



## **Kadant Receives \$18.1 Million in Orders and Announces Pending Orders and a Letter of Intent for an Additional \$17.5 Million for Recycling and Chemical Pulping Equipment**

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

Kadant Inc. (NYSE:KAI) today announced that it has received orders totaling \$18.1 million from two pulp and paper producers in Chile and the U.S. for chemical pulping equipment and a recycling system. The chemical pulping equipment will be used to recover chemicals in the kraft pulping process and the stock-preparation recycling system will be used to process recycled fiber for use in paper production.

Kadant also announced that it has been awarded contracts to provide chemical pulping equipment and a stock-preparation system with a combined value of \$17.5 million from pulp and paper producers in Russia and China. Included in this total is a \$6.1 million pending order from China that was previously disclosed during the Company's second quarter earnings call on July 28, 2011. The remaining contract awards are from a pulp and paper producer in Russia, and consist of a pending order for \$4.2 million and a letter of intent for a second order for \$7.2 million, for which the Company expects to receive the signed contract and down payment in the current quarter. The Company has received signed contracts for the pending orders, but will not record them as orders until the down payments are received, which is expected to occur in the third quarter of 2011. The timing and receipt of the down payments and the expected order 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 or expected orders.

"Our selection for these large projects from Russia, China, Chile, and the U.S. demonstrate our strong position in markets around the world as well as highlight the value of Kadant's application expertise in pulping and fiber processing," said Jonathan W. Painter, president and chief executive officer of Kadant. "We were pleased to have been recognized for our product innovation, equipment reliability, and energy efficient offerings as our customers continue to seek solutions to improve energy utilization, fiber yield, and productivity. As noted during our recent earnings call, we expect to report a solid bookings performance in the third quarter of 2011."

### **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](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 financial and operating performance, products, technologies, customers, and pending and expected orders. There can be no assurance that we will be able to record bookings or recognize revenues on the pending and expected orders 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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