

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 30, 2003

KADANT INC.  
(Exact name of registrant as specified in charter)

Delaware  
(State or other  
jurisdiction of  
incorporation)

1-11406  
(Commission File Number)

52-1762325  
(IRS Employer  
Identification No.)

One Acton Place  
Acton, Massachusetts  
(Address of principal executive offices)

01720  
(Zip Code)

(978) 776-2000  
Registrant's telephone number, including area code

Not Applicable  
(Former name or former address, if changed since last report)

KADANT INC.

Item 9. Regulation FD Disclosure (Information furnished pursuant to Item 12.  
"Disclosure of Results of Operations and Financial Condition")

On April 30, 2003, Kadant Inc. ("the Company") announced its financial results for the fiscal quarter ended March 29, 2003. The full text of the press release issued in connection with the announcement is attached as Exhibit 99 to this Current Report on Form 8-K.

In addition to GAAP financial information, the Company has included in its press release operating income (loss) and earnings (loss) per share data on a non-GAAP basis for the first quarter of 2002. Management believes that providing a reconciliation of its current GAAP results to non-GAAP historical results will enable investors and analysts to better understand the Company's performance from period to period.

In accordance with the procedural guidance in SEC Release No. 33-8216, the information in this Current Report on Form 8-K and Exhibit 99 attached hereto is being furnished under "Item 9. Regulation FD Disclosure" rather than under "Item 12. Disclosure of Results of Operations and Financial Condition." The information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

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KADANT INC.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KADANT INC.

Date: April 30, 2003

By: /s/ Thomas M. O'Brien

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Thomas M. O'Brien  
Executive Vice President, Chief Financial Officer,  
and Treasurer

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KADANT INC.  
EXHIBIT INDEX

Exhibit No.	Description of Exhibit
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99	Press Release dated April 30, 2003.



[LOGO] KADANT  
 AN ACCENT ON INNOVATION  
 One Acton Place, Suite 202  
 Acton, MA 01720

NEWS

Investor contact: Thomas M. O'Brien, 978-776-2000  
 Media contact: GreatPoint Communications, 978-392-6866

Kadant Reports 2003 First Quarter Results  
 and Raises Guidance for the Year

ACTON, Mass., April 30, 2003 - For the first quarter of 2003, Kadant Inc. (AMEX:KAI) reported GAAP net income of \$3.0 million, or \$.22 per diluted share, versus a net loss of \$34.1 million, or a loss of \$2.79 per diluted share, in the 2002 period. Adjusted per share earnings in 2002, which exclude \$.18 of restructuring and unusual charges and a charge of \$2.68 for the cumulative effect of a change in accounting principle, were \$.07. Revenues in the first quarter of 2003 increased 19 percent to \$51.4 million (including \$2.1 million from the favorable effect of currency translation), compared with \$43.3 million a year ago.

"We're pleased to begin the year with significant increases in earnings and revenues," said William A. Rainville, chairman and chief executive officer of Kadant. "Even without the currency exchange benefit, our revenues grew 14 percent over the same period last year - all internal growth. Furthermore, our operating income rose to \$4.6 million, compared with adjusted operating income of \$2.2 million in 2002, and quarterly bookings reached a three-year high of \$61.1 million, up 25 percent from last year (excluding the favorable effect of currency exchange).

"The biggest contributor to our top-line performance was strong demand in China for our stock-preparation systems used to produce recycled containerboard. In our composite building products business, we reached a milestone by achieving profitability during the quarter, with record sales of our decking systems.

"We are particularly pleased with the increase in first quarter bookings, which came entirely from our Papermaking Equipment segment. Orders for stock-prep systems were strong due to nearly \$16 million in equipment bookings from China. We are also encouraged by increased orders for our papermaking accessories and water-management products, primarily from customers in North America and Europe.

"Based on our first quarter bookings, we expect to earn - on a GAAP basis - from \$.24 to \$.26 per diluted share, on revenues of \$53 to \$55 million in the second quarter of 2003. For the full year, we are raising our earlier EPS and revenue guidance of \$.80 to \$.90 and \$185 to \$195 million, respectively. We now expect to earn from \$.84 to \$.92 per diluted share, on revenues of \$190 to \$200 million for all of 2003, based on what we believe will be a strong first half, but taking into account ongoing uncertainty in global markets."

Mr. Rainville added, "The changes we made last year to our operating and financial structure are also contributing to our solid performance. We believe that these actions, combined with our ongoing commitment to reinvest in the business for long-term growth, are beginning to pay off."

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Financial Highlights (unaudited)  
 (In thousands except per share amounts and percentages)

Consolidated Statement of Operations	Three Months Ended	
	March 29, 2003	March 30, 2002 (a)
Revenues	\$ 51,375	\$ 43,340
Costs and Operating Expenses:		
Cost of revenues	32,208	27,187
Selling, general, and administrative expenses	13,512	12,691
Research and development expenses	1,043	1,288
Restructuring and unusual costs	-	3,637
	46,763	44,803
Operating Income (Loss)	4,612	(1,463)
Interest Income	236	655
Interest Expense	(17)	(1,429)
Other Income	-	47
Income (Loss) Before Income Taxes and Cumulative Effect of Change in Accounting Principle	4,831	(2,190)
Income Tax (Provision) Benefit	(1,836)	831

Income (Loss) Before Cumulative Effect of Change in Accounting Principle	2,995	(1,359)
Cumulative Effect of Change in Accounting Principle (net of income tax benefit of \$12,420)	-	(32,756)
Net Income (Loss)	\$ 2,995	\$ (34,115)
Basic and Diluted Earnings (Loss) per Share Before Cumulative Effect of Change in Accounting Principle	\$ .22	\$ (.11)
Basic and Diluted Earnings (Loss) per Share	\$ .22	\$ (2.79)
Weighted Average Shares		
Basic	13,574	12,239
Diluted	13,767	12,239

	Three Months Ended	
	March 29, 2003	March 30, 2002
Adjusted Diluted Earnings per Share		
GAAP Diluted Earnings (Loss) per Share	\$ .22	\$ (2.79)
Restructuring and Unusual Costs	-	.18
Cumulative Effect of Change in Accounting Principle	-	2.68
	\$ .22	\$ .07

	Three Months Ended	
	March 29, 2003	March 30, 2002
<b>Business Segment Information</b>		
<b>Revenues:</b>		
Pulp and Papermaking Equipment and Systems	\$ 45,557	\$ 40,577
Composite and Fiber-based Products	5,818	2,763
	\$ 51,375	\$ 43,340
<b>Gross Profit Margin:</b>		
Pulp and Papermaking Equipment and Systems	38%	39%
Composite and Fiber-based Products	32%	16%
	37%	37%
<b>Operating Income (Loss):</b>		
Pulp and Papermaking Equipment and Systems	\$ 5,240	\$ 1,883
Composite and Fiber-based Products	412	(2,473)
Corporate	(1,040)	(873)
	\$ 4,612	\$ (1,463)
<b>Adjusted Operating Income (Excludes Restructuring and Unusual Costs):</b>		
Pulp and Papermaking Equipment and Systems (b)	\$ 5,240	\$ 3,881
Composite and Fiber-based Products (c) (d)	412	(834)
Corporate	(1,040)	(873)
	\$ 4,612	\$ 2,174

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Business Segment Information (continued)	Three Months Ended	
	March 29, 2003	March 30, 2002
<b>Bookings:</b>		
Pulp and Papermaking Equipment and Systems	\$ 58,128	\$ 43,744
Composite and Fiber-based Products	2,939	2,988
	<u>\$ 61,067</u>	<u>\$ 46,732</u>
<b>Capital Expenditures:</b>		
Pulp and Papermaking Equipment and Systems	\$ 202	\$ 332
Composite and Fiber-based Products	648	263
Corporate	3	-
	<u>\$ 853</u>	<u>\$ 595</u>

Cash Flow and Other Data	Three Months Ended	
	March 29, 2003	March 30, 2002
Cash (Used in) Provided by Operations	\$ (1,040)	\$ 3,246
Depreciation and Amortization Expense	1,285	1,342

Balance Sheet Data	March 29, 2003	Dec. 28, 2002
	Cash and Short-term Investments	\$ 44,977
Short- and Long-term Debt	961	1,165
Net Cash	44,016	43,264
Shareholders' Investment	188,336	181,257

- (a) Restated to reflect a transitional goodwill impairment charge recorded as a cumulative effect of change in accounting principle in accordance with the adoption of SFAS No. 142, and the reclassification to other nonoperating income of an extraordinary item resulting from repurchases of our subordinated convertible debentures in accordance with the adoption of SFAS No. 145.
- (b) Excludes restructuring and unusual costs of \$1,998 in the 2002 period.
- (c) Excludes restructuring and unusual costs of \$1,639 in the 2002 period.
- (d) Includes operating income of \$84 in the 2003 period and an operating loss of \$1,054 in the 2002 period from the composite building products business.

Kadant will hold its earnings conference call on Thursday, May 1, 2003, at 11 a.m. Eastern time. To listen, call 800-709-2159 within the U.S., or 973-582-2810 outside the U.S. You can also listen to the call live on the Web by visiting [www.kadant.com](http://www.kadant.com) and clicking on "Investors." An audio archive of the call will be available on our Web site until May 15, 2003.

Kadant Inc. is a leading supplier of a range of products for the global papermaking and paper recycling industries, including stock-preparation equipment, water-management systems, and papermaking accessories. We also develop and manufacture composite building materials produced from recycled fiber and plastic. Kadant, based in Acton, Massachusetts, reported \$186 million in revenues in 2002 and employs approximately 1,100 people worldwide. For more information, please 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 regarding our projected operating results, the future performance of our businesses, and our use of cash in the future. 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 annual report on Form 10-K for the fiscal year ended December 28, 2002. These include risks and uncertainties relating to our dependence on the pulp and paper industry; international sales and operations; competition; ability to manufacture and distribute composite building products, and the seasonality in sales and the long-term performance of such products; availability of raw materials and exposure to commodity price fluctuations related to the manufacture of composite and fiber-based products; acquisition strategy; protection of patents and proprietary rights; fluctuations in quarterly operating results; and obligations or other consequences arising from our spinoff from Thermo Electron Corporation. 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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