



Kadant Receives Order for Approximately \$6 Million from Leading Linerboard Producer in China

July 10, 2006

ACTON, Mass., Jul 10, 2006 (BUSINESS WIRE) -- Kadant Inc. (NYSE:KAI) today announced that it has received an order from a leading paper producer in China for two complete stock-preparation systems totaling approximately \$6 million. The equipment, to be supplied by the company's Kadant Black Clawson Inc. subsidiary, will be used to recover and process fiber from wastepaper for the production of recycled linerboard and other packaging materials.

"We continue to build on what is already a record year for us in China with another major order from a long-time customer there," said William A. Rainville, chairman and chief executive officer of Kadant. "In the first six months of 2006, we have booked \$49 million of stock-prep orders from China - more than double the amount we recorded in all of 2005. Clearly, China's leading paper companies consider Kadant to be the premier supplier of innovative stock-preparation systems that can be used to produce a range of brown and white recycled grades."

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.

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 market position and demand for our products 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 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.

SOURCE: Kadant Inc.

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