



Kadant Extends \$100 Million Uncommitted Private Shelf Agreement with Prudential Capital Group

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WESTFORD, Mass., Aug 08, 2011 (BUSINESS WIRE) --

Kadant Inc. (NYSE:KAI) today announced it has extended an uncommitted \$100 million Multi-currency Note Purchase and Private Shelf Agreement ("Agreement") with Prudential Capital Group, an institutional investment business of Prudential Financial Inc. (NYSE:PRU) for an additional three-year term. Under the terms of the Agreement, Kadant can authorize, subject to acceptance by Prudential Capital Group, the issuance of senior unsecured promissory notes in the aggregate principal amount of up to \$100 million (including up to the equivalent of \$75 million in other currencies) for terms not to exceed twelve years. Covenants and certain restrictions of the Agreement are substantively equivalent to those contained in the Company's credit agreement dated February 13, 2008, including financial covenants which limit consolidated leverage to 3.5 times earnings before interest, taxes, depreciation and amortization ("EBITDA"). The Company intends to use the proceeds from any borrowings made under the Agreement for acquisitions, stock buybacks, refinancing of existing debt, or for other corporate purposes.

About Kadant

Kadant is a leading supplier to the global pulp and paper industry. Our stock-preparation, fluid-handling, doctoring, and water-management equipment and systems are designed to increase efficiency and improve quality in pulp and paper production. Many of our products, particularly in our fluid-handling product line, are also used to optimize production in other process 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 \$270 million in 2010 and 1,600 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 regarding any proposed uses of proceeds or intentions to borrow under the financing arrangements described in this release. 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 2, 2011. 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; our ability to expand capacity in China to meet demand; commodity and component price increases or shortages; international sales and operations; competition; soundness of suppliers and customers; our effective tax rate; future restructurings; soundness of financial institutions; our debt obligations; restrictions in our credit agreement; litigation and warranty costs related to our discontinued operation; our acquisition strategy; protection of patents and proprietary rights; fluctuations in our share price; 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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