LIVING OUR VALUES

Delivering the Promise to Our Stakeholders
Chairman’s Message

At Kennametal, our values are fundamental to our business. As companies faced the worst global economic conditions in decades, it may have been tempting to focus on short-term performance at the expense of the long-term good of the enterprise and its stakeholders. However, at Kennametal, we continue to found our decisions, even during the toughest of times, on our six Values:

No matter how you order the six Kennametal Values, each is completely interdependent with the others in creating and sustaining a world-class company for now and for the future.

Our global commitment to these values and our robust environmental health and safety system are the enablers of our corporate-wide drive to be an ever more sustainable enterprise. The Kennametal team believes that in order to be successful in business, we must be successful in meeting and exceeding our environmental and social responsibilities. Toward that end, we have put into place the proper governance, and operational and technology structures enabling us to consistently consider our values as a component of every business decision.

Our stakeholders look to us to Deliver the Promise to them, whether that promise be productivity for our customers, continuous learning, and good career opportunities for our employees, or solid returns for our shareowners. Other stakeholders include members of the communities where we live and work; those who want us to protect their environment and contribute to their growth; the families of our employees who want their loved ones to work in safe conditions; and even our competitors who look to us to consistently compete on ethical grounds.

Every day, the Kennametal global team takes the actions necessary to Deliver the Promise to these stakeholders by living our values. We do this because we truly believe this is the surest pathway to sustainable success for us all, and for our company.

Carlos M. Cardoso
Chairman of the Board, President and Chief Executive Officer
People

Our talented global workforce is our number-one competitive advantage. Kennametal aspires to be the employer of choice for the best people. Our sustainability programs, designed to provide a safe and rewarding workplace, reflect the company’s commitment to the highest levels of employee safety.

Our commitment is to provide our people with the components of a great place to work:

- A safe work environment
- Career opportunities
- Opportunities to learn and grow
- Competitive Compensation

Carlos Cardoso — our Chairman, President and Chief Executive Officer — is personally engaged in this program as head of the company’s Safety Leadership Committee, and has conducted safety sessions for thousands of employees at locations worldwide. These events underscore senior management’s direct involvement in safety with the goal of achieving 100% Safe.

We have a successful track record related to safety performance with consistently lower DART (Days Away, Restricted or Transferred Cases) rates, decreasing from FY 2008 to FY 2010.

SUSTAINABILITY SNAPSHOT | HEALTH AND SAFETY

In Vohenstrauss, Germany, a proactive reward-based safety system was developed to better engage employees in the early identification of potential hazards. Through this program and other initiatives, the facility achieved 650+ days without a DART incident and reduced near misses in FY 2009 by 80% compared to FY 2008.

Our Lyndonville, Vermont, site used root cause analysis to pattern incident reports related to the various movements and operations in the flute department. Through a series of ergonomic design and operational improvements, the facility DART rate improved from 3.64 in FY 2007 to 0.94 in FY 2008.

Union versus Non-union Employees

- **FY2008**
  - Union: 37%
  - Non-union: 67%
- **FY2009**
  - Union: 43%
  - Non-union: 57%
- **FY2010**
  - Union: 42%
  - Non-union: 58%
Voice of the Employee Survey Puts Safety First: In the latest employee survey conducted by Kenexa, a third-party company engaged by Kennametal, the final results were clear; in the FY 2010 survey, employee engagement was high, and employee safety was Kennametal’s highest scoring category at 91% favorable. This score placed Kennametal in the top five companies for commitment to safety based on Kenexa’s norms.

This demonstrates that our management-based safety process is working, and we are committed to seeing it through and delivering sustainable performance.

Future

In December 2009, we launched the global Management Based Safety Process to increase focus on 100% Safe at our manufacturing and distribution centers. The program assessed each site’s current safety climate in order to identify areas of improvement and provide managers, supervisors, and employees with tools to enhance safety on the job. In FY 2011, we will focus on deploying the management-based safety program for our sales and office locations.
Environment

At the beginning of fiscal year 2008, Kennametal developed and launched the Protecting Our Planet initiative. This program is designed to foster, recognize, and reward employee achievement in the areas of energy and water conservation, waste reduction, and materials recycling. It reflects Kennametal’s dedication to lead by example in protecting our planet not just for this generation, but for many still to come.

We annually present Environmental Health and Safety Excellence awards to:

- Reward and recognize extraordinary efforts in EHS throughout the organization.
- Promote EHS awareness and involvement among all employees.
- Share best practices among all sites.
- Inspire EHS greatness throughout Kennametal.

Our environmental initiatives are an integral part of our sustainability strategy, driving business value while creating a better environment. The highlights on the next several pages illustrate where this value creation intersection has been the greatest.

Energy and Greenhouse Gas Emissions Reduction

Corporate and operational teams have been established to improve energy efficiency and reduce greenhouse gas emissions. Since FY 2008, these teams have implemented more than 100 global energy conservation projects, including lighting upgrades, improved compressed air systems, and heat recovery applications.

Our absolute energy and greenhouse gas emissions have decreased from FY 2007 to FY 2009, due in part to these initiatives. Although the economic downturn in FY 2009 played a role in this decreasing trend, we are confident that our conservation projects are making real and sustainable gains.

To better understand and track our progress, we looked at normalized data to supplement absolute trend lines. Representative normalized data is difficult to apply at Kennametal due to the diversity of our products and services. A relatively flat trend is shown when normalizing energy and greenhouse gas emissions data to sales. This flat trend reflects the impact of base loaded operations that occur regardless of production.

FY 2010 energy data has been collected and is in the process of being correlated and verified. The FY 2010 data will be available in our next report.

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Water Reduction
We recognize that fresh water within a community is a shared resource of great importance. At Kennametal, being good water stewards is a fundamental part of our everyday operations. Our employees have responded positively with a number of innovative ideas to reduce our water footprint.

SUSTAINABILITY SNAPSHOT | WATER
Between FY 2007 and FY 2009, the Research and Development Center at our World Headquarters in Latrobe, PA, US, saved 19 million liters of water each year through conservation initiatives related to the scrubbing systems used in the laboratories. This represents a 33% reduction in overall water consumption related to new product development.

In FY 2007, operational changes at our Roanoke Rapids, NC, facility in the US led to a thorough water conservation study of the cooling tower used to support the plant. After implementing the continuous improvement ideas from the study, the facility realized an annual water savings of over 4 million liters.

Waste Elimination
Eliminating waste from our processes is a focal point within the sustainability efforts at Kennametal. Engineers, operators, supply chain, and lean manufacturing teams work together in new project design and implementation phases to achieve this vision. Existing operations are reviewed on a continuous basis to determine the most efficient methods to minimize waste.

SUSTAINABILITY SNAPSHOT | WASTE
In Schongau, Germany, waste heat from the presses is recovered and used for comfort heating of over 2,250 square meters of office and production space. The recovered heat is also used to supply almost 100% of the facility’s hot water demand. The use of this recovered heat reduces energy usage and associated greenhouse gas emissions.

In the US, our Bedford, PA, team partnered with local waste vendors to develop a recycling program for significant waste streams, including wooden crates, cardboard, paper, and plastic. The project prevented over 72 metric tons of waste from being sent to a landfill.
Eco-Efficient Approaches: In Bangalore, India, significant progress has been made to conserve natural resources and eliminate waste by incorporating new technologies, integrating engineering measures, and optimizing manufacturing processes.

The following projects were implemented in fiscal year 2008 to reduce energy usage and greenhouse gas emissions:

- Ventilation system was upgraded with energy efficient fans.
- Street and high bay lighting fixtures were redesigned, developed, and installed.
- Compressed air systems were evaluated and improved for more efficient operation.

Together, these initiatives resulted in annual cost savings of over $122,000 USD, and over 750,000 KWH of electricity savings.

The facility has saved approximately 80 million liters of water each year by implementing a number of creative techniques to harvest rain water.

To further conserve water, the centralized cooling system was replaced with an independent adiabatic cooling tower for each product unit with controlled flow and pressure controls. This has resulted in annual cost savings of over $32,000 USD, and 7 million liters of water savings.

In accordance with legal regulation, grinding sludge soaked in oil and coolant generated during manufacturing processes was stored and then disposed of in a landfill as a hazardous waste. In 2008, the Bangalore team developed an eco-efficient approach to recover Yellow Tungsten Oxide from the sludge, thereby reducing waste generation from the facility. This project resulted in a 25% reduction in waste sent to landfill and a net cost savings of over $70,000 USD.

Future

The Protecting our Planet initiative continues to drive improvement in eco-efficiency throughout Kennametal. These programs will continue in the future, with an increased emphasis on innovation and sustainable ideas. We are in the process of generating preliminary trend lines around key energy and environmental metrics, and initiating discussions around future targets and goals. Our focus will continue to be on reducing our own environmental footprint, while partnering with our customers to meet their sustainability goals and objectives.
Innovation

At Kennametal, innovation is defined as the process of delivering ever-increasing business value to its customers. Innovation at Kennametal is not a function, it is a business process that is customer driven and owned by all functions collectively.

The key metric of an innovative company such as Kennametal is the percentage of its revenue generated from new product sales. An innovation company must be continually bringing new products to market, and having them perform more successfully than the products they replace. Thus, a truly innovative company is one that routinely “obsoletes” itself before competitors do.

Kennametal is effectively addressing the challenge of having benefits driven by customer need and enabled by innovation delivered in an ever more timely and sustainable fashion. The results are significantly fewer SKUs while still meeting or exceeding our annual target of 40% or more sales from new products.

Kennametal has also dramatically reduced the new product development cycle time, getting the productivity benefits to customers sooner.

To further underscore Kennametal’s recognition in the industry as an innovation company, Kennametal was the recipient of the 2010 Outstanding Corporate Innovator (OCI) award. The award was presented by the prestigious Product Development and Management Association (PDMA), a global network of product innovation professionals, at their 34th Annual Global Conference on Product Innovation Management in October, 2010.

The PDMA Outstanding Corporate Innovator Award is in its 23rd year and is the only innovation award which recognizes sustained (five years or more) and quantifiable business results from new products and services. Kennametal, along with other winners, joins an elite group of global organizations recognized for their innovation success. Kennametal is the first company in a decade to be the exclusive recipient of this award.
Beyond BLAST is a highly innovative new product from Kennametal that delivers superior performance on titanium and high temperature alloys, without the cost of new equipment, and is expected to deliver benefits across a wide range of metal cutting applications.

Cooling is focused at the cutting edge — delivering twice the tool life of standard inserts or performance gains of up to 300%, depending upon how the customer prefers to deploy the platform. Coolant is delivered effectively and economically through pre-engineered channels in the insert. Beyond BLAST’s superior thermal management and coolant delivery means improved lubricity, unequalled productivity, longer tool life, and superior chip control. Beyond BLAST is a product innovation which brings increasing business value to its customers by driving waste out of the process — doing so in an environmentally and socially responsible manner. The improved productivity drives a commensurate reduction in power consumption and can reduce manufacturing footprint.

Future

Kennametal will maintain a target of 40% of revenue coming from new product sales, and will continue to monitor and evaluate SKUs for alignment with customer needs. Using our world-class processes, we will frequently track and report cycle times, seeking opportunities to innovate by delivering both increasing business value, and more sustainable products to our customers.
Customer

As our customers drive toward more sustainable productivity, they look to Kennametal for innovative solutions that help them achieve their goals. In fact, in 2009 we began a total reorganization of our company, making it more customer-centric and market focused.

Helping customers meet their overall goals is clearly an objective of Kennametal’s sustainability program. We focus on products that provide customers with lower fuel costs, reduced packaging requirements, lower transportation costs, and improved product performance. Kennametal continues to evaluate improved packaging materials — such as biodegradable options. By helping customers address their needs to become more efficient, we make ourselves more sustainable.

SUSTAINABILITY SNAPSHOT

ENVIRONMENT FRIENDLY PACKAGING

Kennametal is committed to reducing the volume of our packaging as well as increasing our use of environmentally friendly materials. We introduced corrugated product boxes (containing 30%-40% recycled paper) in FY 2011 to replace plastic packaging. Our packaging will be 95% paper-based which is both renewable and recycled. In FY 2011 the company is also changing to insert packaging made of PolyPropylene which is easily and widely recycled as well.

SUSTAINABILITY SNAPSHOT

DOCUMENTED CUSTOMER SAVINGS

Tracking documented customer savings helps make our customers more sustainable. Using the Tool Reporter System, we record tests in the field against competitors as well as ourselves, creating a Tool Performance Report. The customer savings in this snapshot were tracked in comparison with competitors’ products in the areas of hole making, milling, turning, and other metalworking tasks at customer facilities worldwide.

Customer

Customers served annually (in thousands):

80,000

Customers served daily (in thousands):

4,000

Kennametal has seen a dramatic quality improvement in manufacturing since FY 2007 as indicated by the significant reduction in external returns parts per million, which have fallen steadily since FY 2007. With FY 2007 as the baseline year (100%), the company has seen external returns improve dramatically to only 314 Manufacturing External Returns Parts Per Million (ePPM) in FY 2010, less than half of what they were three years ago.

External returns in FY 2010 were at an all time low of 46.04% as indicated below, clearly showing manufacturing quality improvements have been successful.

Product Quality Metrics

Manufacturing External Returns Parts Per Million (ePPM) FY 2007-2010

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>ePPM</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2007</td>
<td>682</td>
<td>100.00</td>
</tr>
<tr>
<td>FY 2008</td>
<td>523</td>
<td>76.69</td>
</tr>
<tr>
<td>FY 2009</td>
<td>423</td>
<td>62.02</td>
</tr>
<tr>
<td>FY 2010</td>
<td>314</td>
<td>46.04</td>
</tr>
</tbody>
</table>
Kennametal’s RoadRazor ECO™ tools, used in rehabilitating concrete or asphalt road surfaces, have a very unique geometric profile compared to all other tools, which allows the contractor, with the same fuel consumption to mill up to 15% more road in the same time with the same diesel volume.

Besides helping to reduce fuel consumption across the road milling industry by 15%, Eco tools also have an important safety benefit. They stay cooler in operation, making them safer to change by lessening the burn risk for workers.

There are 5000 big road milling machines in the world, averaging 120 shifts per year and consuming 800 liters of fuel per shift. If all of these machines used our tools, the industry would save 70 million liters, or 20 million US gallons, of diesel fuel per year.

- Road Razor Eco’s more elegant design uses 15 percent less steel. If those 5000 big machines all used our tools, we would help to reduce steel usage by 2.25 million kg, or about 2250 US tons, every year.

- Another very important benefit, which our customers pointed out to us — Eco tools stay cooler in operation, making them safer to change with much less burn risk for workers.

Future

As we look toward the future, we see even greater opportunity to work closely with partners in our supply chain to deliver greater value for our customers across a wide range of global industries. Kennametal understands that a key customer need is to become more sustainable and thus improve their business. Kennametal will stay focused on providing the products and services that meet customer needs, and by doing so will facilitate and enable customer sustainability.
Performance

Kennametal’s FY 2010 financial performance demonstrates the company’s ability to operate effectively and profitably in a challenging global environment, and to be a top-tier financial performer.

Kennametal delivered improved overall performance in spite of uncertain market conditions. This was the result of careful planning and execution. Over the past few years, Kennametal’s management team has consistently demonstrated both of these capabilities, while redefining our business and positioning our company to perform in a sustainable manner in virtually any operating environment.

Kennametal continues to invest in the future via research and development channels for our products.

The company executes long-term strategies and proven management disciplines via the Kennametal Value Business System (KVBS) for portfolio management, lean initiatives, strategic planning, product development, customer excellence, and talent development.

Financial Highlights

<table>
<thead>
<tr>
<th>Tier ended June 30 (dollars in thousands)</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>$1,884,067</td>
<td>$1,999,859</td>
<td>$2,588,786</td>
<td>$2,255,336</td>
<td>$2,213,233</td>
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<tr>
<td>Restructuring and Asset Impairment Charges</td>
<td>43,842</td>
<td>173,656</td>
<td>39,891</td>
<td>5,970</td>
<td>–</td>
</tr>
<tr>
<td>Income (Loss) from Continuing Operations – Attributable to Kennametal</td>
<td>47,842</td>
<td>(102,402)</td>
<td>163,666</td>
<td>174,717</td>
<td>267,652</td>
</tr>
<tr>
<td>Diluted Earnings per Share from Continuing Operations – Attributable to Kennametal</td>
<td>0.50</td>
<td>(1.40)</td>
<td>2.10</td>
<td>2.22</td>
<td>3.38</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>164,828</td>
<td>192,263</td>
<td>279,786</td>
<td>199,006</td>
<td>19,053</td>
</tr>
<tr>
<td>Financial Condition</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>$2,257,823</td>
<td>$2,346,974</td>
<td>$2,784,349</td>
<td>$2,606,227</td>
<td>$2,435,272</td>
</tr>
<tr>
<td>Total Debt, Including Capital Losses and Notes Payable</td>
<td>337,668</td>
<td>485,957</td>
<td>346,662</td>
<td>366,829</td>
<td>411,722</td>
</tr>
<tr>
<td>Total Kennametal Shareowners’ Equity</td>
<td>1,315,500</td>
<td>1,247,443</td>
<td>1,647,907</td>
<td>1,454,457</td>
<td>1,295,355</td>
</tr>
<tr>
<td>Total Debt to Total Kennametal Shareowners’ Equity</td>
<td>25.7%</td>
<td>39.0%</td>
<td>21.0%</td>
<td>24.7%</td>
<td>31.8%</td>
</tr>
<tr>
<td>Other Data</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$56,679</td>
<td>$104,842</td>
<td>$163,439</td>
<td>$93,824</td>
<td>$79,593</td>
</tr>
<tr>
<td>Research and Development</td>
<td>27,983</td>
<td>27,504</td>
<td>32,564</td>
<td>29,814</td>
<td>25,138</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>11,000</td>
<td>11,500</td>
<td>13,700</td>
<td>14,000</td>
<td>13,300</td>
</tr>
<tr>
<td>Stock Information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Price per Share – High</td>
<td>$34.80</td>
<td>$38.75</td>
<td>$46.61</td>
<td>$41.48</td>
<td>$33.59</td>
</tr>
<tr>
<td>Market Price per Share – Low</td>
<td>15.29</td>
<td>12.82</td>
<td>26.00</td>
<td>24.85</td>
<td>22.33</td>
</tr>
<tr>
<td>Dividends per Share</td>
<td>0.48</td>
<td>0.48</td>
<td>0.47</td>
<td>0.41</td>
<td>0.38</td>
</tr>
<tr>
<td>Diluted Weighted Average Shares Outstanding</td>
<td>81,590</td>
<td>73,122</td>
<td>78,201</td>
<td>78,545</td>
<td>79,102</td>
</tr>
<tr>
<td>Number of Shareowners</td>
<td>2,339</td>
<td>2,425</td>
<td>2,462</td>
<td>2,748</td>
<td>3,158</td>
</tr>
</tbody>
</table>
The WIDIA™ brand demonstrates Kennametal’s ability to look to the future and still respond quickly to customer needs and market trends. The WIDIA brand delivers world-class products and services, and as such is considered the premier global tooling manufacturer.

WIDIA is positioned especially well for distributors who are seeking a complete range of high-performance products. Clearly understanding and interpreting customer needs and market trends, the WIDIA organization has responded to this by digitizing most of its 50,000 products for online viewing. As part of the online experience, the company has listened to customers by leveraging the benefits of web commerce, online chat, and offering a unique WIDIA distribution support program.

The WIDIA brand is ideally suited to a wide variety of applications. WIDIA’s skilled network of distributors consistently delivers superior value to our customers from a single source.

Future

Over the past few years we have transformed our business to focus on our customers. Our new operating structure is enabling us to become a breakaway company, one that responds quickly to shifts in customer needs and market trends, is able to withstand turbulent times, and can remain profitable through a variety of financial cycles.

This customer focus drives our sustainability programs as we move toward our next financial milestone — 15% earnings before interest and taxes margin, and 15% return on invested capital. Looking ahead, the company seeks to achieve our primary goal of delivering superior business value to all stakeholders in a socially and environmentally responsible manner.
Integrity

Integrity is absolutely vital to Kennametal’s success as a company and as a global community member. Integrity is one of the key components of the company’s core sustainability values. It is at the center of our Kennametal Value Business System, or KVBS.

Kennametal is diligent in communicating the values of integrity throughout the entire organization. The Kennametal Code of Conduct serves as the compass and bearings for the company’s strong commitment to integrity, always doing the right thing, and doing what we say we will do, every time.

Integrity is about “Living Our Values” in the communities around the world where we work and live. It’s also about the company being recognized every day for the efforts of the Kennametal Foundation, ongoing legislative activities, fundraising, and community involvement with emphasis on employee engagement.

SUSTAINABILITY SNAPSHOT | INTEGRITY

- **4,945** total employees trained in the Code of Conduct
- In FY 2010, **100%** of salaried employees and the large majority of all other regular system users were trained in the company’s Code of Conduct
- Kennametal’s internal audit group performs an annual risk assessment which includes approximately **60** centralized functions in **104** business units/locations
- **100%** of Kennametal salaried employees were trained in anti-corruption in Q4 FY 2009
- **100%** of salaried employees were trained in Confidentiality — Protecting Ours and Respecting Others in Q1 FY 2010
- The Kennametal Hotline, staffed by a third-party organization is available for employees to discuss issues of concern, **24/7** and is available in multiple languages
- Total Kennametal Foundation allocation: **$650,000**
- Communicating in a crisis plan in place and tested
Kennametal ethics training was launched in Q3 FY 2006, and since the program’s inception has seen exceptional levels of Business Ethics and Conduct Center core users and completion levels ranging from 97.2% to 100%.

The program added web-based training followed by automated data transmission. In Q1 FY 2011, Executive Assistants and Administrative Assistants, who report to the top three levels of leadership, were added to the Core Kennametal Ethics. This is one of the many ways the enterprise values integrity as it relates to employees, suppliers and customers, and ultimately to the social and governance aspects of sustainability.

Future

Since FY 2006, company integrity and Kennametal’s highly successful ethics training initiatives have helped enable employees to consistently adhere to our company’s Code of Conduct.

As a customer-driven organization, Kennametal’s goal is to maintain its leadership position in every major manufacturing industry, in all global markets, and in the eyes of each and every customer. To maintain this leadership position in the future, given the pressures of today’s business environment, we will stay focused on providing and improving the ethics training and resources available to our global team.
Kennametal Recognition & Awards

2011
11-time Blood Donation Award winner (2001–2011) — Red Cross Blood Service Center, Israel
Carnegie Science Center - Advanced Manufacturing Award

2010
Honda Supplier of Year Award
Caterpillar “Preferred Supplier”
PDMA Outstanding Corporate Innovator Award
Confederation of Indian Industry (CII) — Commitment to Quality Recognition
BCIC — 2010 Most Innovative Energy, Efficiency and Conservation Project
11-time 5 Beauty Stars Award winner for Beautiful Israel (2000–2010)
4-time Israel Institute for Safety at Work Safety Fellowship Award winner (2007–2010)

2009
Tooling & Production 2009 Cutting Tools Survey — top in familiarity and for tools in use
Pratt & Whitney The Quality Achievement Award
Pittsburgh Business Times Manufacturer of the Year Sustainable Company
Carnegie Science Center Awards — Advanced Manufacturing Award
India National Safety Council — Outstanding Safety Performance and Management Systems
CII — Six Sigma Excellence Recognition

2008
Best in Customer Satisfaction March 2008 — PLANT, Canada’s Industry Newspaper Survey
Top Innovative Company in Industrial Components & Fixtures Industry 2008 by The Patent Board
2008 Kennametal Brazil Supplier of the Year by Komatsu do Brazil
2008 Frost & Sullivan Green Excellence of the Year Award for Product Value in the North American cutting tools market
Caterpillar Supplier Quality Excellence Process Certification
India State Level — Best Practices in Safety Management
CII — Leadership & Excellence Awards in Environment and Health & Safety
2008 Best Safe Practices — Directorate of Factories & Boilers, Karnataka, India
Caterpillar Supplier Quality Excellence Certification Award
APQC Best Practice Partner in Improving Front-End Effectiveness
Israel Award for Special Contribution to Community and State

2007
IBC Industrial Supply Plus Supplier of the Year
Vision for Tomorrow Greatest Business Impact Award 2007 presented by 4C Technologies
Boeing Partner Appreciation Award
Carnegie Science Center — Corporate Innovation Award
Carnegie Science Center — Advanced Manufacturing and Materials Award
National Employee of the Year Award to Shlomi Employee Mr. V. Edlin — Israel State President Mr. S. Peres

2006
Pittsburgh Business Ethics Award
Parker Hannifin Corporation Preferred Supplier
Kennametal Global Information Technology (IT) one of the 100 Best Places to Work in IT by Computerworld
Carnegie Science Center — Honorable Mention Corporate Innovation
APQC Best Practice Partner in Product Development Portfolio Management

2005
IBC Industrial Supply Plus Supplier of the Year
APQC Best Practice Partner in Innovation
Manufacturer of the Year — Pittsburgh Business Times
Parker Hannifin Corporation Preferred Supplier

2004
IBC Industrial Supply Plus Supplier of the Year
APQC Best Practice Partner in R&D Productivity
Carnegie Science Center — Advanced Manufacturing and Materials Award
Carnegie Science Center Honorable Mention Advanced Manufacturing and Materials
Rolls-Royce Certificate of Achievement
Environment Award for Reduction of Energy Costs — Vohenstrauss Municipality

2003
Carnegie Science Center Honorable Mention Advanced Manufacturing and Materials

2002
Pratt & Whitney The Quality Achievement Award

2000 and Prior
5-time GM Supplier of the Year Award winner (1996-2000)
Holset Indirect Supplier of Year 1997
Carnegie Science Center — Scientist Award 1997
9-time Outstanding Exporter Award winner — Ministry of Industry and Trade, Israel