



## Thermo Fibergen Extends Redemption Period and Answers Questions Relating to the Redemption

September 24, 2001

WALTHAM, Mass.--(BUSINESS WIRE)--Sept. 24, 2001--Thermo Fibergen Inc. (ASE:TFG) announced today that, as a result of the events of Tuesday, September 11, 2001, it has extended the expiration date for the final redemption period of its common stock redemption rights until 5:00 p.m., New York City time, on October 9, 2001. The final redemption period had originally been scheduled to expire at midnight, New York City time, on September 30, 2001.

In addition, the company has received several questions from holders of its shares of common stock and redemption rights relating to the terms and procedures regarding the redemption, and accordingly is providing additional guidance on those topics in a question and answer format.

What are the redemption rights?

The company originally issued the redemption rights as a unit coupled with shares of common stock in its initial public offering in 1996. Ninety days following the completion of the offering, the redemption rights began trading as a security separate from the company's common stock and now trade on the American Stock Exchange under the symbol TFG\_R, identified by CUSIP 88355U 117. Each redemption right entitles the holder to surrender one share of Thermo Fibergen common stock to the company for redemption, at a redemption price of \$12.75 per share in cash, without interest, during a redemption period that lasts from September 1, 2001, through 5:00 p.m. New York City time, on October 9, 2001. This is the last redemption period for the redemption rights. Once this period ends, all redemption rights will expire and you will no longer have the right to require the company to redeem your shares.

What if I only own shares of common stock, and do not own any redemption rights?

You may not surrender shares of Thermo Fibergen common stock for redemption if you do not also hold redemption rights. If you own shares of Thermo Fibergen common stock that you wish to surrender for redemption, and you do not currently own redemption rights, you will need to buy redemption rights before you can surrender shares of common stock for redemption. You may purchase redemption rights in the open market or in privately negotiated transactions. If you surrender shares of common stock for redemption without also surrendering an equal number of redemption rights, the number of shares of common stock in excess of the number of redemption rights surrendered will be returned to you.

What if I only own redemption rights, and do not own any shares of common stock?

A redemption right is the right to require the company to redeem a share of its common stock, at a redemption price of \$12.75. Accordingly, in order to take advantage of the redemption right, you must also own a share of common stock. If you wish to surrender your redemption rights and do not currently own shares of common stock, you will need to buy shares of common stock before you can surrender redemption rights for redemption. Alternatively, you may sell your redemption rights in the open market or in privately negotiated transactions. Because this is the final redemption period, any redemption rights surrendered for redemption in excess of the number of shares of common stock surrendered will expire at the end of the redemption period and will not be returned to you.

What if the certificate that I hold refers to a "unit"?

Individuals who purchased shares in the company's initial public offering may hold certificates that refer to a unit consisting of a share of common stock and a redemption right. This certificate represents both a share of common stock and a redemption right. Accordingly, if you hold a certificate for a unit, you may surrender a unit certificate for redemption in the same manner as you would if you held separate certificates for shares of common stock and redemption rights.

Where do I submit my shares and redemption rights, and who should I call if I have questions?

American Stock Transfer and Trust Company is acting as the company's rights agent in connection with the redemption. Holders and brokers should submit their shares, redemption rights and necessary documentation to American Stock Transfer at 59 Maiden Lane, New York, New York 10038, before 5:00 p.m. New York City time on October 9, 2001. Please call American Stock Transfer at 877-777-7030 if you have any questions.

When can I tender my shares of common stock and redemption rights for redemption?

Holders can surrender their redemption rights and shares of common stock at any time during the final redemption period. The final redemption period began on September 1, 2001 and will end at 5:00 p.m. New York City time on October 9, 2001. Holders who properly submit shares of common stock and redemption rights for redemption will receive payment as promptly as possible following the end of the redemption period.

What will happen after the final redemption period expires?

When the final redemption period expires, all redemption rights will expire. You will no longer have the right to require the company to redeem any shares of common stock according to the terms of the redemption rights. We expect that the common stock will continue to trade on the American Stock Exchange after the final redemption period expires; however, the common stock may not continue to meet the American Stock Exchange's requirements for listing and may subsequently be delisted. In addition, following the expiration of the final redemption period, Kadant Inc., the company's parent company, which currently owns approximately 90% of the company's outstanding common stock, may make the company a wholly owned subsidiary of Kadant through a short-form merger. In the event of such a merger, Kadant would be required to pay remaining stockholders of the company a fair value for their shares of common stock. Remaining stockholders of the company at the time of any merger with Kadant would not have the opportunity to vote on such a merger. The fair value of the company's common stock at the time of any merger with Kadant could be substantially lower than the redemption price.

Thermo Fibergen filed a Schedule TO relating to the redemption rights with the Securities and Exchange Commission on August 27, 2001, as

amended on September 24, 2001. You should read the Schedule TO because it contains important information regarding your rights. We have also sent record holders a copy of the Schedule TO. In addition, you can obtain the Schedule TO free of charge from Thermo Fibergen's Investor Relations Department by calling 781-370-1650 or by visiting the Commission's web site at <http://www.sec.gov>.

Thermo Fibergen Inc. develops, produces, and markets fiber-based composite products primarily for the building industry, as well as agricultural carriers, oil and grease absorbents, and cat box fillers made from papermaking byproducts. Thermo Fibergen is a public subsidiary of Kadant Inc.

This press release may contain forward-looking information. You can identify forward-looking statements by words such as "expect", "anticipate", "believe", "plan", "may", "will", "could", and "should", or similar words. You should be aware that these statements are subject to known and unknown risks, uncertainties, and other factors that could cause the actual results to differ materially from those suggested by the forward-looking statements, including those discussed in the company's periodic reports filed with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended December 30, 2000. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements.

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