



## Kadant to Supply \$7.3 Million in Recycling Systems for Major Mill Projects in China

January 30, 2003

ACTON, Mass.--(BUSINESS WIRE)--Jan. 30, 2003--Kadant Inc. (AMEX:KAI) announced today that it has recently received orders from two customers in China for paper recycling systems totaling approximately \$7.3 million. Lee & Man Paper International Ltd. ordered a complete stock-preparation system and related approach-flow equipment valued at \$4.0 million. Dongguan Nine Dragons Paper Industries Co. Ltd. placed orders totaling \$3.3 million for a stock-preparation system and additional pulping equipment. All these systems will be supplied by the company's Kadant Black Clawson Inc. subsidiary, and are scheduled for installation and startup by the end of 2003.

Lee & Man purchased the stock-preparation equipment to process fiber for a new paper machine that will produce linerboard and corrugated board at its Hong Kong mill. The system's pulping, screening, refining, and cleaning equipment will recover usable fiber from recycled corrugated board.

The stock-preparation system ordered by Nine Dragons will process recycled corrugated material to supply a linerboard machine being installed in a new mill near Shanghai. Nine Dragons has also purchased pulpers for a new white-board paper machine at its Dongguan City mill located near Hong Kong.

"China's growing economy is creating demand for equipment that can recycle fiber used to produce an assortment of packaging materials," said William A. Rainville, chairman and chief executive officer of Kadant. "While traveling in China a few months ago, I had the opportunity to visit several linerboard mills. The facilities are extremely impressive, employing leading-edge technologies from all over the world. We're proud that our stock-prep systems, which play a critical role in the production of top-quality recycled linerboard, have been selected for each of these major mill projects."

Kadant Black Clawson, based in Mason, Ohio, is a leading fiberline process equipment supplier that designs, manufactures, and services equipment used in paper recycling, chemical pulping, and paper machine approach-flow systems.

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).

The following constitutes a "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: This press release contains forward-looking statements that involve a number of risks and uncertainties. Important factors that could cause actual results to differ materially from those indicated by such statements are set forth under the heading "Forward-Looking Statements" in the company's quarterly report on Form 10-Q for the fiscal quarter ended September 28, 2002. These include risks and uncertainties relating to the company's: dependence on the pulp and paper industry; international sales and operations; competition; ability to manufacture and distribute composite building products, and the seasonality in sales and the long-term performance of such products; availability of raw materials and exposure to commodity price fluctuations related to the manufacture of composite and fiber-based products; acquisition strategy; protection of patents and proprietary rights; fluctuations in quarterly operating results; and financial covenants and obligations, or other consequences, arising from the spinoff of the company from Thermo Electron Corporation. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise.

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