



## Kadant Receives Order for Approximately \$10 Million from Leading Paper Producer in China

May 25, 2006

ACTON, Mass.--(BUSINESS WIRE)--May 25, 2006--Kadant Inc. (NYSE:KAI) has received an order from leading linerboard producer Lee & Man Paper Industries Co., Ltd. for an advanced stock-preparation system valued at approximately \$10 million. The equipment, which will process recycled corrugated containers for the production of linerboard and other packaging materials, will be supplied by the company's Kadant Black Clawson Inc. subsidiary.

"We're pleased that Lee & Man, a long-time customer of ours, continues to rely on Kadant to supply the latest technologies for its capacity expansion projects," said William A. Rainville, chairman and chief executive officer of Kadant. "This major order follows on the heels of record bookings of \$29 million in stock-prep systems from China during the first quarter. We are working to further strengthen our position as a leading supplier to China's growing paper industry by implementing a strategy for increasing sales in all our product lines, as I will discuss in today's annual shareholders' meeting. This would afford Kadant significant opportunities for growth, not only in China, but in developing markets throughout Asia."

Kadant's 2006 annual shareholders' meeting will be held today at 2:30 p.m. Eastern time at the Boston Marriott Burlington, One Mall Road, Burlington, Massachusetts. You can listen to a live Webcast of the meeting by logging on to [www.kadant.com](http://www.kadant.com) and clicking on "Investors." By accessing the Webcast, you will be able to view the slideshow and hear the accompanying audio, as well as ask questions by following the onscreen instructions. An archive of the presentation will be available on our Website until June 23, 2006.

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 applications.

Kadant Inc. is a leading supplier to the global pulp and paper industry, with a range of products and services for improving efficiency and quality in pulp and paper production, including paper machine accessories, and systems for stock preparation, fluid handling, and water management. Our fluid-handling products are also used to optimize production in the steel, rubber, plastics, food, and textile industries. In addition, we produce granules from papermaking byproducts for agricultural and lawn and garden applications. Kadant is based in Acton, Massachusetts, with revenues of \$244 million in 2005 and approximately 1,400 employees in 16 countries worldwide. For more information, 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, including forward-looking statements about our expected future business and financial performance, growth opportunities in China and elsewhere, and our technological position in the market. 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 Kadant's quarterly report on Form 10-Q for the period ended April 1, 2006. These include risks and uncertainties relating to our dependence on the pulp and paper industry; significance of sales from China; international sales and operations; competition; our debt obligations; restrictions in our credit agreement; retention of liabilities and warranty claims associated with composite building products manufactured prior to the sale of the business; our ability to successfully integrate Kadant Johnson; our ability to complete the acquisition of a manufacturing and assembly plant in China; our acquisition strategy; our ability to realize the anticipated benefits from the restructuring of our French subsidiary; the impact of high natural gas prices on the manufacture of fiber-based products; availability of raw materials related to the manufacture of fiber-based products; protection of patents and proprietary rights; fluctuations in quarterly operating results; 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.

CONTACT: Kadant Inc.

Investor contact:

Thomas M. O'Brien, 978-776-2000

or

Media contact:

GreatPoint Communications, 978-392-6866

SOURCE: Kadant Inc.