



## **Kadant Receives \$13 Million Recycling Order from Vietnam and Announces an Additional \$22 Million in Pending Orders in Asia**

September 20, 2007

WESTFORD, Mass.--(BUSINESS WIRE)--Sept. 20, 2007--Kadant Inc. (NYSE:KAI) today announced that it has received an order of over \$13 million for three stock preparation systems from the Saigon Paper Corporation for installation in its mill in Ho Chi Minh City, Vietnam. The systems, which will be supplied by a subsidiary of Kadant, include a 150 ton per day deinking system to produce tissue and white top liner, a 450 ton per day OCC system to produce linerboard, and a 200 ton per day OCC and mixed waste system to produce linerboard and fluting. The systems are scheduled for delivery in mid-2008.

Kadant also announced that it has been awarded several additional contracts with a combined value of over \$22 million from an Asian customer for stock preparation systems to produce linerboard. These pending orders, which are scheduled for delivery in 2008 and 2009, will be recorded as orders when the down payments are received. It is currently anticipated the down payments will be received in late 2007 and mid-2008. The timing and receipt of the down payments are subject to a number of uncertainties, and there can be no assurance the Company will be able to record and recognize revenue on these pending orders.

"The order from Vietnam, along with the pending orders, demonstrate the continued strength of the paper industry in Asia as more production shifts to that region of the world," said William A. Rainville, chairman and chief executive officer of Kadant. "We are pleased that the leading paper producers in Asia rely on Kadant as a trusted partner to not only provide world class technology and systems, but also to deliver the application expertise necessary to ensure the successful startup and operation of these critical systems."

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 Westford, Massachusetts, with revenues of \$342 million in 2006 and 2,000 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 the Asian pulp and paper industry, our market reputation, our technologies, expertise and capabilities, potential future orders, and our ability to record and recognize revenue on pending orders. 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 June 30, 2007. These include risks and uncertainties relating to our dependence on the pulp and paper industry; significance of sales and operation of manufacturing facilities in China; international sales and operations; competition; our debt obligations; restrictions in our credit agreement; our discontinued operation; our acquisition strategy; future restructurings; factors influencing our 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.

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