

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): July 28, 2011

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 Technology Park Drive
Westford, Massachusetts
(Address of Principal Executive Offices)

01886
(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))
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KADANT INC.

Item 2.02 Results of Operations and Financial Condition.

On July 28, 2011, Kadant Inc. (the "Company") will hold a webcast and conference call to discuss its financial results for the fiscal quarter ended July 2, 2011. A copy of the slides that will be presented on the webcast and discussed in the conference call is being 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	Slides to be presented by the Company on July 28, 2011

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: July 28, 2011

By

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

Second Quarter 2011 Business Review

Jonathan W. Painter, President & CEO

Thomas M. O'Brien, Executive Vice President & CFO

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Forward-Looking Statements

The following constitutes a “Safe Harbor” statement under the Private Securities Litigation Reform Act of 1995: This presentation contains forward-looking statements that involve a number of risks and uncertainties, including forward-looking statements about our expected future financial and operating performance, demand for our products, industry and economic outlook, and pending orders. There can be no assurance that we will be able to record bookings or recognize revenues on the pending orders described in this presentation. 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 quarter 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.

Use of Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), we use certain non-GAAP financial measures, including increases or decreases in revenues excluding the effect of foreign currency translation, adjusted operating income, earnings before interest, taxes, depreciation, and amortization (EBITDA), and adjusted EBITDA.

A reconciliation of those numbers to the most directly comparable U.S. GAAP financial measures is shown in our 2011 second quarter earnings press release issued July 27, 2011, which is available in the Investors section of our website at www.kadant.com under the heading Investors News.

Financial Classifications

All geographic revenues and bookings data are attributed to regions based on selling locations. For North America and China, this also approximates revenues and bookings based on where the equipment is shipped to and installed. Our European geographic data, however, includes revenues and bookings that may be shipped to and installed outside Europe, including South America, Africa, the Middle East, and certain countries in Asia (excluding China).

Prior period amounts for Parts and Consumables revenues and bookings have been reclassified to include amounts from our “other” category within the Papermaking Systems segment and Fiber-based products.

Beginning with 2011, our Accessories product line is now reported as Doctoring.

Jonathan W. Painter
President & CEO



BUSINESS REVIEW

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KAI 2Q11 Business Review-July 28, 2011
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Financial Highlights

	Q2 2011	Q2 2010
Revenues	\$82.5 million	\$69.1 million
Gross Margins	45.7%	45.1%
Diluted EPS	\$0.59	\$0.42
Adjusted EBITDA*	\$12.5 million	\$9.0 million
Adjusted EBITDA/Sales	15%	13%

* Adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) is a non-GAAP financial measure that excludes certain items as detailed in our Q2 2011 earnings press release issued July 27, 2011.

Q2 Revenue Performance

- \$82.5 million, up 19% compared to Q2 2010
- Q2 revenue by product line

(\$ Millions)	Q2 2011	Q2 2010	% CHANGE	EXCL. FX
Stock-Preparation	\$ 32.3	\$ 25.0	29.3%	22.5%
Fluid-Handling	24.5	20.1	21.9%	13.1%
Doctoring	13.7	12.7	7.7%	2.1%
Water-Management	8.5	8.5	(0.6%)	(5.1%)
Fiber-based Products	2.9	2.2	29.9%	29.9%
Other	0.6	0.6	3.3%	(3.7%)
TOTAL	\$ 82.5	\$ 69.1	19.3%	12.6%

Percent change calculated using actual numbers reported in our Q2 2011 earnings release dated July 27, 2011.

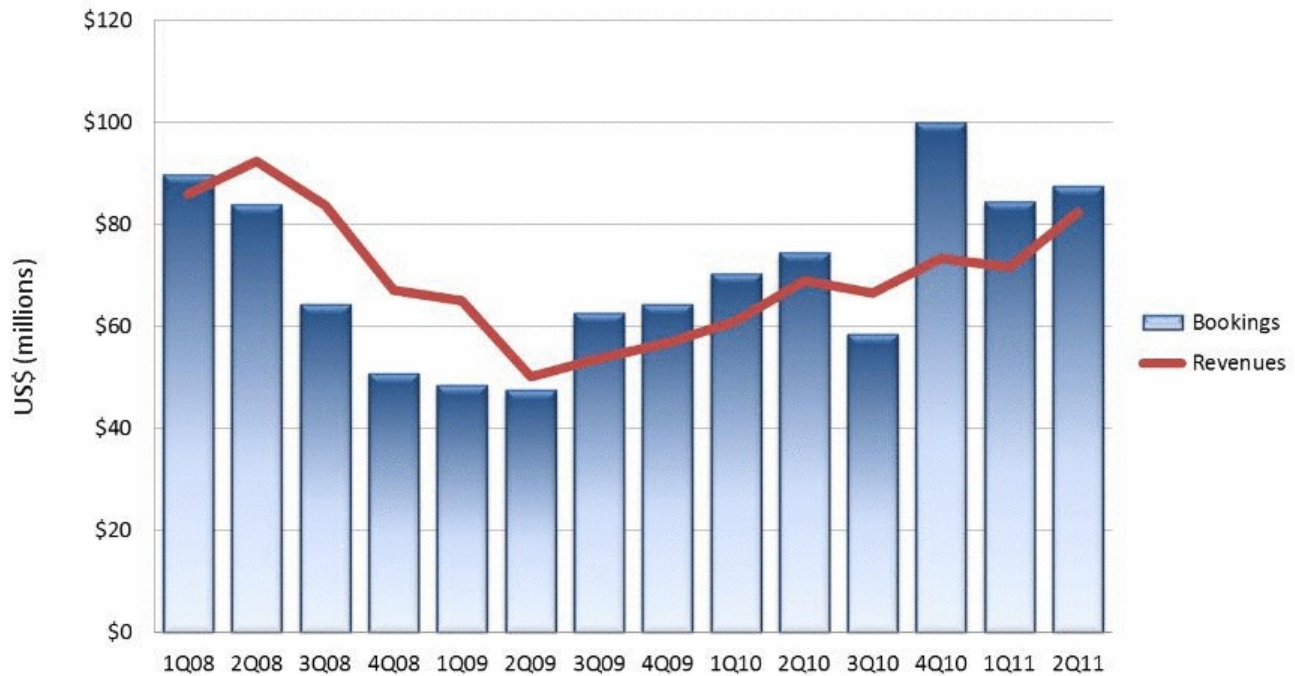
Q2 Booking Performance

- \$87.3 million, up 18% compared to Q2 2010
- Q2 bookings by product line

(\$ Millions)	Q2 2011	Q2 2010	% CHANGE	EXCL. FX
Stock-Preparation	\$ 30.8	\$ 31.9	(3.3%)	(9.2%)
Fluid-Handling	28.4	20.1	41.4%	29.2%
Doctoring	14.5	12.8	13.5%	6.8%
Water-Management	11.1	7.6	46.4%	39.6%
Fiber-based Products	1.8	1.4	23.0%	23.0%
Other	0.7	0.5	44.6%	34.8%
TOTAL	\$ 87.3	\$ 74.3	17.6%	9.9%

Percent change calculated using actual numbers reported in our Q2 2011 earnings release dated July 27, 2011.

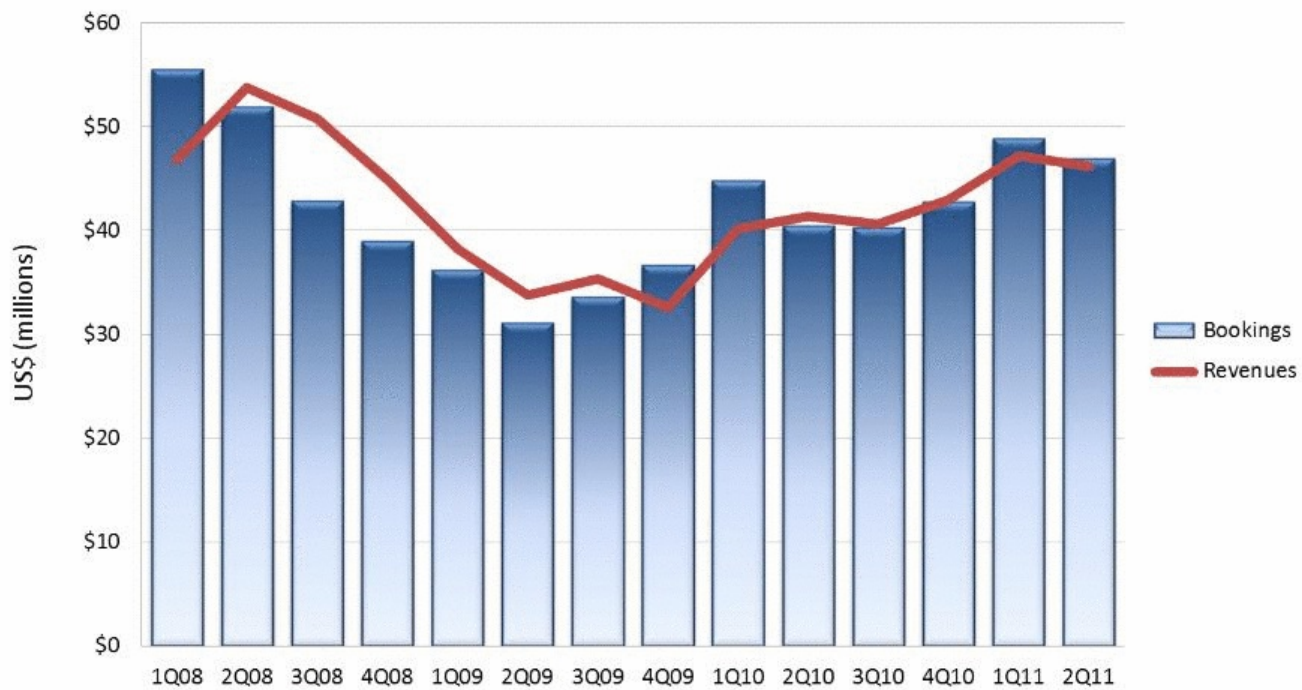
Bookings and Revenues Trends



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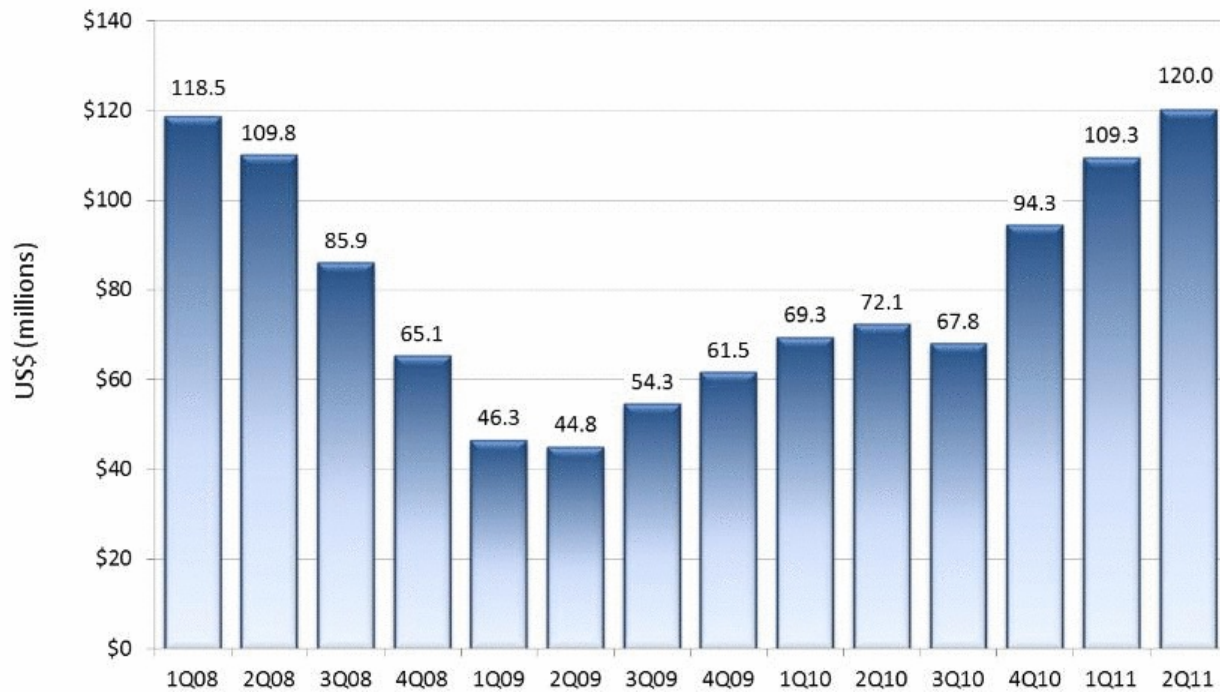
Parts and Consumables Bookings and Revenues



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Record Backlog in Q2 2011



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MARKET REVIEW

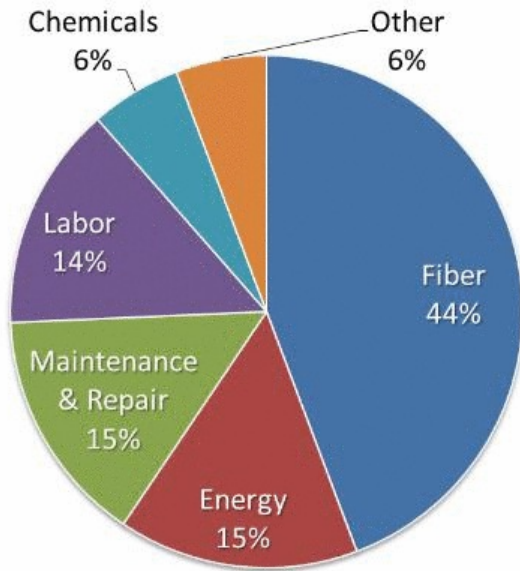
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North America Paper Industry Trends

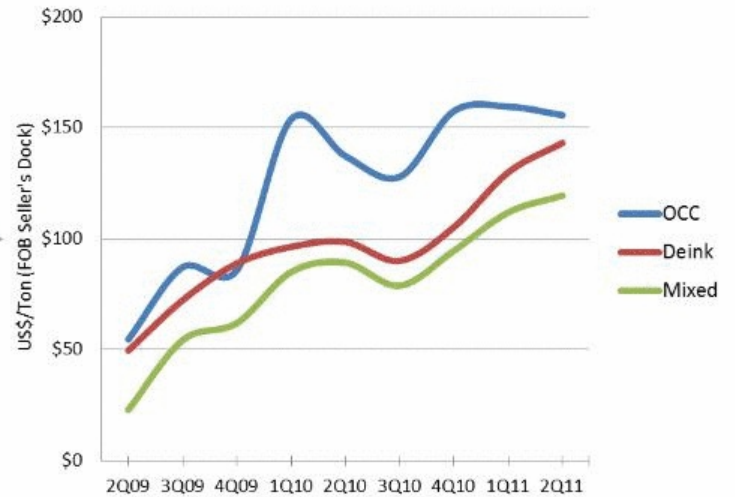
- Paper and board production in 2011 down 1% through May
- Q2 Containerboard operating rates remain strong; inventory continues to be lean
- Balance sheets, cash flows remain healthy
- Cost pressures and weak demand in Printing & Writing
- Energy and fiber input costs remain a challenge for mills

Input Costs Continue to Escalate



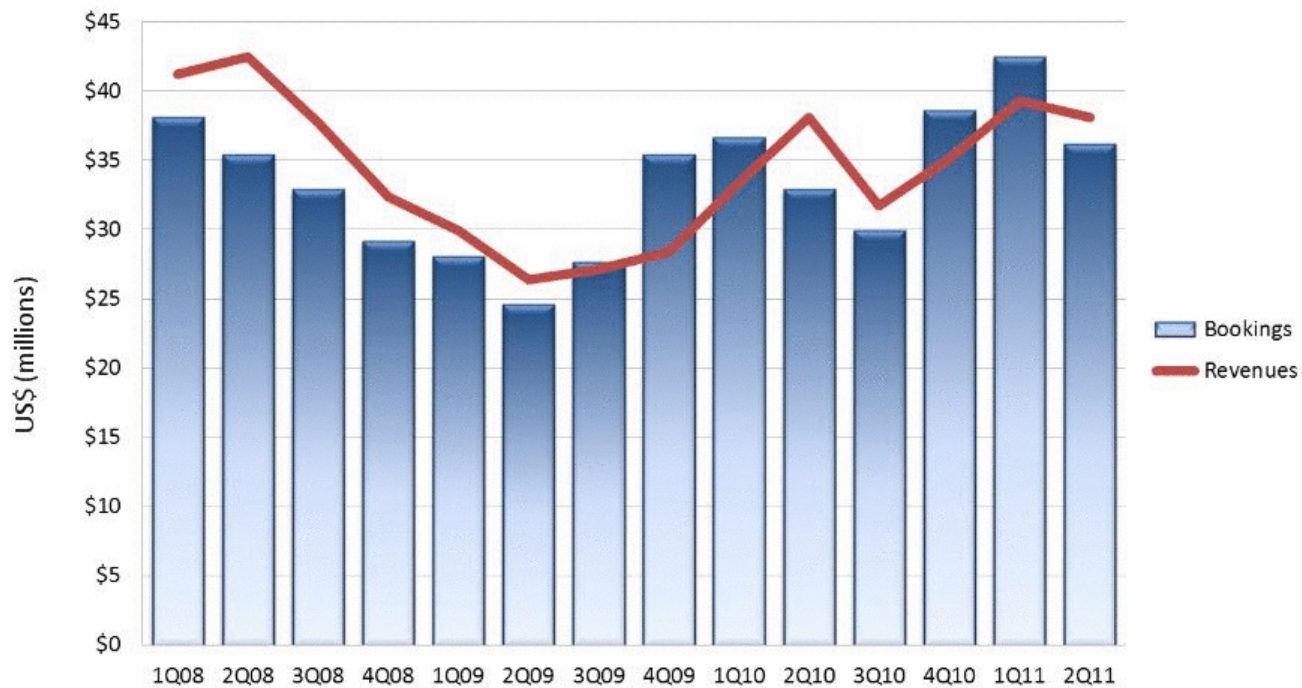
Average U.S. mill operating cost for kraftliner from Q4 2010.
Source: RISI, Inc.

Examples of raw material fiber cost escalation in the U.S. spot market



Source: RISI, Inc.

North America Bookings and Revenues



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Europe Paper Industry Trends

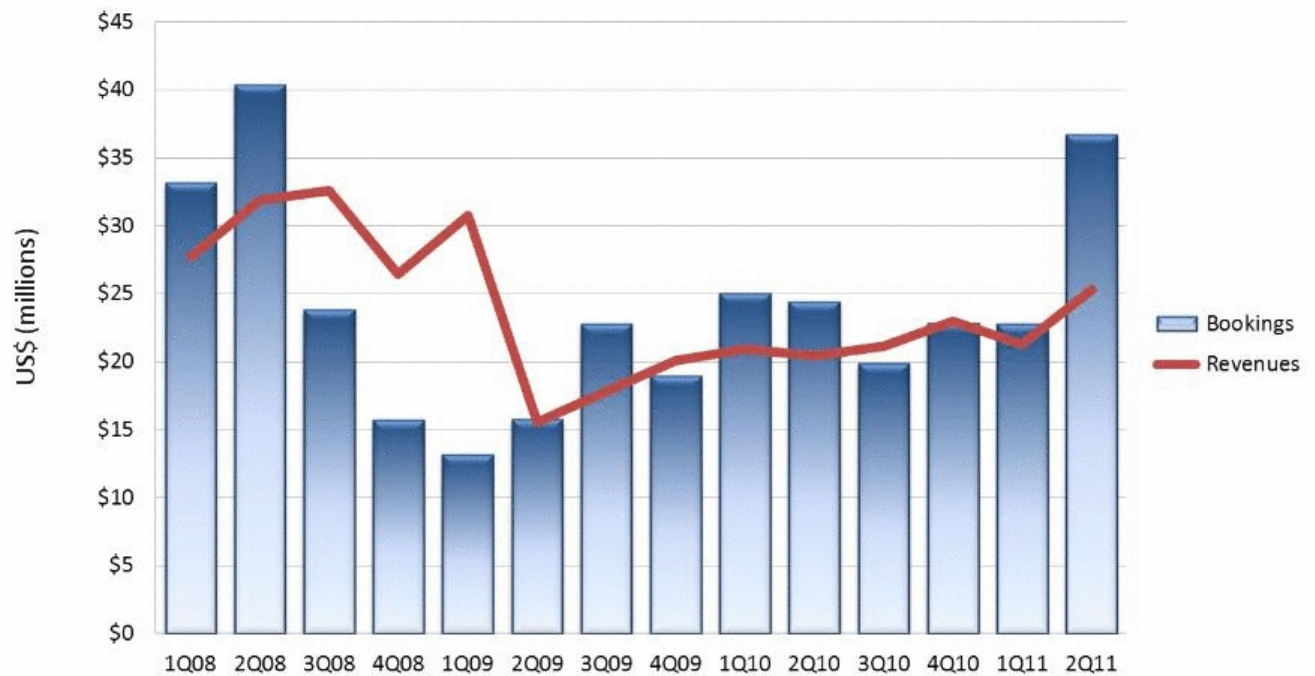
- Export demand remains key driver for packaging grades
- Prices are stable, balanced supply and demand
- Energy focus continues to be high

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Europe Bookings and Revenues



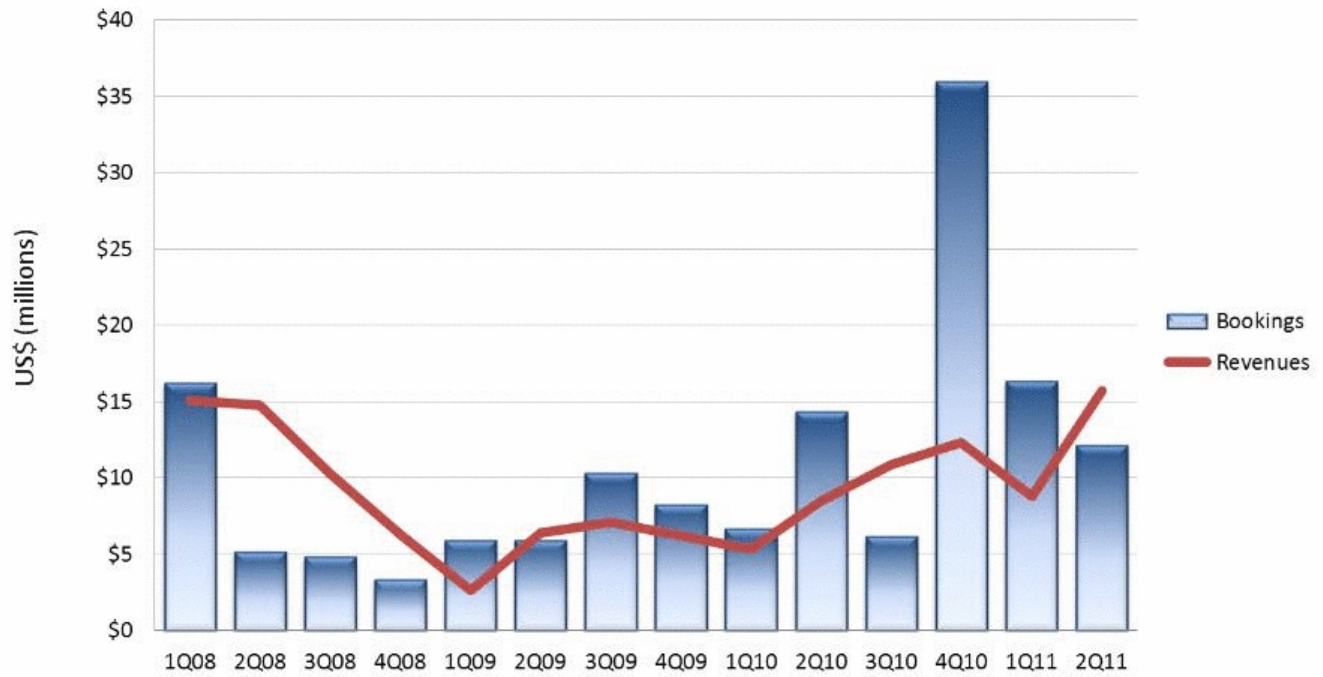
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China Paper Industry Trends

- Government mandated closure of 8.2 million tons at 599 mills by the end of 2011 announced this month
- Sluggish paper and board demand continued through Q2
- Energy conservation program encouraging mills to take downtime during summer months
- Closing water loops and reducing fresh water consumption is a high priority to meet new government standards and reduce cost
- Significant capacity additions coming online in 2H 2011
- Upward pressure on recovered paper pricing

China Bookings and Revenues



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Guidance for Continuing Operations

- FY 2011 revenues of \$325 to \$335 million
- FY 2011 GAAP diluted EPS of \$2.15 to \$2.25
- Q3 2011 revenues of \$80 to \$82 million
- Q3 2011 GAAP diluted EPS of \$0.40 to \$0.42

Thomas M. O'Brien

Executive Vice President & Chief Financial Officer

FINANCIAL REVIEW

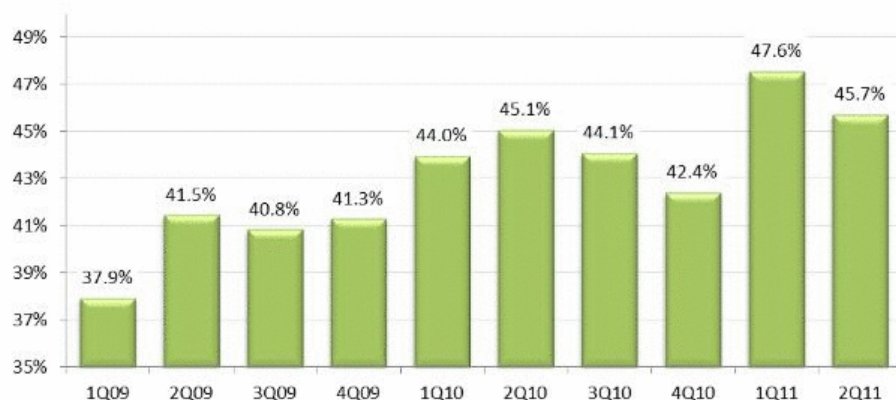


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Gross Margins

	2Q11	1Q11	2Q10	Sequential Δ	Y-O-Y Δ
Papermaking Systems Segment	45.3%	47.4%	44.9%	-210 b.p.	+40 b.p.
Fiber-based Products	56.6%	50.8%	50.8%	+580 b.p.	+580 b.p.
TOTAL	45.7%	47.6%	45.1%	-190 b.p.	+60 b.p.

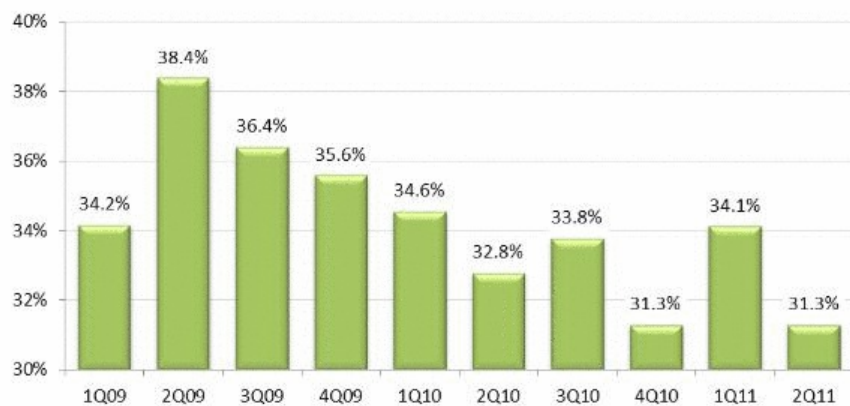


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SG&A

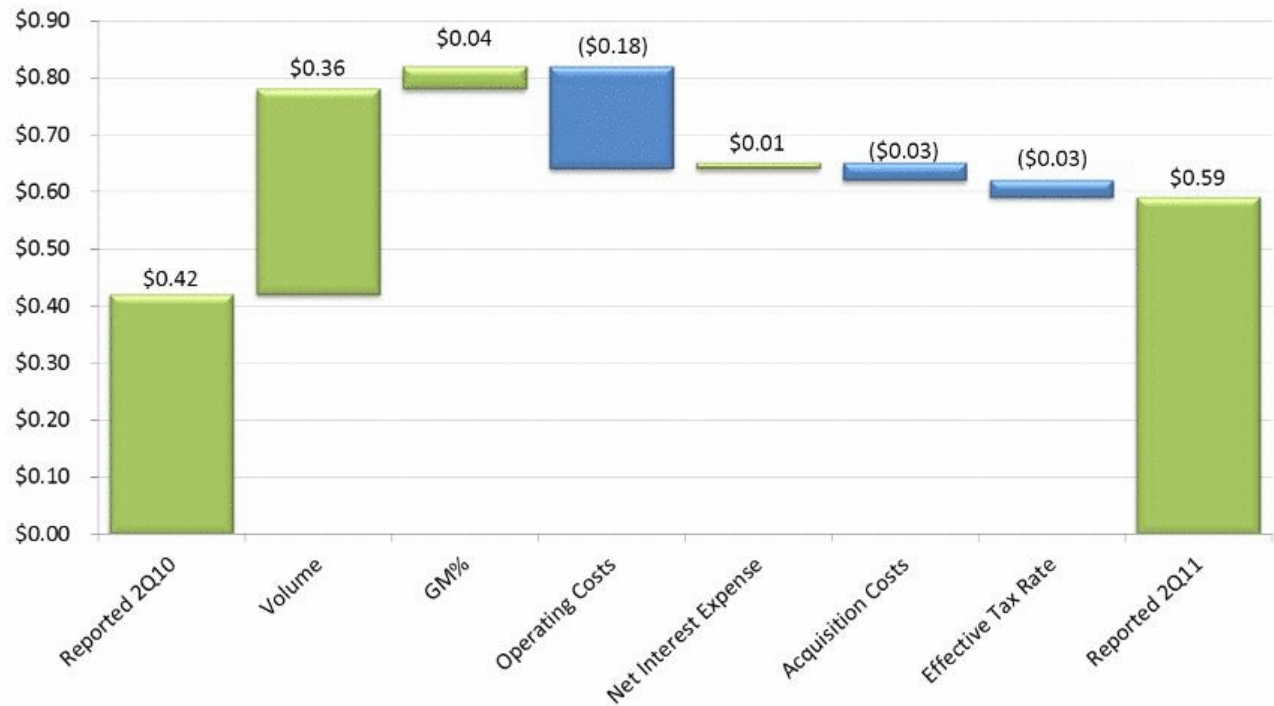
(\$ Millions)	2Q11	1Q11	2Q10	Sequential Δ	Y-O-Y Δ
SG&A	\$25.8	\$24.5	\$22.7	\$1.3	\$3.1
% Revenues	31.3%	34.1%	32.8%	-280 b.p.	-150 b.p.



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2Q11 to 2Q10 Diluted EPS



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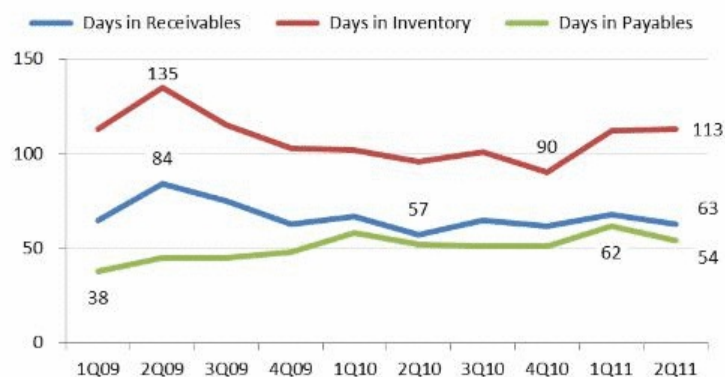
Cash Flow

(\$ Millions)	2Q11	2Q10
Income from Continuing Operations	7.4	5.3
Depreciation and Amortization	2.0	1.7
Stock-Based Compensation	1.1	0.8
Other Items	-	(0.3)
Change in Current Assets & Liabilities (excluding acquisitions)	(3.7)	1.5
Cash Provided by Continuing Operations	\$ 6.8	\$ 9.0

Key Working Capital Metrics

	2Q11	1Q11	2Q10
Days in Receivables	63	68	57
Days in Payables	54	62	52
Days in Inventory	113	112	96
Working Capital % LTM Revenues*	13.4%	12.0%	12.3%

*Working Capital is defined as current assets less current liabilities, excluding cash, debt, and the discontinued operation.



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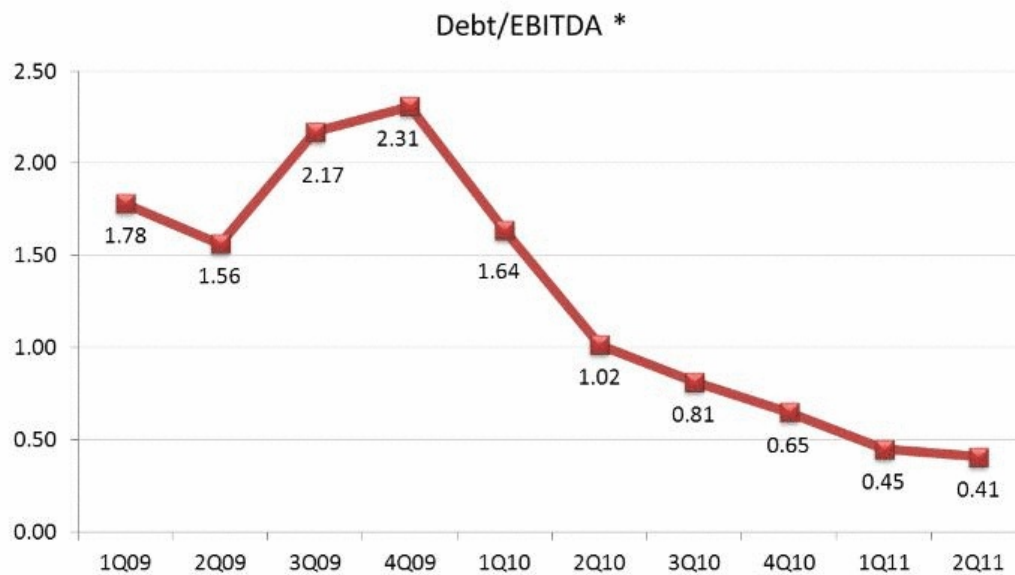
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Cash and Debt

(\$ Millions)	2Q11	1Q11	2Q10
Cash, cash equivalents, restricted cash	46.1	57.6	47.2
Debt	(17.5)	(17.6)	(23.0)
NET CASH	\$ 28.6	\$ 40.0	\$ 24.2



Leverage Ratio



* Calculated by adding or subtracting certain items, as required by our Credit Facility, from Adjusted EBITDA.

Questions & Answers

To ask a question, please call **866-804-6926** within the U.S. or
+1-857-350-1672 outside the U.S. and reference 83375884.

Please mute the audio on your computer.

Second Quarter 2011 Business Review

Jonathan W. Painter, President & CEO

Thomas M. O'Brien, Executive Vice President & CFO

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