



## **Kadant Names Ernst & Young as Independent Public Accountants**

June 20, 2002

ACTON, Mass., Jun 20, 2002 (BUSINESS WIRE) -- Kadant Inc. (ASE:KAI) today announced that its board of directors has appointed Ernst & Young LLP as its independent public accountants, replacing Arthur Andersen LLP, which served as the company's auditor since it went public in 1992. The change is effective immediately.

"The Arthur Andersen staff we've worked with in the Boston office for the past 10 years has always maintained a high standard of business ethics, professionalism, and judgment, and I want to personally thank them for all their hard work," said William A. Rainville, chairman and chief executive officer of Kadant. "However, in light of recent events affecting Arthur Andersen, we've made the decision to change accounting firms. We believe that Ernst & Young has high standards of professionalism and quality control in their audit practice, and we look forward to working with them in their new role."

This appointment follows an extensive evaluation of auditing firms and was based on the unanimous recommendation of the audit committee of Kadant's board of directors, which consists solely of independent outside directors.

Kadant Inc. is a leading supplier of a range of products for the global papermaking and paper recycling industries, including de-inking systems, stock-preparation equipment, water-management systems, and papermaking accessories. The company also develops and manufactures composite building materials produced from natural fiber and recycled plastic. Kadant, based in Acton, Massachusetts, reported \$221 million in revenues in 2001 and employs approximately 1,100 people worldwide. For more information, please visit [www.kadant.com](http://www.kadant.com).

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