

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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 27, 2005

KADANT INC.

(Exact Name of Registrant as Specified in its 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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

KADANT INC.

Item 2.02 Results of Operations and Financial Condition.

On April 27, 2005, Kadant Inc. (the "Company") announced its financial results for the fiscal quarter ended April 2, 2005. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99 to this Current Report on Form 8-K.

The information in this Form 8-K (including Exhibit 99) 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.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibit

The following exhibit relating to Item 2.02 shall be deemed to be furnished and not filed.

Exhibit No.	Description of Exhibit
99	Press Release issued by the Company on April 27, 2005.

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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 27, 2005

By: /s/ Thomas M. O'Brien  
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Thomas M. O'Brien  
Executive Vice President and  
Chief Financial Officer



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

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

#### Kadant Reports 2005 First Quarter Results

ACTON, Mass., April 27, 2005 - For the first quarter of 2005, Kadant Inc. (NYSE:KAI) reported that revenues from continuing operations increased 7 percent to \$50.7 million (including a 2 percent benefit from currency translation), compared with \$47.5 million in the first quarter of 2004. Income from continuing operations was \$3.1 million in the 2005 quarter, or \$.22 per diluted share, versus \$3.3 million, or \$.23 per diluted share, a year ago. Earnings per share (EPS) in 2005 included a \$.06 gain from a cash reimbursement related to Kadant's tax agreement with our former parent company, and in 2004 included a \$.04 gain associated with renegotiating a series of agreements with a licensee. Excluding these gains, adjusted diluted EPS was \$.16 in the 2005 quarter, compared with \$.19 in 2004. Net income, including the discontinued composite building products business, was \$2.7 million, or \$.19 per diluted share, in both periods.

"We are pleased to report that both revenues and earnings exceeded our expectations for the quarter," said William A. Rainville, chairman and chief executive officer of Kadant. "Growth in papermaking systems revenues was primarily the result of increased demand for our stock-preparation products, particularly our Chemi-Washer(R) pulp-washing systems, for which we received more than \$11 million in orders in the first quarter from customers in different parts of the world.

"We are especially encouraged by a 13 percent increase in bookings this quarter over the first quarter last year, making this the best bookings quarter we've had in five years. Our order backlog is also up - 26 percent higher than the end of 2004. Once we complete our acquisition of The Johnson Corporation, expected in the second quarter, our footprint in the paper industry will be considerably larger. Johnson will also give us access to new industries currently served by its rotary joints and other fluid-handling products."

Mr. Rainville added, "Even after the acquisition, our balance sheet will remain strong, with an expected ratio of net debt to total capital of approximately 14 percent - below our targeted upper limit of 20 percent. Looking ahead to the second quarter of 2005, we expect to report GAAP diluted EPS of \$.19 to \$.21 from continuing operations, on revenues of \$54 to \$56 million. Our guidance for the year is now \$.86 to \$.96 of GAAP diluted EPS, reflecting the \$.06 tax gain, and we expect to report revenues of \$205 to \$215 million. This guidance does not include results from the pending acquisition of Johnson."

Kadant will hold its earnings conference call on Thursday, April 28, 2005, 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 27, 2005.

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

Consolidated Statement of Operations	Three Months Ended	
	April 2, 2005	April 3, 2004
Revenues	\$ 50,744	\$ 47,500
Costs and Operating Expenses:		
Cost of revenues	31,982	28,033
Selling, general, and administrative expenses	14,894	13,771
Research and development expenses	1,048	888
	47,924	42,692
Operating Income	2,820	4,808
Interest Income	472	329
Interest Expense	(2)	(8)
Income from Continuing Operations Before Income Taxes	3,290	5,129
Provision for Income Taxes	(203)	(1,795)
Income from Continuing Operations	3,087	3,334
Loss from Discontinued Operation, Net of Tax	(363)	(606)
Net Income	\$ 2,724	\$ 2,728

Earnings per Share		
Basic		
Income from Continuing Operations	\$ .22	\$ .23
Loss from Discontinued Operation	(.02)	(.04)
Net Income	\$ .20	\$ .19
Diluted		
Income from Continuing Operations	\$ .22	\$ .23
Loss from Discontinued Operation	(.03)	(.04)
Net Income	\$ .19	\$ .19
Weighted Average Shares		
Basic		
	13,926	14,222
Diluted		
	14,211	14,603

	Three Months Ended	
Adjusted Net Income and Diluted EPS (b)	April 2, 2005	April 3, 2004
Net Income	\$ 2,724	\$ 2,728
Loss from Discontinued Operation, Net of Tax	363	606
Royalty Gain (c)	-	(631)
Income Taxes (d)	(882)	-
Adjusted Net Income	\$ 2,205	\$ 2,703
Diluted Earnings per Share	\$ .19	\$ .19
Loss from Discontinued Operation	.03	.04
Royalty Gain (c)	-	(.04)
Income Taxes (d)	(.06)	-
Adjusted Diluted Earnings per Share	\$ .16	\$ .19

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Business Segment Information	Three Months Ended	
	April 2, 2005	April 3, 2004
Revenues:		
Pulp and Papermaking Systems	\$ 47,571	\$ 45,564
Fiber-based Products	3,173	1,936
	-----	-----
	\$ 50,744	\$ 47,500
	=====	=====
Gross Profit Margin:		
Pulp and Papermaking Systems	37%	41%
Fiber-based Products	43%	34%
	-----	-----
	37%	41%
	=====	=====
Operating Income:		
Pulp and Papermaking Systems	\$ 3,374	\$ 6,343
Corporate and Other (e)	(554)	(1,535)
	-----	-----
	\$ 2,820	\$ 4,808
	=====	=====

Business Segment Information	Three Months Ended	
	April 2, 2005	April 3, 2004
Adjusted Operating Income:		
Pulp and Papermaking Systems (c)	\$ 3,374	\$ 5,373
Corporate and Other (e)	(554)	(1,535)
	-----	-----
	\$ 2,820	\$ 3,838
	=====	=====
Bookings from Continuing Operations:		
Pulp and Papermaking Systems	\$ 56,442	\$ 51,143
Fiber-based Products	3,378	1,867
	-----	-----
	\$ 59,820	\$ 53,010
	=====	=====
Capital Expenditures from Continuing Operations:		
Pulp and Papermaking Systems	\$ 140	\$ 330
Corporate and Other (e)	26	32
	-----	-----
	\$ 166	\$ 362
	=====	=====

Cash Flow and Other Data from Continuing Operations	Three Months Ended	
	April 2, 2005	April 3, 2004
Cash Provided by Operations	\$ 448	\$ 2,285
Depreciation and Amortization Expense	\$ 1,016	\$ 933
Balance Sheet Data		
	April 2, 2005	January 1, 2005
Cash and Cash Equivalents	\$ 80,473	\$ 82,089
Shareholders' Investment	\$214,717	\$212,461

- (a) All prior-period information has been restated to reflect the composite building products business as a discontinued operation.
- (b) In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), we use the non-GAAP financial measures of adjusted net income, adjusted diluted EPS, and adjusted operating income, which exclude certain non-recurring items. We exclude these items because they are outside our normal operations. We believe that providing such non-GAAP measures helps investors gain a more meaningful understanding of our operating results from period to period, and is consistent with how we measure our performance. The non-GAAP financial measures included in this press release are not meant to be considered superior to or a substitute for results of operations prepared in accordance with GAAP. In addition, the non-GAAP financial measures included in this press release may be different from, and therefore may not be comparable to, similar measures used by other companies.
- (c) Represents a pre-tax gain of \$970 in the 2004 period, which resulted from renegotiating a series of agreements with one of our licensees, excluded from adjusted operating income.
- (d) Represents effect of a tax benefit of \$882 in the 2005 period received from our former parent company under a tax agreement.
- (e) Corporate and Other includes the results from our Fiber-based Products business and corporate.

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Kadant Inc. is a leading global supplier of a range of products that improve quality and productivity in pulp and paper production, including stock-preparation equipment, water-management systems, and paper machine accessories. Kadant, based in Acton, Massachusetts, had approximately \$195 million in revenues from continuing operations in 2004 and 950 employees worldwide. For more information, please visit [www.kadant.com](http://www.kadant.com).

The completion of the acquisition of The Johnson Corporation is subject to customary closing conditions, including regulatory approvals and the approval of Johnson's stockholders, as well as Kadant securing at least \$55 million in financing.

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 expected future business and financial performance, the expected timing for the completion of the acquisition of The Johnson Corporation, the benefits and synergies of the acquisition and the expected future business and financial performance of the combined company following the transaction. 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 year-end report on Form 10-K for the fiscal year ended January 1, 2005. These include risks and uncertainties relating to our dependence on the pulp and paper industry; international sales and operations; competition; acquisition strategy; our ability to complete the proposed restructuring of our French subsidiary; ability to sell the composite building products business on favorable terms; ability to manufacture and distribute composite building products, and the economic conditions, 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; protection of patents and proprietary rights; fluctuations in quarterly operating results; 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.

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