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## **KPAC Solutions acquires NYSE listed Kennametal's wholly-owned subsidiary Kemmer Prazision with operations in Germany, China and USA.**

NASHVILLE, Tenn (May 1, 2006) – KPAC Solutions, a global private equity firm, announced it has completed the acquisition of Kemmer Prazision, a Lorch, Germany based company, from Kennametal, Inc., an NYSE global manufacturer. Kemmer is a leading manufacturer and distributor of drills and routers for the printed circuit board industry in Europe, Asia and the United States. This will represent KPAC's 14th platform acquisition over the last decade.

“In the current market environment, we are excited about completing this acquisition” stated Jim Patton, Founder and Senior Partner of KPAC. “As the dynamics have changed in the manufacturing sector with increased competition from Asia, companies are facing mounting pressure on manufacturing costs, specifically labor. KPAC is known in the market place as a cost conscious, value driven buyer with a team of partners dedicated to reign in costs and compete effectively throughout the world.” Patton went on to elaborate “our partners have restructured over \$3.0 billion in top line revenue throughout our careers and we pride ourselves on being true operators and not just financial partners.”

KPAC named its senior partner Fil Filipov as Chairman and CEO of Kemmer upon the closing of the transaction. Mr. Filipov is based out of KPAC's Paris office and has an impressive track record of turning around troubled manufacturers in Europe. The majority of his career was spent with Terex Corporation; a NYSE listed company where Mr. Filipov helped acquire and restructure over 20 businesses.

**About Kennametal:** Kennametal Inc. (NYSE: KMT) is a leading global supplier of tooling, engineered components and advanced materials consumed in production processes. Companies producing everything from airframes to coal, from medical implants to oil wells and from turbochargers to motorcycle parts recognize Kennametal for extraordinary contributions to their value chains. Customers buy over \$2.3 billion annually of Kennametal products -- delivered by 14,000 employees in over 60 countries.

**About KPAC Solutions:** Since the firm's founding more than 15 years ago, KPAC Solutions has evolved into a highly effective purchaser of distressed and underperforming manufacturing and industrial businesses. KPAC Solutions is a global private investment company with its headquarters in Nashville, Tenn., and offices in Los Angeles, Calif.; Richmond, Va.; and Paris, France. KPAC Solutions has purchased and restructured numerous businesses in the USA, Europe, South America and Asia, primarily acquired from Fortune 1000 companies.