



Kadant to Supply \$11 Million in Paper Recycling Systems for Mills in China

April 1, 2003

ACTON, Mass.--(BUSINESS WIRE)--April 1, 2003--Kadant Inc. (AMEX:KAI) announced that it has recently received orders from three customers in China for stock-preparation systems totaling nearly \$11 million. The equipment, to be supplied by the company's Kadant Black Clawson Inc. subsidiary, will recover usable fiber from various sources of wastepaper using advanced de-inking, pulping, cleaning, screening, and washing technologies.

Zaozhuang Hua Run Paper Co., Ltd. purchased two stock-preparation systems for new production lines that will double capacity at its mill located northwest of Shanghai. One system will process mixed office wastepaper when the mill produces white linerboard for high-quality boxes. The same system will also process recycled newsprint when the mill produces gypsum paper, which is used on the outside of wallboard. The second system will process recycled corrugated material used to produce both white linerboard and gypsum paper. The equipment is scheduled for installation and startup by the end of this year.

Ningbo Zhonghua Paper Co., Ltd. also ordered a system for the processing of mixed office wastepaper used for the production of white linerboard at its mill located south of Shanghai. The mill is installing this equipment, which is scheduled for startup in the fall of 2003, to replace virgin pulp with de-inked, recycled pulp in an effort to lower production costs without sacrificing product quality.

Three systems were ordered by Kinfai International Industries Limited for its new Dongguan Jianhui Paper mill. This greenfield mill, to be located near Hong Kong, will produce one million metric tons of coated whiteboard per year. Our systems, part of phase one of the three-phase project, will process mixed waste and recycled newsprint for the production of multi-ply whiteboard used for packaging. System installation is scheduled for the spring of 2004.

"We're pleased with the strong order activity we're seeing in China," said William A. Rainville, chairman and chief executive officer of Kadant. "With these three orders, a major project we announced in January, and several smaller orders, we've booked nearly \$16 million worth of stock-prep systems in China to date in 2003. We are serving this growing market by providing customers not only with advanced recycling systems that allow them to produce a better product for less money, but also by offering customer support through all project phases, from design, through installation and startup, to ongoing aftermarket services."

Kadant Black Clawson Inc., 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 stock-preparation equipment, water-management systems, and papermaking accessories. The company also develops and manufactures composite building materials produced from recycled fiber and plastic. Kadant, based in Acton, Massachusetts, reported \$186 million in revenues in 2002 and employs approximately 1,100 people worldwide. For more information, please visit 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, including forward-looking statements regarding our future performance and operations in China. Important factors that could cause actual results to differ materially from those indicated by such statements are set forth under the heading "Risk Factors" in the company's annual report on Form 10-K for the fiscal year ended December 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 obligations or other consequences arising from the spinoff of our 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.

CONTACT: Investor contact:
Kadant
Thomas M. O'Brien, 978/776-2000
or
Media contact:
GreatPoint Communications
978/392-6866

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