

(2) The exercise price for each award is the mean between the highest and lowest sales price of the Company's Capital Stock on the New York Stock Exchange on the last trading day prior to the date of the grant.