

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 24, 2011

KADANT INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-11406
(Commission File Number)

52-1762325
(IRS Employer
Identification No.)

One Technology Park Drive
Westford, Massachusetts
(Address of Principal Executive Offices)

01886
(Zip Code)

(978) 776-2000
Registrant's telephone number, including area code

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:

- ☐ 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))
-

KADANT INC.

Item 2.02 Results of Operations and Financial Condition.

On February 24, 2011, Kadant Inc. (the “Company”) will hold a webcast and conference call to discuss its financial results for the fiscal quarter and year ended January 1, 2011. A copy of the slides that will be presented on the webcast and discussed in the conference call is being furnished as Exhibit 99 to this Current Report on Form 8-K.

The information in this Form 8-K (including Exhibit 99) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibit

The following exhibit relating to Item 2.02 shall be deemed to be furnished and not filed.

Exhibit

No	Description of Exhibit
99	Slides to be presented by the Company on February 24, 2011

KADANT INC.

SIGNATURE

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 hereunto duly authorized.

KADANT INC.

Date: February 24, 2011

By


/s/ Thomas M. O'Brien
Thomas M. O'Brien
Executive Vice President and
Chief Financial Officer



Fourth Quarter 2010 Business Review

Jonathan W. Painter, President & CEO

Thomas M. O'Brien, Executive Vice President & CFO



Forward-Looking Statements

The following constitutes a "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: This presentation contains forward-looking statements that involve a number of risks and uncertainties, including forward-looking statements about our expected

future financial and operating performance. Important factors that could cause actual results

to differ materially from those indicated by such statements include risks and uncertainties set forth under the heading "Risk Factors" in Kadant's quarterly report on Form 10-Q for the period ended October 2, 2010 and risks and uncertainties relating to our dependence on the

pulp and paper industry; poor relations with a major paper producer in China; significance of

sales and operation of manufacturing facilities in China; our ability to expand capacity in China to meet demand; international sales and operations; competition; soundness of suppliers and customers; our debt obligations; restrictions in our credit agreement; soundness of financial institutions; litigation and warranty costs related to our discontinued operation; our acquisition strategy; future restructurings; factors influencing our fiber-based products business; protection of patents and proprietary rights; fluctuations in our share price; and anti-takeover provisions. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise.



Use of Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), we use certain non-GAAP financial measures, including increases or decreases in revenues excluding the effect of foreign currency translation, adjusted operating income, earnings before interest, taxes, depreciation, and amortization (EBITDA), and adjusted EBITDA.

A reconciliation of those numbers to the most directly comparable U.S. GAAP financial measures is shown in our 2010 fourth quarter earnings press release issued February 23, 2011, which is available in the Investors section of the company's website at www.kadant.com under the heading Investors News.

All geographic revenues and bookings data are attributed to regions based on selling locations. For North America and China, this also approximates revenues and bookings based on where the equipment is shipped to and installed. Our European geographic data, however, includes revenues and bookings that may be shipped to and installed outside Europe, including South America, Africa, the Middle East, and certain countries in Southeast Asia (excluding China).

Jonathan W. Painter
President & CEO



Business Review

Q4 2010 Financial Highlights: Revenues

- \$73.3 million, up 29% compared to Q4 2009
- All product lines saw solid increases compared to Q4 2009
 - Stock-Preparation up 42%
 - Fluid-Handling up 25%
 - Water Management up 20%
 - Accessories up 19%
- Q4 2010 revenues were up 10% sequentially

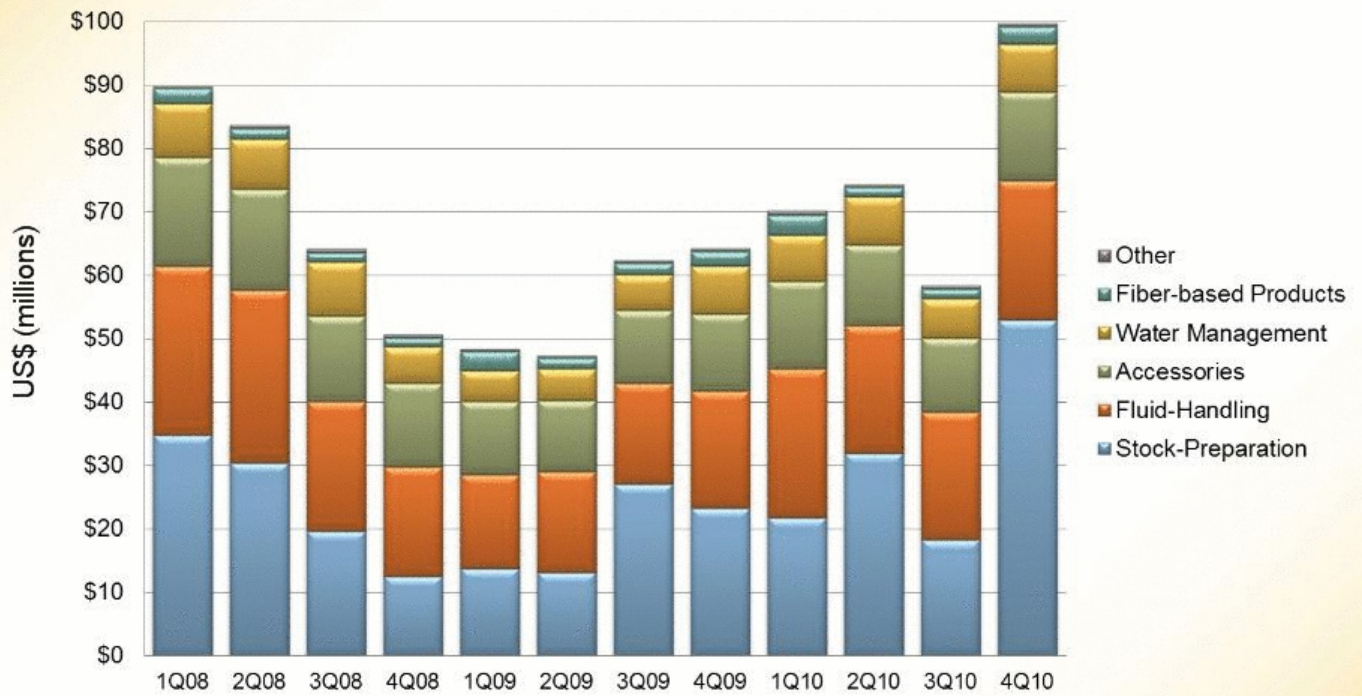
Financial Highlights

	Q4 2010	Q4 2009
Revenues	\$73.3 million	\$56.8 million
Gross margins	42%	41%
Adjusted EBITDA	\$8.7 million	\$3.7 million
Diluted EPS	\$0.41	\$(0.14)
Cash flows	\$13.8 million	\$11.4 million

Q4 2010 Financial Highlights: Bookings

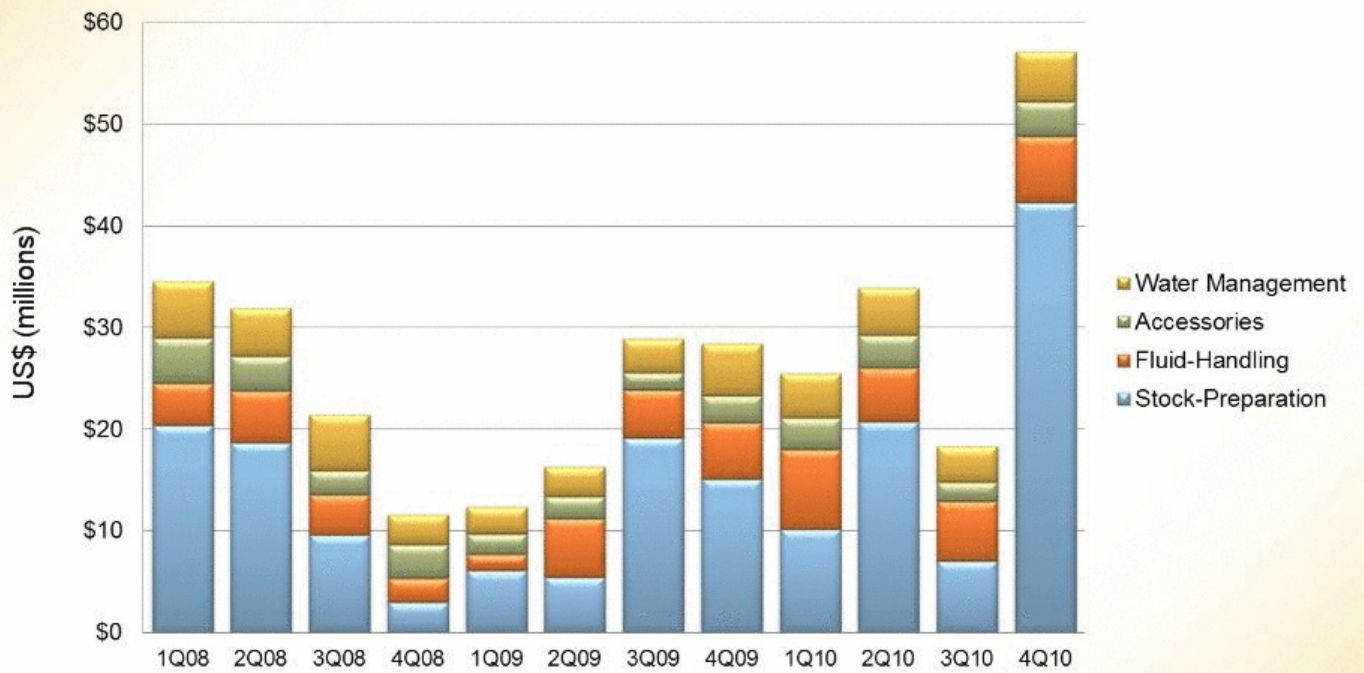
- \$99.8 million, up 55% compared to Q4 2009
- Strong Q4 booking performance
 - Stock-Preparation up 127%
 - Fluid-Handling up 19%
 - Accessories up 15%
 - Water Management flat compared to Q4 2009
- Q4 2010 bookings were up sequentially by 71%
- The highest quarterly bookings level since 2007

2008-2010 Quarterly Bookings

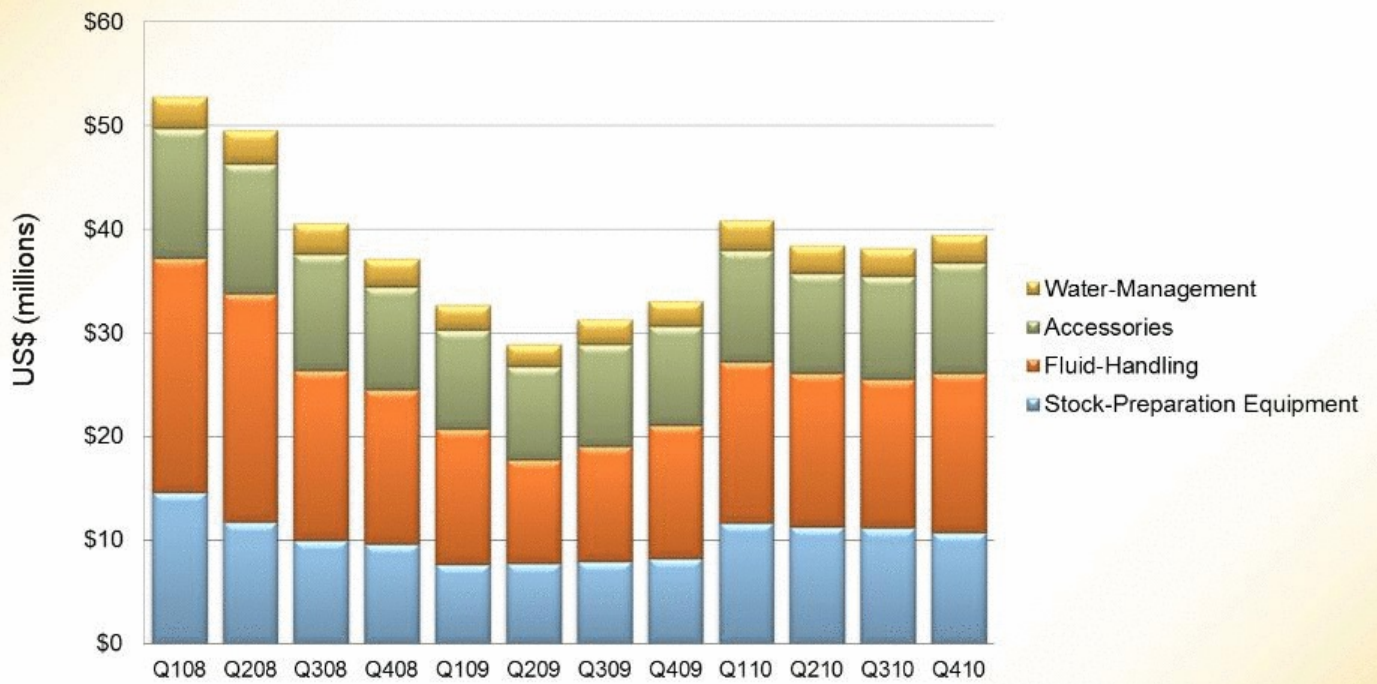


Capital Bookings

(Papermaking Systems Segment Only)



Parts & Consumables Bookings (Papermaking Systems Segment Only)



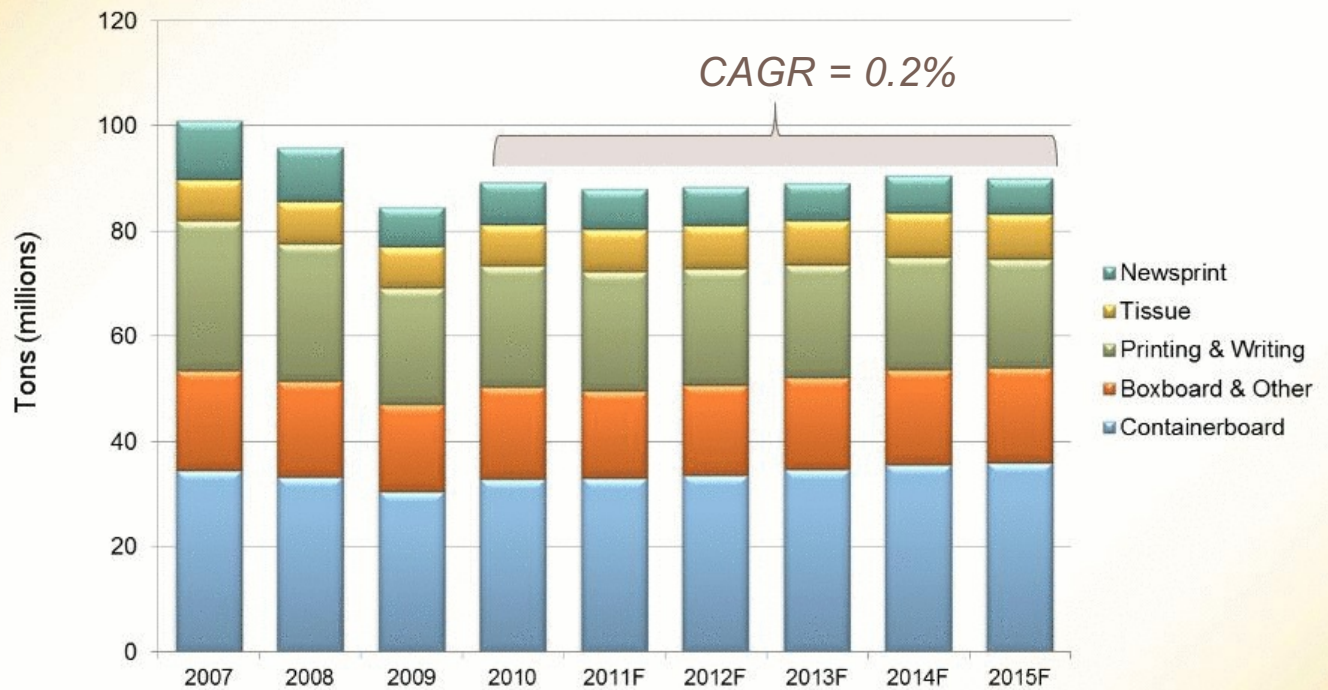


Market Review

North America Paper Industry Trends

- U.S. economy stronger in 2010 than most anticipated
 - 3.2% GDP growth in Q4 2010
- 2010 operating rates were 90% or higher
- In 2010, U.S. mills recovered half of the production lost in 2009
- Inventory levels have stabilized across all major grades
- Increased capital spending expected in 2011
- Higher fiber cost
- Weakness in U.S. consumer sector and high unemployment
- Structural weakness in printing and writing and newsprint continues
- Rock-Tenn acquisition of Smurfit-Stone may lead to capacity rationalization

North America Paper & Board Production



Source: RISI World Pulp & Recovered Paper Forecast, 2011

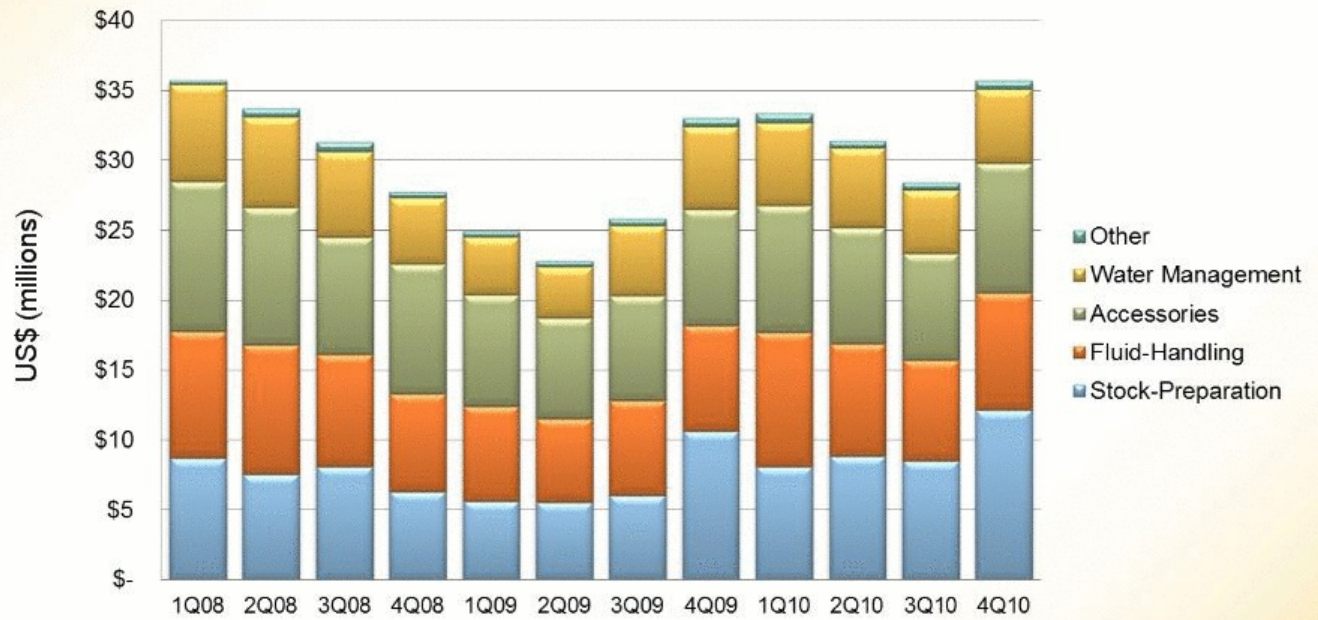
Highlighted North America Bookings

- OCC system for U.S. containerboard producer in the Southwest
- Center-press doctor system for Midwest U.S. packaging producer
- 1,000 high-precision rotary unions sold to a U.S. machine tool OEM booked in Q1 2011



North America Bookings

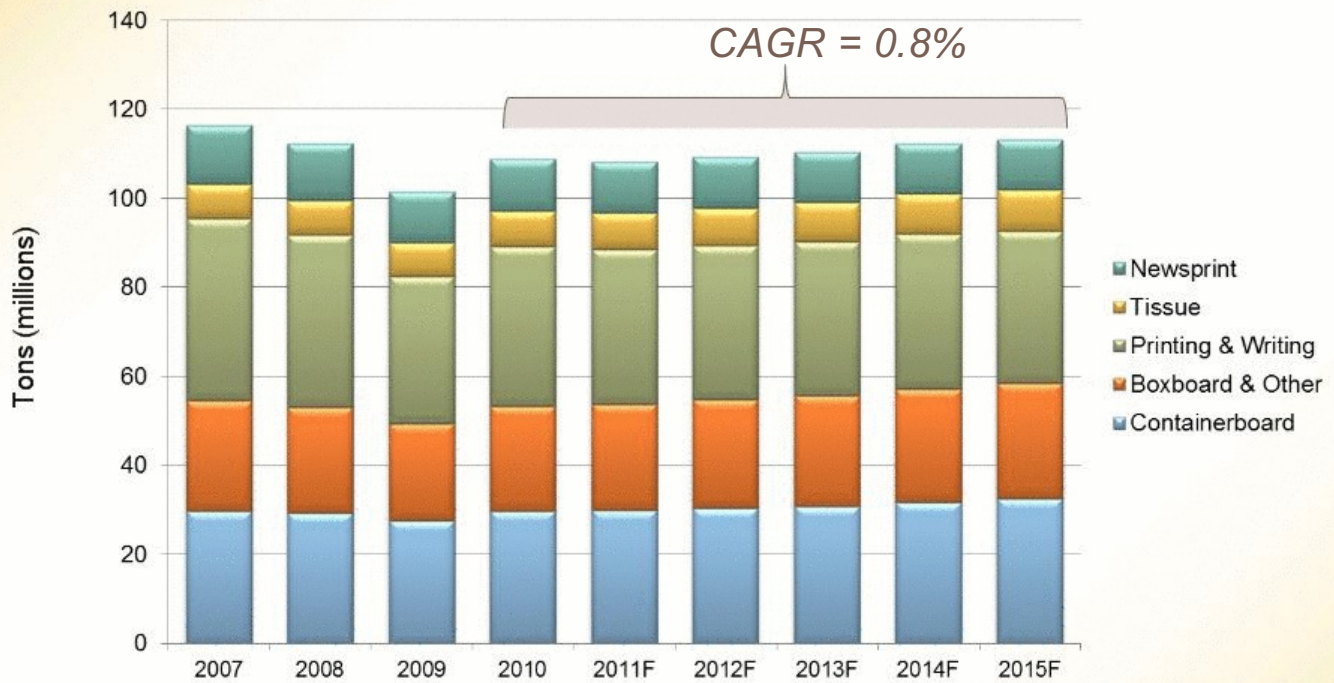
\$35.7 million, up 8% compared to Q4 2009



Europe Paper Industry Trends

- Containerboard prices remain steady, demand solid through Q4 and into Q1 2011
- Demand for graphic paper grades increased 4.5% in 2010
- Exports may soften if the Euro strengthens
- Operating rates in 2010 were highest for containerboard (93%) and lowest for tissue (88%)

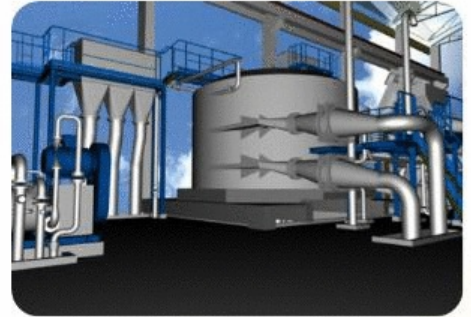
Europe Paper & Board Production



Source: RISI World Pulp & Recovered Paper Forecast, 2011

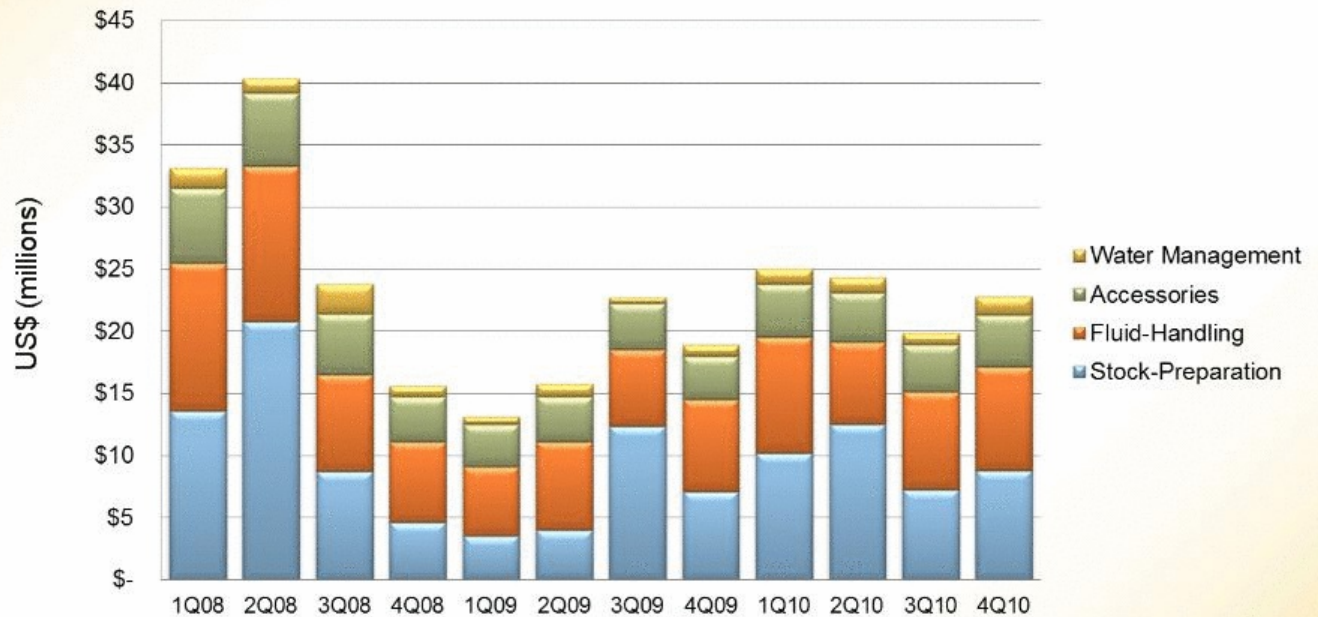
Highlighted Q4 European Bookings

- Deinking line for tissue producer in Russia
- Two stock preparation systems for packaging lines from Turkey and Northern Africa
- Dryer system surveys and engineering for four customers in India
- Two Petax™ fine filtration systems for a Kraft packaging mill in Thailand



European Bookings

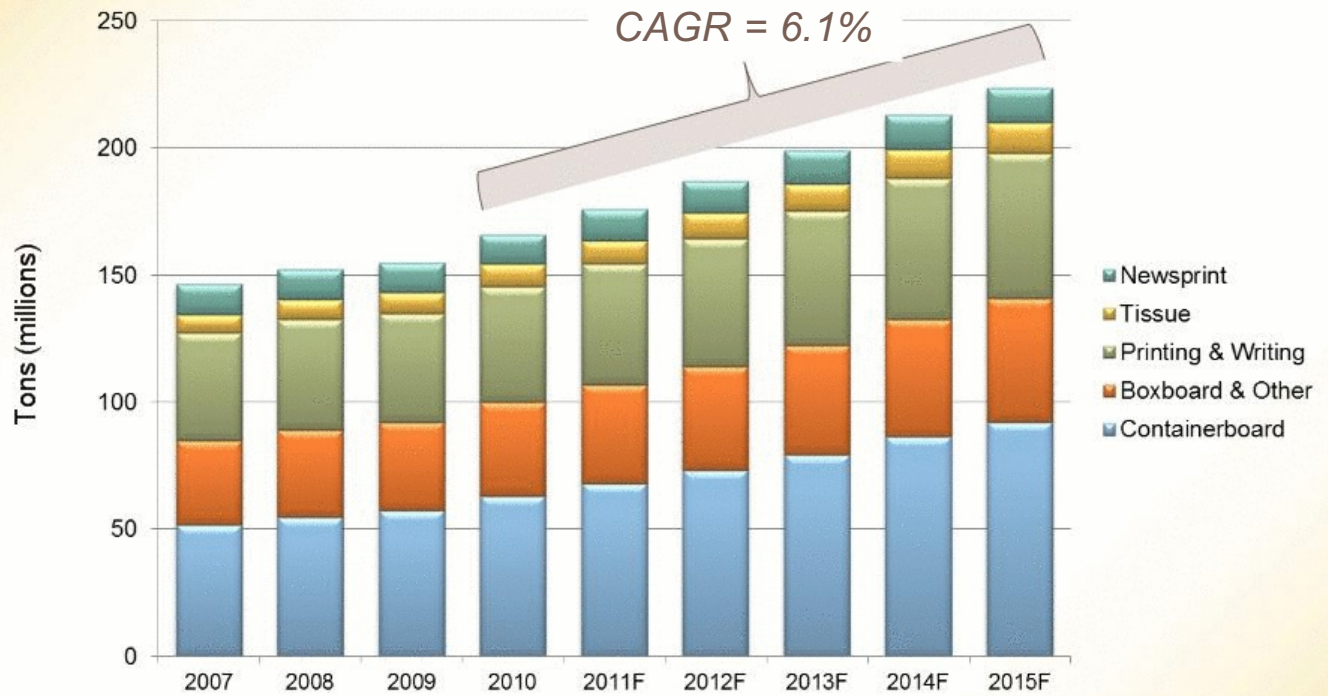
\$22.8 million, up 20% compared to Q4 2009



China Paper Industry Trends

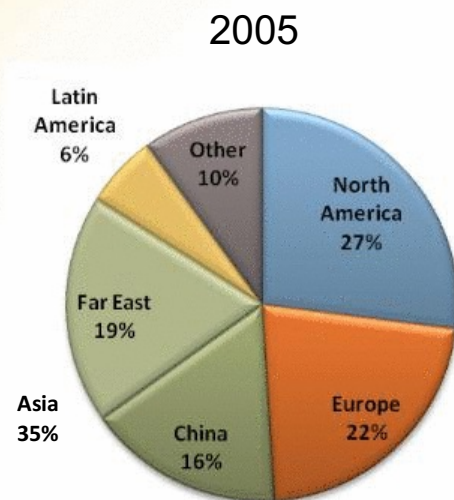
- China expected to add more than 15 million tons from the end of 2010 through 2012
- China closed 3.8 million tons from inefficient mills in 2010
- China's rapid economic growth expected to continue, but at a slower pace relative to previous five years
- Inflation concerns in China may temper government stimulus and create volatility in the Chinese economy

Asia Paper & Board Production

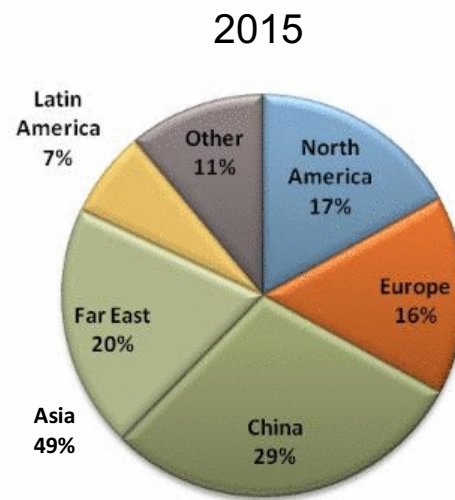


Source: RISI World Pulp & Recovered Paper Forecast, 2011

World Demand for Paper & Paperboard



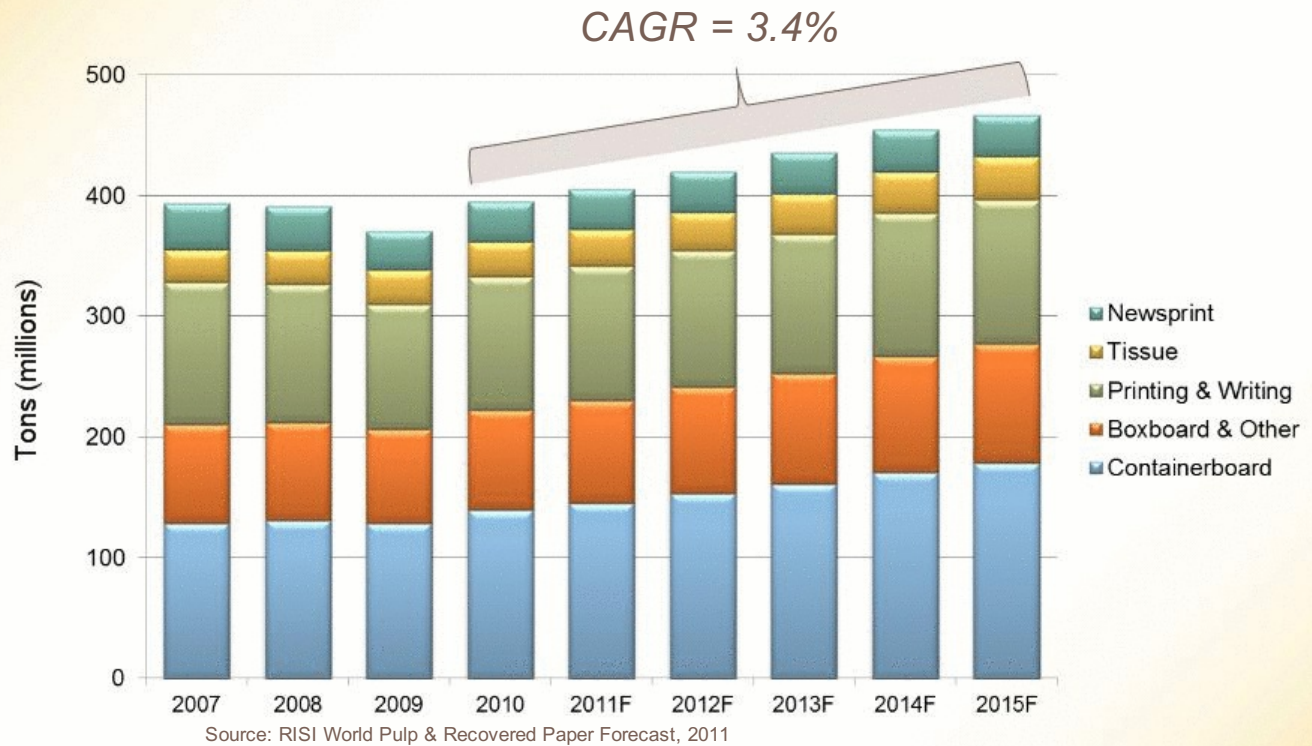
Global Demand: **369 million tons**



Global Demand: **468 million tons**

Source: RISI World Pulp & Recovered Paper Forecast, 2011

World Paper & Board Production



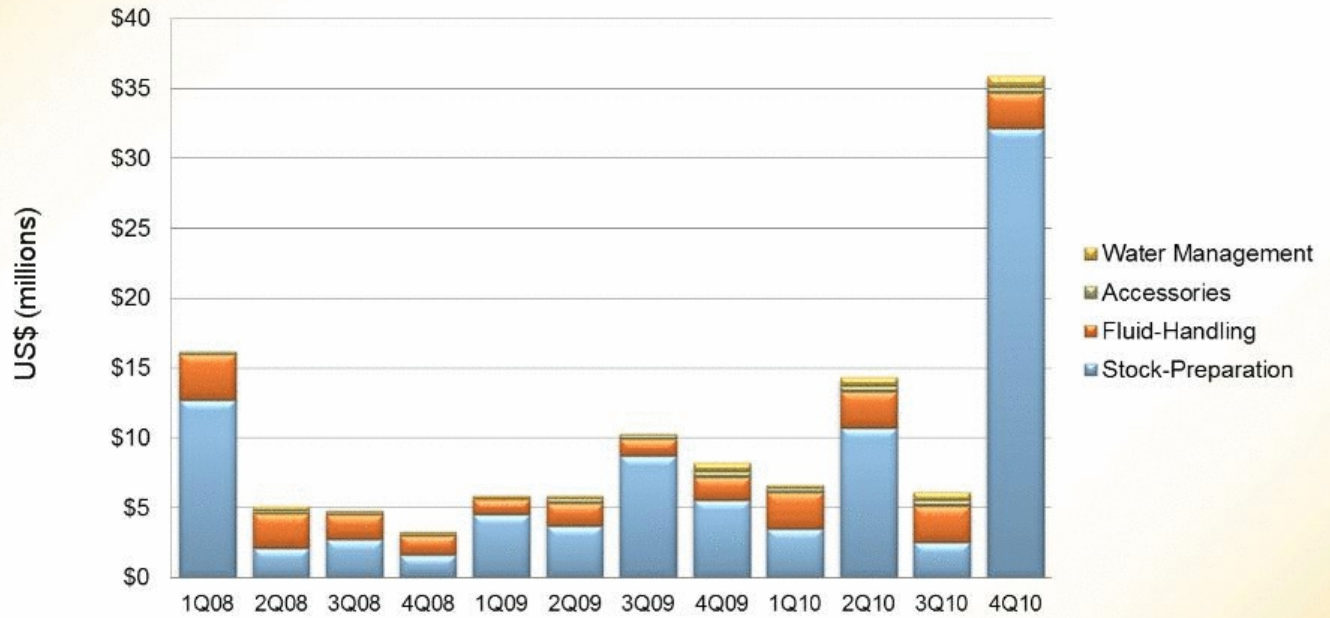
Highlighted Q4 China Bookings

- 14 stock prep systems orders from China with a combined value of \$31 million for OCC, approach flow, and deinked systems
- Steam and condensate systems and drying equipment for four containerboard machines and four tissue machines in China
- Water filtration equipment for four tissue machines from a major tissue producer in Southern China



China Bookings

\$35.9 million, up 340% compared to Q4 2009



China Manufacturing Expansion

- Significant bookings increase from China for stock preparation systems
- Limited outsourcing flexibility in China
- Initiatives taken to increase capacity
 - Expanding workforce
 - Investing in capital equipment
 - Increasing support from other Kadant manufacturing sites



Guidance for Continuing Operations

- FY 2011 revenues of \$300 to \$310 million
- FY 2011 GAAP diluted EPS of \$1.65 to \$1.75
- Q1 2011 revenues of \$71 to \$73 million
- Q1 2011 GAAP diluted EPS of \$0.35 to \$0.37

Thomas M. O'Brien

Executive Vice President and
Chief Financial Officer

Financial Review



4Q10 Revenues Summary

- Consolidated Revenues = \$73.3 million
 - 29% increase vs. 4Q09
 - Includes 2% unfavorable foreign currency translation
- Revenue Guidance = \$64 to \$66 million
 - Higher Stock-Preparation
 - Smaller increases in Fluid-Handling and Accessories

4Q10 and 4Q09 Revenues by Product Line

(\$ Millions)	4Q10	4Q09	% Change Qtr to Qtr	Excl. FX*
Stock-Preparation	\$ 28.9	\$ 20.4	42%	45%
Fluid-Handling	21.6	17.3	25%	26%
Accessories	13.8	11.6	19%	21%
Water-Management	6.6	5.5	20%	20%
Other	0.6	0.5	32%	26%
Papermaking Systems Segment	71.5	55.3	29%	31%
Fiber-Based Products	1.8	1.5	18%	18%
Total	\$ 73.3	\$ 56.8	29%	31%

* Percent change excluding the effect of currency translation

4Q10 and 3Q10 Revenues by Product Line

(\$ Millions)		<u>4Q10</u>	<u>3Q10</u>	% Change Qtr to <u>Qtr</u>	Excl. <u>FX*</u>
Stock-Preparation	\$	28.9	\$ 23.9	21%	19%
Fluid-Handling		21.6	21.6	0%	1%
Accessories		13.8	12.3	13%	10%
Water-Management		6.6	6.9	-5%	-6%
Other		<u>0.6</u>	<u>0.6</u>	-4%	-7%
Papermaking Systems Segment		71.5	65.3	10%	9%
Fiber-Based Products		<u>1.8</u>	<u>1.2</u>	41%	41%
Total	\$	73.3	\$ 66.5	10%	9%

* Percent change excluding the effect of currency translation

Revenues by Geography

(Papermaking Systems Segment Only)

% Change

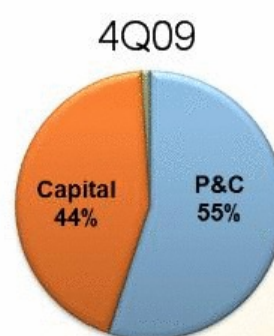
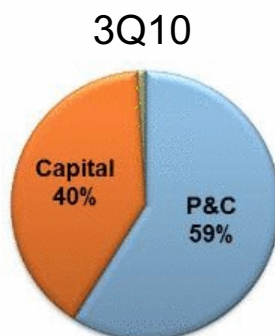
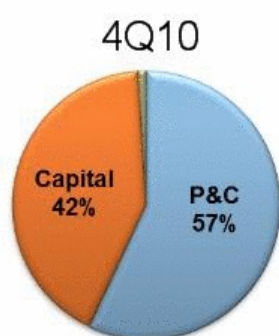
(\$ Millions)	4Q10	3Q10	4Q09	3Q10	4Q09	Excl. FX* 4Q09
North America	\$ 33.4	\$ 30.5	\$ 26.9	10%	24%	23%
Europe	23.0	21.1	20.1	9%	14%	23%
China	12.3	10.9	6.2	13%	98%	93%
South America	2.3	2.1	1.7	9%	40%	37%
Australia	0.5	0.7	0.4	-32%	17%	8%
Total	\$ 71.5	\$ 65.3	\$ 55.3	10%	29%	31%

* Percent change excluding the effect of currency translation

Revenue Detail

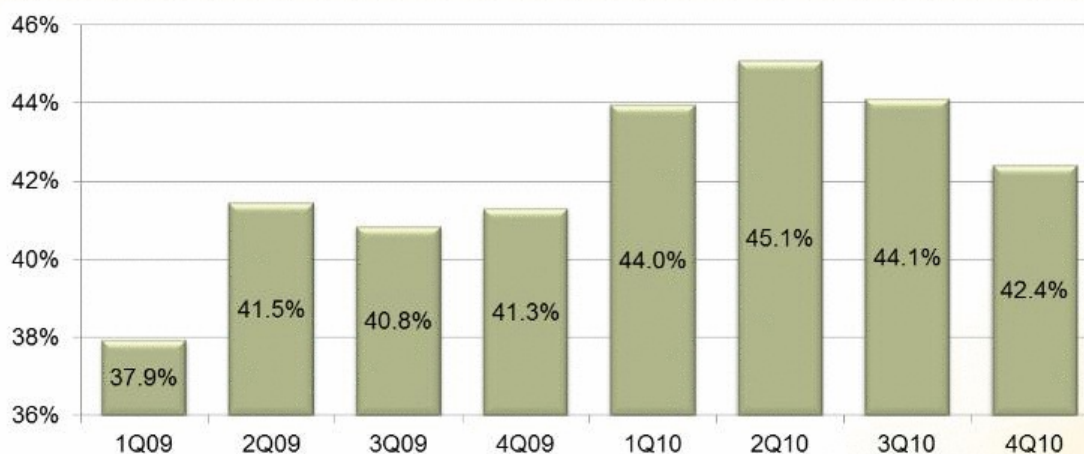
(Papermaking Systems Segment Only)

(\$ Millions)				% Change	
	4Q10	3Q10	4Q09	3Q10	4Q09
Parts & Consumables	\$ 40.6	\$ 38.8	\$ 30.6	5%	33%
Capital	30.3	25.9	24.2	17%	25%
Other	0.6	0.6	0.5	-4%	32%
Total	\$ 71.5	\$ 65.3	\$ 55.3	10%	29%



Gross Margin Percentages

Quarter	% Point Change				
	4Q10	3Q10	4Q09	3Q10	4Q09
Papermaking Systems	42.4	44.4	41.6	-2.0%	0.8%
Other Segment	41.8	28.3	31.4	13.5%	10.4%
Total	42.4	44.1	41.3	-1.7%	1.1%



SG&A

Quarter

Change

(\$ Millions)

4Q10

3Q10

4Q09

3Q10

4Q09

SG&A

\$ 22.9

\$ 22.5

\$ 20.2

\$ 0.4

\$ 2.7

% Revenues

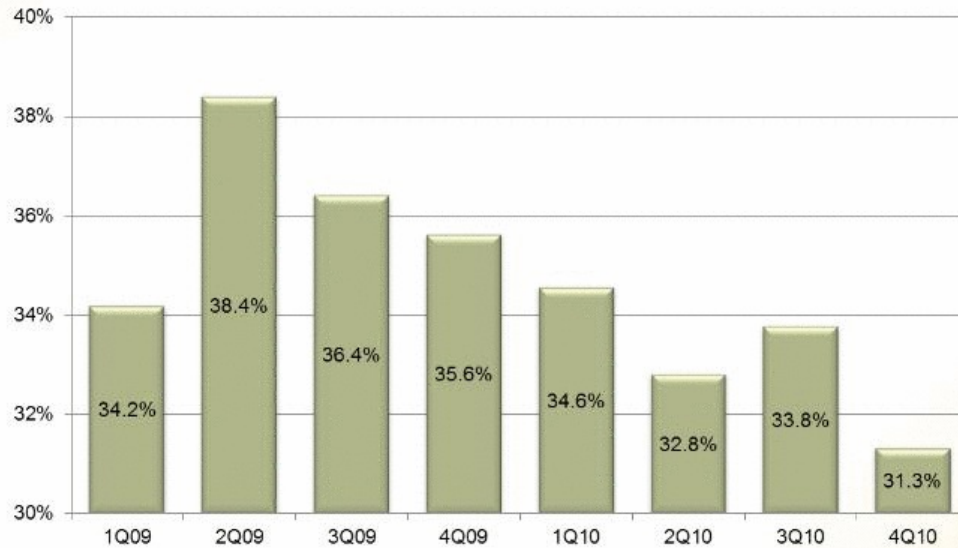
31.3%

33.8%

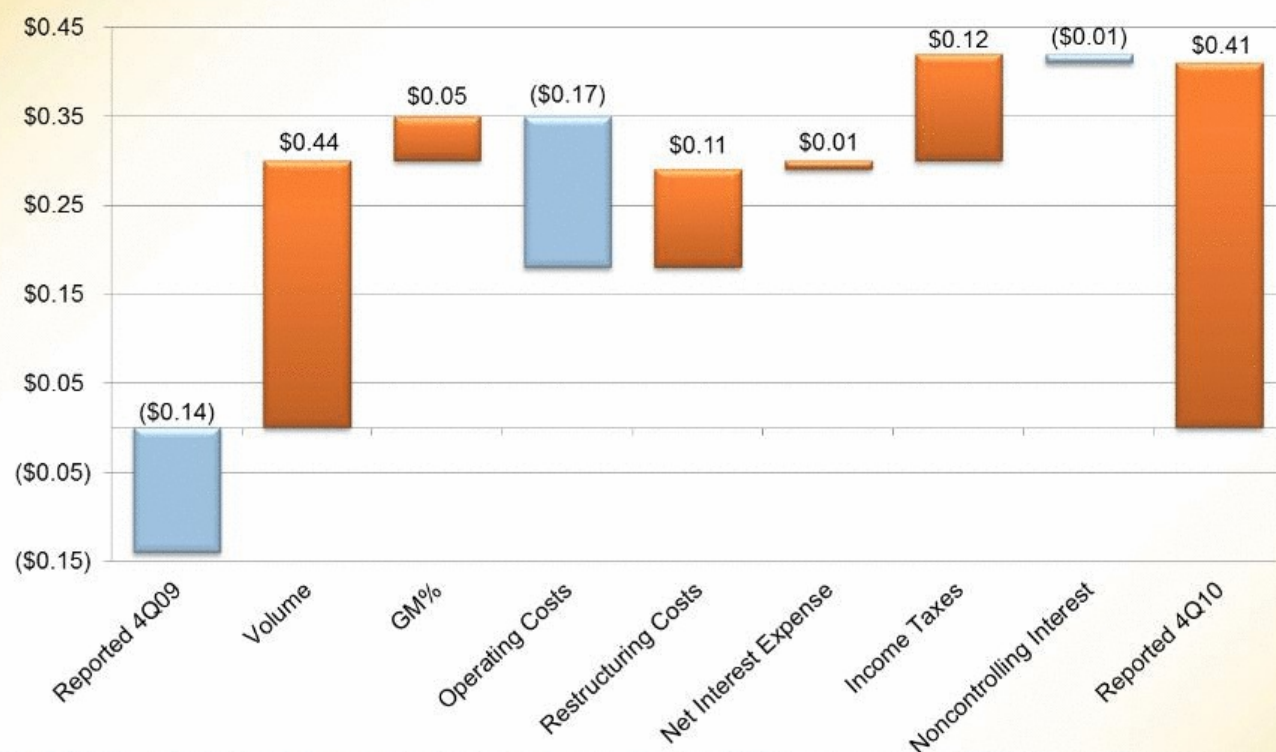
35.6%

-2.5%

-4.3%



4Q09 to 4Q10 Diluted EPS

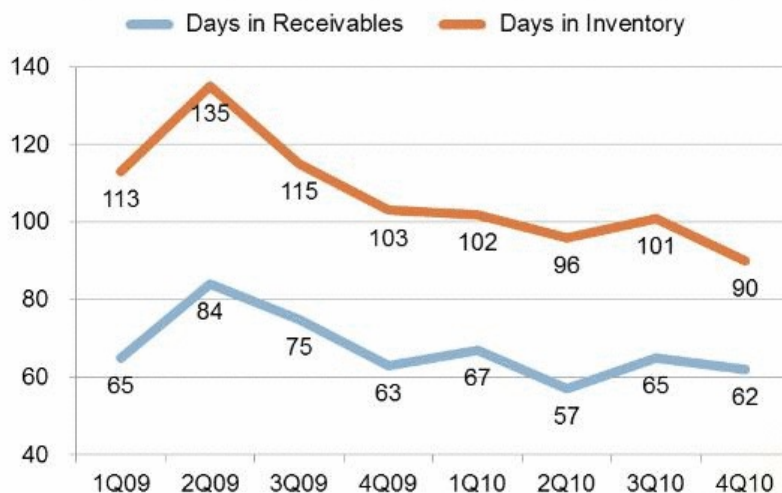


Cash Flow

(\$ Millions)	<u>4Q10</u>	<u>4Q09</u>	<u>2010</u>	<u>2009</u>
Income (Loss) from Continuing Operations	\$ 5.2	\$ (1.7)	\$ 18.7	\$ (6.0)
Depreciation and Amortization	1.9	1.9	7.2	7.4
Stock-Based Compensation	0.7	0.7	2.8	2.7
Other Items	1.3	0.3	(0.4)	(2.6)
Change in Current Assets & Liabilities, Excluding	<u>4.7</u>	<u>10.2</u>	<u>0.0</u>	<u>41.6</u>
Acquisitions from Continuing Operations	\$ 13.8	\$ 11.4	\$ 28.3	\$ 43.1

Key Working Capital Statistics

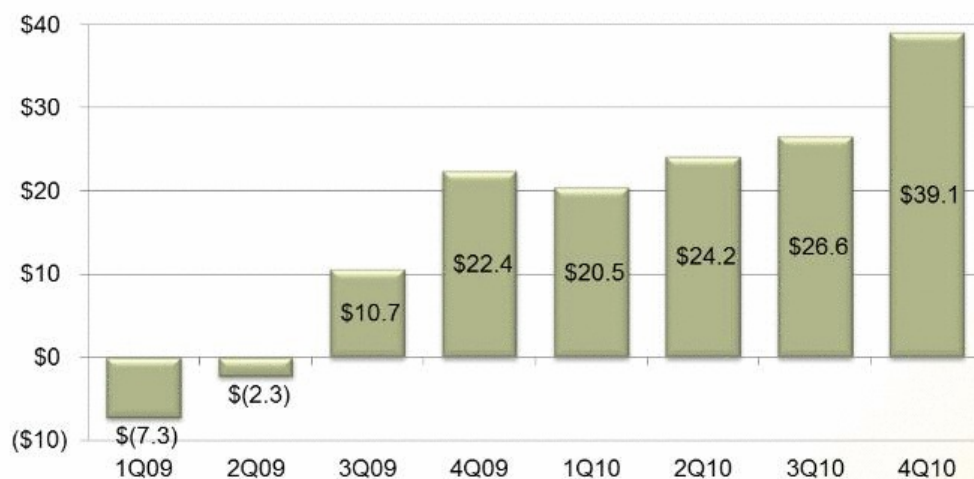
(\$ Millions)	4Q10	3Q10	4Q09
Days in Receivables	62	65	63
Days in Inventory	90	101	103
Working Capital % LTM Revenues *	9.1%	11.5%	10.5%



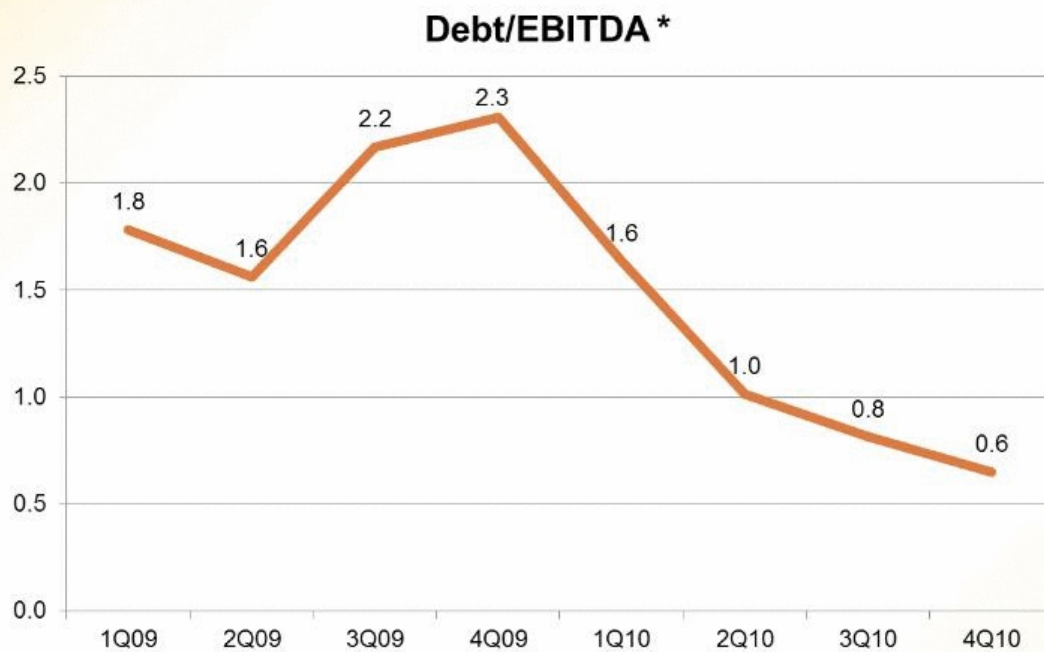
* Working Capital is defined as current assets less current liabilities, excluding cash, debt, and the discontinued operation.

Cash and Debt

(\$ Millions)	4Q10	3Q10	4Q09
Cash and Cash Equivalents	\$ 61.8	\$ 49.5	\$ 45.7
Debt	(22.7)	(22.9)	(23.3)
Net Cash	\$ 39.1	\$ 26.6	\$ 22.4



Leverage Ratio



* Calculated by adding or subtracting certain items, as defined in our Credit Facility, from Adjusted EBITDA reported externally.

2011 Guidance

- Stronger second half
- Effective tax rate approximately 28%
- CAPEX: \$7 to \$8 million
- Non-cash equity expense: \$0.19 per diluted share
- Depreciation and amortization expense: \$8 million

Questions & Answers

To ask a question, please call **866-510-0708** within the U.S. or
+1-617-597-5377 outside the U.S. and reference 83375884.

Please mute the audio on your computer.



Fourth Quarter 2010 Business Review

Jonathan W. Painter, President & CEO

Thomas M. O'Brien, Executive Vice President & CFO

Investor Contact: Thomas M. O'Brien, 978-776-2000
Media Contact: Wes Martz, 269-278-1715

APPENDIX

Appendix

Financial Overview

(\$ Millions, except Diluted EPS)	4Q10	3Q10	4Q09	% Change	
				3Q10	4Q09
Revenues	\$ 73.3	\$ 66.5	\$ 56.8	10%	29%
Gross Margin	31.1	29.3	23.4	6%	33%
Operating Income (Loss)	6.7	6.3	(0.3)	7%	NM
Operating Margin	9.2%	9.4%	-0.5%		
Diluted EPS	0.41	0.36	(0.14)	14%	NM
Operating Cash Flows	13.8	6.0	11.4	130%	22%
Cash Balance	61.8	49.5	45.7	25%	35%
Cash less Debt	39.1	26.6	22.4	47%	74%
Bookings	99.8	58.4	64.2	71%	55%
Backlog	\$ 94.3	\$ 67.8	\$ 61.5	39%	53%

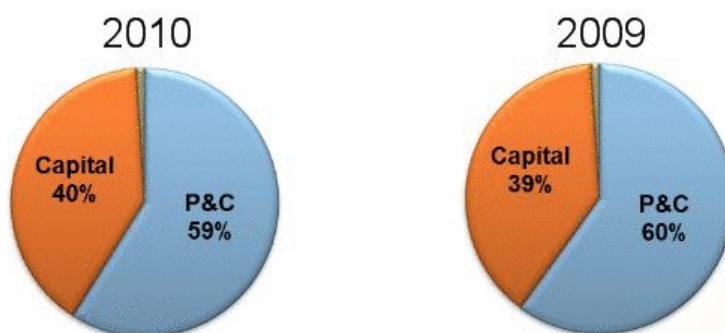
NM – Not Meaningful

Appendix

Revenue

(Papermaking Systems Segment Only)

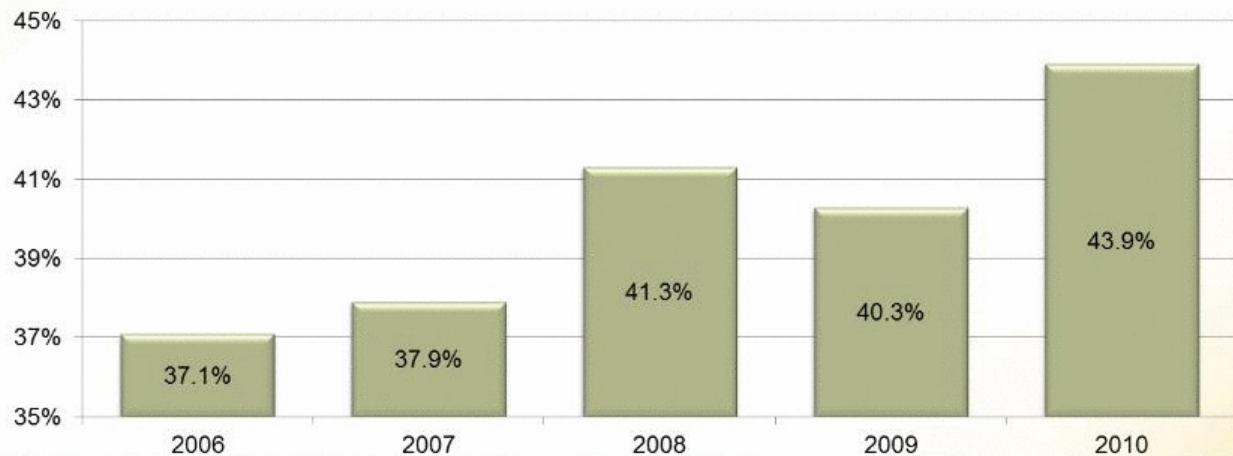
(\$ Millions)	2010	2009	% Change
Parts & Consumables	\$ 153.9	\$ 130.3	18%
Capital	104.8	85.5	23%
Other	2.5	1.8	40%
Total	\$ 261.2	\$ 217.6	20%



Appendix

Gross Margin Percentages - Year

Year				% Point Change	
	2010	2009	2008	2009	2008
Papermaking Systems	43.8	40.4	41.6	3.4%	2.2%
Other	45.8	35.0	27.0	10.8%	18.8%
Total	43.9	40.3	41.3	3.6%	2.6%



Appendix

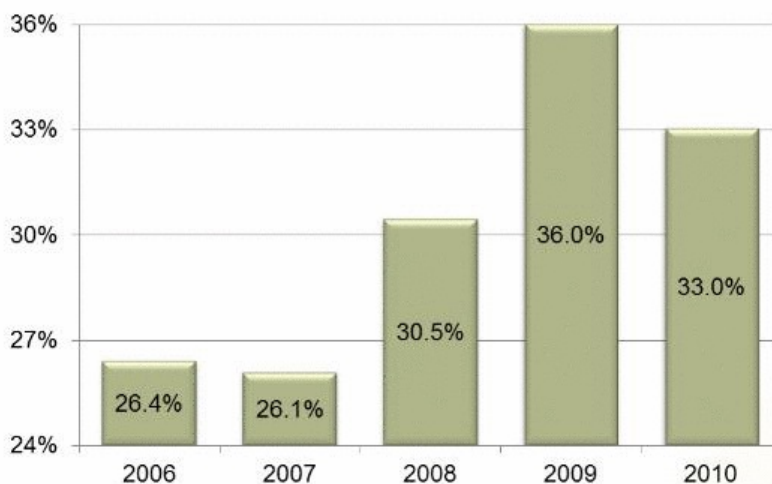
SG&A

Year

Change

(\$ Millions)

	2010	2009	2008	2009	2008
SG&A	\$ 89.2	\$ 81.2	\$ 100.3	\$ 8.0	\$ (11.1)
% Revenues	33.0%	36.0%	30.5%	-3.0%	2.5%



Appendix

2009 to 2010 Diluted EPS

