



Kadant Initiates Cash Dividend

February 26, 2013

WESTFORD, Mass.--(BUSINESS WIRE)--Feb. 26, 2013-- Kadant Inc. (NYSE:KAI) announced that its Board of Directors has approved the initiation of a quarterly cash dividend to stockholders, the first in the Company's history.

The initial quarterly cash dividend of \$0.125 per share will be paid on May 9, 2013 to stockholders of record as of the close of business on April 11, 2013. Future declarations of dividends are subject to Board approval and may be adjusted as business needs or market conditions change.

"Returning capital to shareholders has been a key element of our program to create shareholder value," said Jonathan W. Painter, president and chief executive officer of Kadant. "Over the last two years we have returned over \$30 million of capital to our stockholders through stock buybacks, which equates to approximately 47% of our net income from continuing operations during that period. We expect to continue to repurchase our shares in the future when conditions are favorable. We will also continue to pursue acquisition opportunities as part of our growth strategy. In short, we believe we have sufficient cash flow and liquidity to be able to invest in our business, pursue complementary acquisitions, and return cash to shareholders through dividends and stock repurchases."

Kadant Inc. is a leading supplier to the global pulp and paper industry. Our stock-preparation; fluid-handling; and doctoring, cleaning, and filtration products 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 \$332 million in 2012 and 1,600 employees in 17 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 products and technologies. Our actual results may differ materially from these forward-looking statements as a result of various important factors, including those set forth under the heading "Risk Factors" in Kadant's quarterly report on Form 10-Q for the period ended September 29, 2012. 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; 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; our acquisition strategy; protection of patents and proprietary rights; failure of our information systems or breaches of data security; 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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