



Kadant Discloses Filing of Purported Class Action Litigation Regarding Kadant Composites LLC Warranty Claims

January 10, 2008

WESTFORD, Mass.--(BUSINESS WIRE)--Jan. 10, 2008--Kadant Inc. (NYSE:KAI) announced today that it was served with a purported class action complaint on January 7, 2008 on behalf of a putative class of consumers who purchased defective decking and railing products manufactured by its discontinued operation between April 2002 and October 2003. The complaint was filed in the United States District Court for the District of Massachusetts on December 26, 2007 and also names the discontinued operation, Kadant Composites LLC, as a defendant. The complaint alleges that decking and railing products manufactured by Kadant Composites LLC between April 2002 and October 2003 were defective and claims, among other things, breach of express and implied warranties and violations of the Massachusetts Consumer Protection Act and similar consumer protection statutes of other states. The complaint seeks compensatory damages for the class in an unspecified amount over \$5 million, together with punitive damages and attorneys' fees. Kadant Composites LLC sold the assets comprising the composites decking and railing products business to an unrelated third party in October 2005, but retained the liabilities associated with warranty claims for products manufactured prior to the sale. The buyer's parent company has also been named as a defendant. Kadant Inc. is reviewing the allegations set forth in the complaint and intends to defend the litigation vigorously.

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.

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 beliefs and intentions regarding the reported lawsuit. Litigation involves inherent uncertainties beyond the company's control, including the possibility of rulings by a court that are adverse to the company's position. Additionally, 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 September 29, 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; litigation and warranty costs related to 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.

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SOURCE: Kadant Inc.