

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

 Preliminary Proxy Statement Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)) Definitive Proxy Statement Definitive Additional Materials Soliciting Material Pursuant to Rule 14a-11(c) or 14a-12

KENNAMETAL, INC.

(Name of Registrant as Specified in Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

 No fee required. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

 Fee paid previously with preliminary materials. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1. Amount previously paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

KENNAMETAL INC.
LATROBE, PENNSYLVANIA 15650

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD OCTOBER 27, 1997

To the Stockholders of Kennametal Inc.:

The Annual Meeting of Stockholders of Kennametal Inc. will be held at the Corporate Technology Center, located on Route 981 South, approximately 1/4 mile south of its intersection with U.S. Route 30 near Latrobe, Unity Township, Pennsylvania, on Monday, October 27, 1997, at 2:00 p.m., to consider and act upon the following matters:

1. The election of two directors for terms to expire in 2000;
2. The election of auditors for the fiscal year ending June 30, 1998; and
3. Such other business as may properly come before the meeting.

The Board of Directors has fixed Monday, September 8, 1997, as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting.

IF YOU ARE UNABLE TO ATTEND THE MEETING, IT IS REQUESTED THAT YOU COMPLETE, DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT IN THE ENCLOSED ENVELOPE.

BY ORDER OF THE BOARD OF DIRECTORS

David T. Cofer
Secretary

September 12, 1997

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS

OCTOBER 27, 1997

This Proxy Statement is being furnished to the stockholders of Kennametal Inc. (the "Corporation") in connection with the solicitation by the Board of Directors of the Corporation of proxies to be voted at the Annual Meeting of Stockholders which is scheduled to be held on October 27, 1997. Only holders of capital stock, par value \$1.25 per share, of the Corporation ("Capital Stock") of record at the close of business on September 8, 1997, will be entitled to vote at the meeting. On that date there were 26,207,991 shares of Capital Stock outstanding and entitled to one vote per share. Any stockholder who executes and returns the proxy may revoke it at will at any time prior to the voting of the proxy, but revocation of the proxy will not be effective until written notice thereof has been received by the Secretary of the Corporation. The proxy may also be revoked by voting in person at the meeting or by delivering a later dated, signed proxy. The shares represented by all properly executed proxies received by the Secretary in the accompanying form of proxy prior to the meeting and not so revoked will be voted. Where a choice is specified on the form of proxy, the shares will be voted in accordance with the choice made therein. If no such choice is made, the shares will be voted in accordance with the recommendation of the Board of Directors. Under Pennsylvania law and the Corporation's Articles of Incorporation and By-Laws, abstentions and broker non-votes will have no effect on matters to be voted on at the Annual Meeting since directors are elected by plurality vote and auditors are to be elected by the affirmative vote of at least a majority of the votes cast by stockholders present, in person or by proxy, at the meeting. A majority of the named proxies who shall be present and shall act at the meeting (or if only one shall be present and act, then that one) may exercise all powers granted to them by the proxies solicited hereunder. The address of the principal executive offices of the Corporation is Route 981 South at Westmoreland County Airport, P.O. Box 231, Latrobe, Pennsylvania 15650, and the date this Proxy Statement was mailed to stockholders was on or about September 19, 1997.

ELECTION OF DIRECTORS

Two directors are to be elected to hold office as Directors of the Second Class for terms of three years, and until their successors are elected and qualified.

The holders of Capital Stock have cumulative voting rights in the election of directors. In voting for directors, a stockholder has the right to multiply the total number of shares, which the stockholder is entitled to vote, by the number of directors to be elected in each class, and to cast the whole number of votes so determined for one nominee in the class or to distribute them among the nominees if more than one nominee is named in such class. Proxies who vote at the meeting on behalf of a stockholder will have the discretion to and may exercise such cumulative voting rights. The two individuals who receive the largest number of votes cast will be elected as Directors of the Second Class.

The persons named in the enclosed form of proxy were selected by the Board of Directors and have advised the Board of Directors that, unless authority is withheld, they intend to vote the shares represented by them at the meeting for the election of the following nominees named to serve as directors. The nominees for election for terms of three years in the Second Class of Directors are Richard C. Alberding and William R. Newlin, who have each served as a director since 1982. THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THESE NOMINEES. Quentin C. McKenna, age 71, who has served as a director since 1971, will retire from the Board of Directors effective October 27, 1997. Therefore, the Second Class of Directors shall be reduced from three to two members effective October 27, 1997.

If at the time of the meeting any of the foregoing nominees is not available to serve as a director, an event which the Corporation has no reason to anticipate, the Corporation has been informed that the persons named in the enclosed form of proxy intend to vote the shares represented by them at the meeting for such other person or persons, if any, as may be nominated by the Board of Directors.

The following table provides certain information concerning each nominee for election as a director and each director whose term of office will continue after the meeting.

NAME, AGE AND YEAR FIRST ELECTED (1)	PRINCIPAL OCCUPATION AND DIRECTORSHIPS OF OTHER PUBLICLY-TRADED CORPORATIONS (2)
Nominees for Directors of the Second Class Whose Terms Expire in 2000	
Richard C. Alberding Age: 66 Director since 1982	Retired, having served as Executive Vice President, Marketing and International, of Hewlett-Packard Company (a designer and manufacturer of electronic products for measurement and computation). Director of Walker Interactive Systems, Inc., Sybase, Inc., Digital Microwave Corp., Paging Network, Inc., Quickturn Design Systems Inc., Digital Link Corporation, Storm Technology Inc. and JLK Direct Distribution Inc.
William R. Newlin (3) Age: 56 Director since 1982	Managing Director of Buchanan Ingersoll Professional Corporation (attorneys at law). Managing General Partner of CEO Venture Funds (private venture capital funds). Director of Black Box Corporation, National City Bank of Pennsylvania, Parker/Hunter Incorporated, the Pittsburgh High Technology Council and CME Information Services, Inc. Chairman of the Board of Directors of the Corporation and of JLK Direct Distribution Inc.
Directors of the Third Class Whose Terms Expire in 1998	
A. Peter Held Age: 53 Director since 1995	President of Cooper Power Tools Division of Cooper Industries, Inc. (a manufacturer and marketer of industrial power tools), having served as Vice President and General Manager International of its Champion Spark Plug Division from 1992 to 1994, and as Vice President International Operations of its Cooper Hand Tools Division until 1992.
Aloysius T. McLaughlin, Jr. Age: 62 Director since 1986	Retired, having served as Vice Chairman of Dick Corporation (a general contractor) from 1993 to 1995 and as President and Chief Operating Officer from 1985 until 1993. Director of JLK Direct Distribution Inc.
Larry Yost Age: 59 Director since 1987	Senior Vice President, President, Automotive, and Acting President, Heavy Vehicle Systems, Rockwell International Corporation (a provider of components for heavy vehicles), having previously served as President, Heavy Vehicle Systems, Rockwell International Corporation from November 1994 until March 1997 and as Senior Vice President of the Operations Group of Allen-Bradley Company until November 1994.
Directors of the First Class Whose Terms Expire in 1999	
Peter B. Bartlett Age: 63 Director since 1975	General Partner of Brown Brothers Harriman & Co. (private bankers). Director of Erie Indemnity Company, Erie Family Life Insurance Company and Erie Insurance Company.

NAME, AGE AND YEAR FIRST ELECTED (1)	PRINCIPAL OCCUPATION AND DIRECTORSHIPS OF OTHER PUBLICLY-TRADED CORPORATIONS (2)
Warren H. Hollinshead Age: 61 Director since 1990	Retired having served as Executive Vice President of Westinghouse Electric Corporation (a technology-based manufacturing, communications and services company) during 1994, having previously served as Executive Vice President--Chief Financial Officer from January 1991 until March 1994.
Robert L. McGeehan Age: 60 Director since 1989	President of the Corporation since July 1989 and Chief Executive Officer since October 1991. Served as Director of Metalworking Systems Division from 1988 to 1989, and as General Manager of Machining Systems Division from 1985 to 1988. Director of JLK Direct Distribution Inc.

- (1) Each current director has served continuously since he was first elected.
- (2) Unless otherwise shown in the table, each person named has served in his principal occupation during the past five years.
- (3) The law firm of which William R. Newlin is a member performed services for the Corporation during fiscal years 1997 and 1998.

BOARD OF DIRECTORS AND BOARD COMMITTEES

The Corporation's Board of Directors held seven meetings during the year ended June 30, 1997. The committees of the Board of Directors include an Executive Committee, an Audit Committee, a Committee on Executive Compensation and a Nominating Committee. Each director attended at least 75% of the meetings of the Board of Directors and any committee of which he is a member.

Executive Committee: The Executive Committee met five times during the past fiscal year. The Committee's duties include monitoring performance of the Corporation's business plan, reviewing certain business strategies and reviewing management performance and succession. The following directors currently comprise the Committee: William R. Newlin (Chairman), Richard C. Alberding, Peter B. Bartlett and Aloysius T. McLaughlin, Jr.

Audit Committee: The Audit Committee met four times during the past fiscal year. The Committee's primary function is to evaluate management's performance of its financial reporting responsibilities including the annual report and proxy materials. The Committee also reviews the internal financial and operational controls of the Corporation, monitors the fees, results and effectiveness of the annual audit and compliance with the Corporation's code of business conduct and the independence of the public accountants. The Committee also reviews compliance with legal, regulatory and employee benefit plan reporting requirements and monitors critical management information systems. The Committee recommends to the Board of Directors, for approval by the Board of Directors and the stockholders, the election of the independent public accountants. The following directors currently comprise the Committee: Richard C. Alberding (Chairman), Peter B. Bartlett and Larry Yost.

Committee on Executive Compensation: The Committee on Executive Compensation met six times during the past fiscal year. The Committee's duties include the setting of compensation rates of the Corporation's officers, the determination of additional compensation, if any, to be awarded to such officers, and the administration of the Stock Option Plan of 1982, the Stock Option and Incentive Plan of 1988, the Stock Option and Incentive Plan of 1992 and the Stock Option and Incentive Plan of 1996. The following directors currently comprise the Committee: Aloysius T. McLaughlin, Jr. (Chairman),

Warren H. Hollinshead and A. Peter Held. The report of the Committee on Executive Compensation appears elsewhere in this Proxy Statement.

Nominating Committee: The Nominating Committee met once during the past fiscal year. The Committee's duties include recommending to the Board of Directors nominees for directors to be elected at the Annual Meeting of Stockholders or to be elected to fill any vacancies in the Board of Directors which may occur. The Committee considers nominees recommended by stockholders. Pursuant to the By-Laws of the Corporation, stockholder recommendations of nominees for the Board must be submitted in advance of any meeting and must comply with certain requirements set forth in the By-Laws. See "Stockholder Proposals and Nominating Procedures" on page 15 of this Proxy Statement. The following directors currently comprise the Committee: Robert L. McGeehan (Chairman), Larry Yost and A. Peter Held.

Directors who are not employees of the Corporation each receive compensation from the Corporation for services as a director at an annual rate of \$30,000. Members of the Audit Committee and members of the Committee on Executive Compensation who are not employees of the Corporation each receive additional annual compensation of \$4,000. Nonemployee directors who are members of the Executive Committee receive a fee of \$1,100 per Executive Committee meeting. Nonemployee directors who are members of the Nominating Committee receive a fee of \$1,000 per meeting. Under the Deferred Fee Plan for Outside Directors (the "Deferred Fee Plan"), directors are permitted annually to request that the payment of any compensation that may be payable to them for services as a director or committee member be deferred for payment, with interest, at a later time. The deferred payments would be actually funded by a transfer of cash into a deferred compensation trust (a so-called "Rabbi Trust"), administered by an independent trustee, upon the occurrence of a threatened or actual change in control of the Corporation (as defined in the deferred compensation trust agreement). Under the Corporation's Directors Stock Incentive Plan, any director who is not an employee may elect to receive shares of the Corporation's Capital Stock in lieu of all or a portion of any consideration payable for services as a director that is not deferred pursuant to the Deferred Fee Plan. In addition, any director who is not an employee may elect to receive credits, representing shares of the Corporation's Capital Stock ("Stock Credits"), with respect to all or a portion of any consideration deferred pursuant to the Directors Stock Incentive Plan. Directors who are not employees of the Corporation also receive \$50,000 of life insurance coverage that is paid for by the Corporation. Directors who are employees of the Corporation do not receive any compensation for services as a director or as a member of any committee of the Board of Directors.

OWNERSHIP OF CAPITAL STOCK BY
DIRECTORS, NOMINEES AND EXECUTIVE OFFICERS

The following table sets forth the beneficial ownership of the Corporation's Capital Stock as of July 30, 1997, by each director, each nominee for director, each Named Executive Officer (as hereinafter defined) and all directors and executive officers as a group.

NAME OF BENEFICIAL OWNER	AMOUNT OF BENEFICIAL OWNERSHIP (1)(2)	STOCK CREDITS(8)	TOTAL BENEFICIAL OWNERSHIP AND STOCK CREDITS
Richard C. Alberding.....	1,734(3)	0	1,734
Peter B. Bartlett.....	2,300	5,289	7,589
A. Peter Held.....	1,700	283	1,983
Warren H. Hollinshead.....	3,505(4)	477	3,982
Robert L. McGeehan.....	263,049(5)	6,747	269,796
Quentin C. McKenna.....	22,038(6)	0	22,038
Aloysius T. McLaughlin, Jr.....	20,901	5,291	26,192
William R. Newlin.....	24,385(7)	9,260	33,645
Larry Yost.....	1,500	4,457	5,957
H. Patrick Mahanes, Jr.....	81,748	3,036	84,784
Richard J. Orwig.....	81,927	3,374	85,301
Michael W. Ruprich.....	38,723	0	38,723
David B. Arnold.....	65,241	1,771	67,012
Directors and Executive Officers as a Group (16 persons).....	697,156	41,501	738,657

(1) The figures shown include 216,507, 69,800, 62,793, 34,834, 37,756 and 479,423 shares over which Messrs. McGeehan, Mahanes, Orwig, Ruprich and Arnold and all directors and executive officers as a group, respectively, have the right to acquire within 60 days of July 30, 1997, pursuant to the Corporation's stock option plans.

(2) No individual beneficially owns in excess of one percent of the total shares outstanding. Directors and executive officers as a group beneficially own 2.7% of the total shares outstanding. Unless otherwise noted, the shares shown are subject to the sole voting and investment power of the person named.

(3) All such shares are owned jointly by Mr. Alberding and his wife.

(4) All such shares are owned jointly by Mr. Hollinshead and his wife.

(5) The figure shown includes 8,214 shares owned jointly by Mr. McGeehan and his wife.

(6) The figure includes 100 shares owned by Mr. McKenna's wife of which he disclaims beneficial ownership.

(7) The figure shown includes 2,276 shares owned jointly by Mr. Newlin and his wife and 1,236 shares owned by Mr. Newlin's wife. Mr. Newlin disclaims beneficial ownership of shares owned by his wife.

(8) These amounts represent Stock Credits to which non-employee directors are entitled pursuant to the Directors Stock Incentive Plan described on page 4 and to which executive officers are entitled pursuant to the Corporation's Management Performance Bonus Plan described on page 11.

COMPENSATION OF EXECUTIVE OFFICERS

The following table sets forth the compensation paid by the Corporation during its last three fiscal years to its Chief Executive Officer and each of the other four most highly compensated executive officers of the Corporation (the "Named Executive Officers") whose aggregate direct remuneration exceeded \$100,000 during the fiscal year ended June 30, 1997.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION		LONG-TERM COMPENSATION AWARDS OPTIONS (#)	ALL OTHER COMPENSATION (2)(3)(4)(\$)
		SALARY(\$)	BONUS\$(1)		
Robert L. McGeehan, President and Chief Executive Officer	1997	550,045	330,000		15,629
	1996	513,025	240,000	45,000(4)	25,793
	1995	463,662	375,000	15,000(5) 20,000 45,000	11,827
H. Patrick Mahanes, Jr., Vice President, Chief Operating Officer	1997	306,295	122,500		5,750
	1996	285,765	98,000	15,000(4)	5,750
	1995	265,345	160,000	15,000 25,800	6,241
Richard J. Orwig, Vice President, Chief Financial and Administrative Officer	1997	284,880	150,000		5,970
	1996	248,665	100,000	15,000(4)	5,970
	1995	215,072	140,000	13,000 20,793	6,461
Michael W. Ruprich, President, JLK Direct Distribution Inc.(6)	1997	264,508	120,000		5,045
	1996	197,968	103,696	12,500(4)	5,045
	1995	178,384	123,270	100,000(5) 11,000 11,334	4,500
David B. Arnold, Vice President and Chief Technical Officer	1997	232,045	62,500		7,167
	1996	221,577	52,500	10,000(4)	7,151
	1995	211,504	100,000	11,000 20,756	6,716

- (1) Includes, for Messrs. McGeehan, Mahanes, Orwig and Arnold bonuses paid partially in shares of Capital Stock or in Stock Credits as elected by the individual under the Corporation's Management Performance Bonus Plan. Under the Management Performance Bonus Plan, any portion of a bonus paid in shares of Capital Stock or in Stock Credits was increased by 25% of that value.
- (2) This figure includes imputed income based upon premiums paid by the Corporation to secure and maintain for certain officers, including all executive officers of the Corporation who elect to participate, a \$500,000 term life insurance policy on the life of such officer until he or she reaches age 65. For Mr. McGeehan and Mr. Arnold, this figure also includes amounts paid for Medicare tax and income tax gross-up on supplemental pension benefit accrual.
- (3) This figure includes amounts contributed by the Corporation under its Thrift Plan. Eligible employees may elect to contribute 2% to 12% of their monthly compensation (salary and, if applicable, bonus) to this plan. The Corporation contributes to each participant's account an amount equal to one-half of that portion of the employee's contribution that does not exceed 6% of the employee's compensation. Contributed sums are invested in proportions as directed by the employee in a fixed income fund, various equity funds (including the Corporation's Capital Stock) and balanced funds (consisting of both equity and fixed income securities), each managed by investment management companies, and can be withdrawn by the employee only upon the

occurrence of certain events. Certain terms of the plan are designed to make available to participants the provisions of section 401(k) of the Internal Revenue Code, which permit elective employee contributions on a pre-tax basis.

- (4) Represents options to purchase shares of the Corporation's Capital Stock.
- (5) Represents options to purchase shares of the common stock of JLK Direct Distribution Inc.
- (6) Mr. Ruprich was a Vice President of the Corporation from August 1, 1994 until July 2, 1997. He served as President of J&L America, Inc. ("J&L"), then a wholly owned subsidiary of the Corporation, from August 1, 1994 to September 1, 1996, and currently holds that office, having been reelected on May 1, 1997. In April 1997, the Corporation formed JLK Direct Distribution Inc. ("JLK") to hold J&L and the Corporation's Full Service Supply programs. In July 1997, JLK effected an initial public offering of its common stock as a result of which the Corporation now owns approximately 80.5% of the aggregate shares of outstanding common stock of JLK. Mr. Ruprich has been President of JLK since its formation.

EMPLOYMENT AGREEMENTS

The Corporation has agreements with four (4) of the Named Executive Officers and four (4) other executive officers whereby, subject to review by the Board of Directors and a provision for termination without cause by either party upon written notice, they will be employed by the Corporation. The agreements generally provide that the officers will devote their entire time and attention to the business of the Corporation, will refrain during employment and for three years thereafter from competing with the Corporation (unless employment is terminated by the Corporation without cause or following a change in control), and will not disclose confidential or trade secret information belonging to the Corporation. These agreements also require the officers to assign to the Corporation all inventions conceived or made during their employment by the Corporation. The agreements provide for severance payments upon termination of employment occurring either before or after a change in control of the Corporation, and, in the case of Mr. Ruprich, occurring either before or after a change in control of the Corporation or JLK.

In the event of termination of his employment by the officer's employer prior to a change in control, each officer would receive as severance pay an amount equal to three months' base salary at the time of such termination. In the event of termination of employment by the officer prior to a change in control, or without good reason following a change in control, no severance payments will be made. In general, in the event of termination of employment after a change in control by the officer for good reason or by the employer other than for cause or disability, each officer would receive as severance pay 2.8 times the sum of (i) his respective annual base salary at the date of termination or, at the officer's election, his salary as of the beginning of the month preceding the month in which the change in control occurs, and (ii) the average of any bonuses which he was entitled to or paid during the three most recent fiscal years ending prior to the date of termination or, at the officer's election, the average of any bonuses that the officer was entitled to or paid for the three fiscal years preceding the fiscal year in which the change in control occurred. In addition, for a three year period the officer would receive the same medical and group insurance benefits that he received at the date of termination. The officer would also receive three years of additional credit for purposes of computing benefits under the Corporation's retirement and supplemental retirement plans.

STOCK OPTIONS

The Kennametal Inc. Stock Option and Incentive Plan of 1988 (the "1988 Plan") provides for the granting of nonstatutory and incentive stock options and share awards covering 1,000,000 shares of the Capital Stock of the Corporation. The Kennametal Inc. Stock Option and Incentive Plan of 1992 (the "1992 Plan") provides for the granting of nonstatutory and incentive stock options and share awards

covering the lesser of 1,650,000 shares (gross) and 1,107,555 shares (net) of the Corporation's Capital Stock. The Kennametal Inc. Stock Option and Incentive Plan of 1996 (the "1996 Plan") provides for the granting of nonstatutory and incentive stock options and share awards covering 1,500,000 shares of the Corporation's Capital Stock. Although options are still outstanding under the Kennametal Inc. Stock Option Plan of 1982, as amended, no further grants of options may be made under that plan.

Under each of the plans, the price at which shares covered by an option may be purchased must not be less than the fair market value of such shares at the time the option is granted or, in the case of the non-qualified stock options granted under the 1992 Plan, at not less than 75% of the fair market value. The purchase price must be paid in full at the time of exercise either in cash or, in the discretion of the Committee administering the plan, by delivering shares of the Corporation's Capital Stock or a combination of shares and cash having an aggregate fair market value equal to the purchase price. Under the 1988 Plan, the 1992 Plan and 1996 Plan, any shares of the Corporation's Capital Stock delivered as payment, in whole or in part, of the purchase price must have been held by the optionee for at least six months.

The following table sets forth information concerning options granted to the Named Executive Officers during the fiscal year ended June 30, 1997:

OPTION GRANTS IN LAST FISCAL YEAR

NAME	INDIVIDUAL GRANT				
	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED(1)(#)	% OF TOTAL OPTIONS GRANTED IN FISCAL YEAR	EXERCISE OR BASE PRICE (\$/SHARE)	EXPIRATION DATE	GRANT DATE PRESENT VALUE(2)(\$)
Robert L. McGeehan.....	45,000(3)	14.3	34.0625	10/31/06	617,850
	15,000(4)	2.9	20.0000	07/02/07	171,600
H. Patrick Mahanes, Jr.....	15,000(3)	4.8	30.8125	08/01/06	189,750
Richard J. Orwig.....	15,000(3)	4.8	30.8125	08/01/06	189,750
Michael W. Ruprich.....	12,500(3)	4.0	30.8125	08/01/06	158,125
	100,000(4)	19.6	20.0000	07/02/07	1,144,000
David B. Arnold.....	10,000(3)	3.2	30.8125	08/01/06	126,500

(1) Options with respect to the Corporation's Capital Stock were granted with an exercise price equal to the fair market value of the Capital Stock on the date of grant and require the optionee to hold ten percent of the shares received from any exercise for a one-year period from the date of exercise. Options with respect to the JLK common stock were granted in connection with JLK's initial public offering and with an exercise price equal to the initial public offering price of the JLK common stock. Such options vest after one year.

(2) Based on the Black-Scholes Option Valuation model adjusted for dividends to determine grant date present value of the options. The Corporation does not advocate or necessarily agree that the Black-Scholes model properly reflects the value of an option. The assumptions used in calculating the option value with respect to the Corporation's Capital Stock include the following: a risk-free interest rate of 6.53% for Mr. McGeehan's grant and 6.64% for all others (the rate applicable to a ten-year treasury security at the time of the award); a dividend yield of 2.0% (the annualized yield at the date of grant); volatility of 27.7% for Mr. McGeehan's grant and 27.9% for all others (calculated using daily stock returns for the twelve-month period preceding the option award); and a stock price at date of grant of \$34.0625 for Mr. McGeehan's grant and \$30.8125 for all others (the exercise price at which these options were granted was equal to the fair market value on the date of grant). The value of these options under the Black-Scholes model of option valuation applying the

preceding assumptions is \$13.73 per share for Mr. McGeehan's grant and \$12.65 per share for all others. The assumptions used in calculating the option value of JLK's common stock include the following: a risk-free interest rate of 6.49% for all optionees (the rate applicable to a ten-year treasury security at the time of the award); no dividend yield (JLK does not presently intend to pay cash dividends to the holders of its common stock); volatility of 30.0% for all optionees (calculated using the average of the Corporation's volatility based on daily stock returns for the six months ended June 30, 1997 and JLK's volatility from June 27, 1997 through August 18, 1997); and a stock price at date of grant of \$20.00 for all optionees (the exercise price at which these options were granted was equal to the initial public offering price of the JLK common stock). The value of these options under the Black-Scholes model of option valuation applying the preceding assumptions is \$11.44 per share for all optionees. The ultimate values of the options will depend on the future market price of the stock of the Corporation or JLK, as the case may be, which cannot be forecast with reasonable accuracy. The actual value, if any, an optionee will realize upon exercise of an option will depend on the excess of the market value of the relevant stock over the exercise price on the date the option is exercised. No adjustments were made for forfeitures or vesting restrictions on exercise.

(3) Represents options to purchase shares of the Corporation's Capital Stock.

(4) Represents options to purchase shares of the common stock of JLK.

The following table sets forth information concerning options to purchase the Corporation's Capital Stock held by the Named Executive Officers:

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR
AND FISCAL YEAR-END OPTION VALUES

NAME	SHARES ACQUIRED ON EXERCISE (#)	VALUE REALIZED (\$)	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR END (#) EXERCISABLE/ UNEXERCISABLE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FISCAL YEAR END (\$) EXERCISABLE/ UNEXERCISABLE
Robert L. McGeehan.....	-0-	-0-	216,507/27,256	3,880,885/710,360
H. Patrick Mahanes, Jr....	-0-	-0-	69,800/0	1,107,600/0
Richard J. Orwig.....	6,145	88,910	62,793/0	1,004,347/0
Michael W. Ruprich.....	-0-	-0-	34,834/0	424,502/0
David B. Arnold.....	5,000	117,812	50,756/0	800,549/0

RETIREMENT BENEFITS

The following table indicates, for purposes of illustration, the approximate annual retirement benefits that would be payable at the present time on a straight life annuity basis pursuant to the Kennametal Inc. Retirement Income Plan and agreements providing supplemental retirement benefits under various assumptions as to salary and years of service to employees in higher salary classifications. The amounts shown have not been adjusted for Social Security offset.

PENSION PLAN TABLE

ANNUALIZED COVERED COMPENSATION	ANNUAL BENEFIT UPON RETIREMENT WITH YEARS OF CREDITED SERVICE INDICATED				
	15	20	25	30	35
\$ 75,000	\$22,500	\$ 30,000	\$ 37,500	\$ 41,250	\$ 45,000
100,000	30,000	40,000	50,000	55,000	60,000
150,000	45,000	60,000	75,000	82,500	90,000
200,000	60,000	80,000	100,000	110,000	120,000
250,000	75,000	100,000	125,000	137,500	150,000

Pursuant to the Kennametal Inc. Retirement Income Plan, annual benefits payable upon retirement to eligible salaried employees are calculated based upon a monthly benefit equal to 2% of Covered Compensation for each year of credited service up to a maximum of twenty-five years, plus 1% of Covered Compensation for each year of credited service over twenty-five years, less 1.5% of the primary monthly Social Security benefit payable for each year of credited service up to a maximum of 33 1/3 years (50% of the monthly Social Security benefit). Covered Compensation is based on average monthly earnings, consisting solely of base salary and bonus (which amounts for the past three fiscal years are included in the Salary and Bonus columns of the Summary Compensation Table), for the nine years out of the last twelve years of service immediately preceding retirement during which the highest compensation was received. The entire cost of the plan is paid by the Corporation. Under the Internal Revenue Code, certain limits are imposed on payments under the plan. Payments in excess of the maximum annual pension benefits payable under this plan to the Named Executive Officers and certain other executive officers would be paid pursuant to agreements with such individuals providing for the annual payment of supplemental retirement benefits, as more fully described under the section "Employment Agreements" above.

As of June 30, 1997, the credited years of service under the Retirement Income Plan for the Named Executive Officers were approximately: Robert L. McGeehan, 24 years; H. Patrick Mahanes, Jr., 12 years; Richard J. Orwig, 13 years; Michael W. Ruprich, 8 years; and David B. Arnold, 18 years.

Annualized Covered Compensation as of June 30, 1997, for purposes of the retirement benefits table set forth above for the Named Executive Officers is as follows: Robert L. McGeehan, \$150,000; H. Patrick Mahanes, Jr., \$150,000; Richard J. Orwig, \$145,878; Michael W. Ruprich, \$138,532; and David B. Arnold, \$150,000.

CERTAIN RELATIONSHIPS AND
RELATED TRANSACTIONS

In connection with the initial public offering of approximately 20 percent of the common stock of JLK, the Corporation's industrial supply subsidiary, the Corporation offered to its directors, officers and certain employees and others the ability to purchase and such persons purchased in the aggregate approximately 270,000 shares (one percent) of the common stock of JLK at the initial public offering price (\$20 per share) of JLK's common stock. The purchasers included the following executive officers and directors of the Corporation: Robert L. McGeehan--10,000 shares; Michael W. Ruprich--7,500 shares; six other executive officers--41,900 shares; William R. Newlin--20,000 shares; Richard C. Alberding--1,000 shares; Aloysius T. McLaughlin, Jr.--2,500 shares; A. Peter Held--1,000 shares and Warren H. Hollinshead -1,100 shares. In addition, JLK granted options to purchase its common stock at the initial public offering price to its executive officers, certain of its employees, its directors and certain employees of the Corporation. Mr. Ruprich, as President of JLK, received an option to purchase 100,000 shares of common stock of JLK. Messrs. McGeehan, Newlin, Alberding and McLaughlin, as directors of JLK, each received options to purchase 15,000 shares of common stock of JLK.

REPORT OF THE BOARD OF DIRECTORS
COMMITTEE ON EXECUTIVE COMPENSATION

EXECUTIVE COMPENSATION PHILOSOPHY

Executive and managerial compensation programs at the Corporation are designed and implemented with certain guiding principles in mind:

- To link the interests of executives and managers to the interests of the stockholders and other potential investors.
- To provide incentives for working toward increasing the market value of the stock and to increase stockholder value through value management.
- To provide incentives for strategic vision and decision-making that will promote the longer-term health and viability of the Corporation.
- To provide incentives for innovation, quality management, responsiveness to customer needs, value-added products and services, and an action-oriented approach to opportunities in the marketplace.
- To attract and retain individuals with the leadership and technical skills required to carry the Corporation forward into the future, given the belief that the Corporation's human resources can provide a competitive advantage in the marketplace.

GENERAL COMPENSATION PLAN DESIGN

Executive and management compensation plans consist of (1) a long-term element, (2) annual performance rewards, (3) basic compensation, and (4) executive ownership goals.

- The primary vehicles for providing long-term incentives are the Corporation's stock option plans. The belief is that key executives and certain managers should hold stock options in such quantities as to provide an incentive to make decisions and take actions that will enhance the performance of the Corporation and increase its value. The interests of stockholders and executives are tied together by the market value of the stock.
- Annual performance rewards include a management performance bonus plan and annual base salary merit increases.
 - The Management Performance Bonus Plan for executives and managers, is designed to closely tie bonus awards to corporate performance, unit performance, and individual contribution, relative to the Corporation's business plans, strategies, and stockholder value creation. The Bonus Plan is also intended to maintain management compensation at a competitive level, as indicated by published compensation surveys.
 - The annual Base Salary Merit Increase Review for executives provides rewards for more qualitative achievements in innovation, quality, service to the customer, and leadership. Consideration is given to competitive salary increases that are being awarded by other industrial firms, as indicated by published salary surveys.
- Basic compensation, for executives, is intended to be competitive in the employment market and is designed to attract, retain, and motivate high-quality individuals. Basic compensation includes base salary, flexible and fixed benefit plans, minor executive perquisites, and the Supplemental Executive Retirement Plan.

- In 1995, executive stock ownership goals were established by the Chief Executive Officer, ratified by the Board of Directors Committee on Executive Compensation, and presented to the Board of Directors. The ownership goals are voluntary but very much encouraged.

COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

- The Chief Executive Officer, Mr. Robert L. McGeehan, received a stock option grant of 45,000 shares on October 31, 1996. The option price was the average of the high and low market prices on the date of the grant. Ten percent of shares exercised must be held in ownership for a period of one year following the exercise date. On October 28, 1996, the option grant was approved by the Board of Directors.
- Under the plan design of the Management Performance Bonus Plan for Fiscal Year 1997, a stockholder value creation target and a bonus pool were calculated by management and approved by the Board of Directors. Based on the actual level of stockholder value creation in Fiscal Year 1997 and on specific personal achievements, the Committee recommended a bonus award of \$275,000 for the Chief Executive Officer. On July 28, 1997, Mr. McGeehan's bonus award was approved by the Board of Directors.
- Mr. McGeehan's base salary was reviewed by the Board of Directors Committee on Executive Compensation in January 1997. In recognition of Mr. McGeehan's leadership and performance as Chief Executive Officer of the Corporation, and in consideration of competitive salary survey data, the Committee recommended a base salary increase to \$564,000, effective February 1, 1997. The increase was approved by the Board of Directors on January 27, 1997. The base salary increase, the aforementioned bonus award, and the aforementioned stock option grant, constituted a coordinated compensation program for Mr. McGeehan's leadership in performance of certain corporate value creation goals, and in the general growth and performance of the Corporation.

COMPENSATION OF EXECUTIVE OFFICERS

- Stock options were granted to certain executive officers and others, on August 1, 1996, for the purpose of providing an incentive for managing the continuing performance and value of the Corporation. The grants, as recommended by the Chief Executive Officer, were approved by the Board of Directors Committee on Executive Compensation on July 28, 1996.
- Individual executive officer bonus awards were determined by corporate performance (actual value creation vs. planned value creation), by unit performance, and by individual performance. The awards, as recommended by the Chief Executive Officer, were approved by the Board of Directors Committee on Executive Compensation on July 27, 1997.
- Base salary performance increases for certain executive officers were approved by the Board of Directors Committee on Executive Compensation on January 17, 1997. The individual increases, as recommended by the Chief Executive Officer and approved by the Committee, were based on individual performance and competitive salary survey data.

Committee on Executive Compensation:

Aloysius T. McLaughlin, Jr.,
Chairman
Warren H. Hollinshead
A. Peter Held

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN

The following graph compares cumulative total stockholder return on the Corporation's Capital Stock with the cumulative total stockholder return on the common equity of the companies in the Standard & Poor's Mid-Cap 400 Market Index (the "S&P Mid-Cap") and a peer group of companies determined by the Corporation (the "Peer Group") for the period from July 1, 1992 to June 30, 1997. The Peer Group consists of the following companies: Binks Manufacturing Co. Inc.; Brown & Sharpe Manufacturing Co.; Cincinnati Milacron Inc.; Federal Screw Works Inc.; Federal-Mogul Corp.; Gleason Corp.; Kaydon Corp.; Monarch Machine Tool Co. Inc.; Newcor Inc.; Regal-Beloit Corp.; Snap-On Tools Corp.; SPS Technologies Inc.; L S Starrett Co. Inc.; and Timken Co. Inc.

Measurement Period (Fiscal Year Covered)	KENNAMETAL INC	S&P MID-CAP	PEER GROUP
1992	100.00	100.00	100.00
1993	101.68	122.69	128.69
1994	153.55	122.62	129.40
1995	219.96	150.01	147.49
1996	220.59	182.39	147.49
1997	284.00	224.94	167.24

The above graph assumes a \$100 investment on July 1, 1992, in each of Kennametal Inc. Capital Stock, the S & P Mid-Cap and the Peer Group, and further assumes the reinvestment of all dividends.

PRINCIPAL HOLDERS OF VOTING SECURITIES

The following table sets forth each person or entity who may be deemed to have beneficial ownership of more than 5% of the outstanding Capital Stock of the Corporation based upon information available to the Corporation as of September 3, 1997.

NAME AND ADDRESS	NUMBER OF SHARES	PERCENT OF OUTSTANDING CAPITAL STOCK(1)
Morgan Stanley Dean Witter Discover & Co. 1585 Broadway New York, NY 10036	1,787,451(2)	6.8%
PRIMECAP Management Company 225 South Lake Avenue #400 Pasadena, CA 91101-3005	1,612,600(3)	6.2%

(1) Based on the number of shares outstanding as of September 8, 1997.

(2) Of these shares, 1,681,540 shares are held by Miller, Anderson & Sherrerd, L.L.P., a registered investment advisor with sole voting power and sole dispositive power.

(3) According to a Schedule 13G dated May 6, 1996, PRIMECAP Management Company is a registered investment advisor. All shares are held with sole voting power and sole dispositive power.

ELECTION OF AUDITORS

Unless otherwise directed by the stockholders, proxies will be voted for the election of Arthur Andersen LLP as the Corporation's independent auditors for the fiscal year ending June 30, 1998. The affirmative vote of the holders of at least a majority of the shares cast at the meeting is required to elect such firm as auditors. Representatives of Arthur Andersen LLP are expected to be present at the meeting to respond to appropriate questions and will have the opportunity to make a statement if they desire to do so. THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF ARTHUR ANDERSEN LLP AS THE CORPORATION'S AUDITORS.

FORM 10-K ANNUAL REPORT TO THE SECURITIES
AND EXCHANGE COMMISSION

COPIES OF THE ANNUAL REPORT (FORM 10-K) OF THE CORPORATION FOR THE FISCAL YEAR ENDED JUNE 30, 1997 AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION WILL BE AVAILABLE TO STOCKHOLDERS AFTER SEPTEMBER 30, 1997. A STOCKHOLDER MAY OBTAIN ONE WITHOUT CHARGE BY WRITING TO: CHIEF FINANCIAL OFFICER, KENNAMETAL INC., P.O. BOX 231, LATROBE, PENNSYLVANIA 15650.

OTHER MATTERS

The Corporation knows of no other matters to be presented for action at the Annual Meeting. However, if any other matters should properly come before the meeting, it is intended that votes will be cast pursuant to the proxy in respect thereto in accordance with the best judgment of the persons acting as proxies.

The Corporation will pay the expense in connection with the printing, assembling and mailing of the notice of meeting, this Proxy Statement and the accompanying form of proxy to the holders of Capital Stock of the Corporation. In addition to the use of the mails, proxies may be solicited by directors,

officers or employees of the Corporation personally or by telephone or telex or facsimile. The Corporation may request the persons holding stock in their names, or in the names of their nominees, to send proxy material to and obtain proxies from their principals and will reimburse such persons for their expense in so doing. In addition, the Corporation has retained the services of Georgeson & Company Inc., a professional soliciting organization, to assist in soliciting proxies from brokerage houses, custodians, nominees, other fiduciaries and other stockholders of the Corporation. The fees and expenses of that firm in connection with such solicitation are not expected to exceed \$20,000.

STOCKHOLDER PROPOSALS AND NOMINATING PROCEDURES

Stockholders who intend to submit a proposal for inclusion in the Corporation's 1998 Proxy Statement for consideration at the Annual Meeting of the Stockholders of the Corporation to be held in October 1998 must submit such proposal to the attention of the Secretary of the Corporation at the address of its executive offices no later than May 22, 1998. Any such proposal must comply with Rule 14a-8 of Regulation 14A of the proxy rules of the Securities and Exchange Commission and must contain certain information specified in the By-Laws of the Corporation.

The By-Laws of the Corporation require that all stockholder proposals to be submitted at the Annual Meeting but not included in the Corporation's Proxy Statement be submitted to the Secretary of the Corporation at the address of its executive offices prior to July 1, 1998, together with certain information specified in the By-Laws. The By-Laws of the Corporation also require that nominations for directors to be elected at the 1998 Annual Meeting, other than those made by the Board of Directors, be submitted to the Secretary of the Corporation no earlier than May 1, 1998 and prior to July 1, 1998. The By-Laws require that notice of such nominations contain certain information regarding the nominee and certain information regarding the nominating stockholder. Any stockholder may obtain a copy of the applicable By-Law from the Secretary of the Corporation upon written request.

I. ELECTION OF DIRECTORS FOR TERMS TO EXPIRE IN 2000

VOTE FOR ALL
NOMINEES
LISTED (EXCEPT
AS SHOWN TO
THE CONTRARY)

WITHHOLD
AUTHORITY
TO VOTE FOR
ALL NOMINEES
LISTED.

Nominees: Richard C. Alberding and William R. Newlin
(INSTRUCTIONS: TO WITHHOLD AUTHORITY TO VOTE FOR ANY INDIVIDUAL NOMINEES, WRITE
NOMINEE'S NAME ON THE LINE PROVIDED BELOW:)

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II. ELECTION OF AUDITORS

FOR

AGAINST

ABSTAIN

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This Proxy when properly executed will be voted in the manner directed herein. If no direction is made, this Proxy will be voted FOR the election of the nominees in Item I above and FOR the election of auditors. The proxies are authorized, in accordance with their judgment, to vote upon such other matters as may properly come before the meeting and any adjournments thereof.

Dated: _____, 1997

Sign exactly as addressed, but if executed for a corporation, minor, etc., sign that name and signature and capacity of authorized signer.

FOLD AND DETACH HERE

KENNAMETAL INC.

September 19, 1997

Dear Kennametal Inc. Stockholder:

The 1997 Annual Meeting of the Stockholders of Kennametal Inc. will be held at 2:00 p.m. on Monday, October 27, 1997, at the Corporate Technology Center, located on Route 981 South, approximately 1/4 mile south of its intersection with U.S. Route 30 near Latrobe, Unity Township, Pennsylvania. I cordially invite you to attend. Whether or not you plan to attend the meeting, please detach the proxy above, complete it, and return it in the enclosed envelope. Your vote is important to us.

Sincerely,

William R. Newlin
Chairman of the Board
Kennametal Inc.

PROXY

PROXY

KENNAMETAL INC.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF THE CORPORATION

The undersigned hereby appoints Robert L. McGeehan, Peter B. Bartlett and Aloysius T. McLaughlin, Jr., and each of them with power of substitution in each, as proxies to represent the undersigned at the annual meeting of the stockholders of Kennametal Inc. to be held at the Corporate Technology Center, located on Route 981 South, approximately 1/4 mile south of its intersection with U.S. Route 30 near Latrobe, Unity Township, Pennsylvania, on Monday, October 27, 1997 at 2:00 p.m., and at any adjournments thereof, to vote the same number of shares and as fully as the undersigned would be entitled to vote if then personally present (including the power to vote cumulatively in the election of directors as explained in the Proxy Statement) in the manner directed by the undersigned as follows:

THE BOARD RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEES LISTED IN
ITEM 1 AND FOR THE ELECTION OF AUDITORS.

(over)

FOLD AND DETACH HERE