SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

(mark one)

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Quarter Ended July 4, 1998.

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Commission File Number 1-11406

THERMO FIBERTEK INC.
(Exact name of Registrant as specified in its charter)

Delaware	52-1762325
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
245 Winter Street Waltham, Massachusetts	02451
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (781) 622-1000

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Class	Outstanding at July 31, 1998
Common Stock, $.01 par value	61,934,169

PART I - FINANCIAL INFORMATION

Item 1 - Financial Statements

THERMO FIBERTEK INC.

Consolidated Balance Sheet
(Unaudited)

Assets

(In thousands)	July 4, 1998	January 3, 1998
Current Assets:		
Cash and cash equivalents (includes $68,125 and $62,550 under repurchase agreement with parent company)	$121,093	$111,648
Available-for-sale investments, at quoted market value (amortized cost of $35,720 and $36,273)	35,730	36,319
Accounts receivable, less allowances of $2,064 and $2,565	47,693	53,408
Unbilled contract costs and fees	2,989	4,422
Inventories:		
Raw materials and supplies	16,004	14,609
Work in process	6,491	6,426
Finished goods	11,416	10,925
Prepaid and refundable income taxes	6,699	7,457
Other current assets	1,755	2,256
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	249,870	247,470
Property, Plant, and Equipment, at Cost	65,099	61,059
Less: Accumulated depreciation and amortization	34,581	32,723
	30,518	28,336
Other Assets (Note 4)	15,429	14,437
Cost in Excess of Net Assets of Acquired Companies	126,675	128,695
	$422,492	$418,938

THERMO FIBERTEK INC.

Consolidated Balance Sheet (continued)
(Unaudited)

Liabilities and Shareholders' Investment

(In thousands except share amounts)	July 4, 1998	January 3, 1998
Current Liabilities:		
Accounts payable	$ 21,339	$ 25,755
Accrued payroll and employee benefits	9,181	10,588
Billings in excess of contract costs and fees	6,375	5,548
Accrued warranty costs	6,700	8,620
Accrued income taxes	2,955	-
Other accrued expenses	16,414	18,512
Due to parent company and affiliated companies	1,470	1,451
	64,434	70,474
Deferred Income Taxes and Other Deferred Items	4,265	4,267
Subordinated Convertible Debentures	153,000	153,000
Minority Interest	269	290
Common Stock of Subsidiary Subject to Redemption ($54,762 redemption value)	53,306	52,812
Shareholders' Investment:		
Common stock, $.01 par value, 150,000,000 shares authorized; 63,358,087 and 63,331,887 shares issued	634	633
Capital in excess of par value	78,009	81,865
Retained earnings	92,186	82,607
Treasury stock at cost, 1,426,974 and 1,820,709 shares	(15,368)	(19,494)
Accumulated other comprehensive items (Note 3)	(8,243)	(7,516)
	147,218	138,095
	$422,492	$418,938

The accompanying notes are an integral part of these consolidated financial statements.

THERMO FIBERTEK INC.

Consolidated Statement of Income
(Unaudited)

(In thousands except per share amounts)	Three Months Ended July 4, 1998	Three Months Ended June 28, 1997
Revenues	$63,583	$54,511
Costs and Operating Expenses:		
Cost of revenues	37,464	32,650
Selling, general, and administrative expenses	15,472	14,506
Research and development expenses	1,757	1,587
	54,693	48,743
Operating Income	8,890	5,768
Interest Income	2,102	1,665
Interest Expense (includes $771 to related party in fiscal 1997)	(1,847)	(785)
Income Before Provision for Income Taxes and Minority Interest	9,145	6,648
Provision for Income Taxes	3,552	2,613
Minority Interest Expense	265	276
Net Income	$ 5,328	$ 3,759
Earnings per Share (Note 2):		
Basic	$ .09	$ .06
Diluted	$ .08	$ .06
Weighted Average Shares (Note 2):		
Basic	61,805	61,244
Diluted	75,281	64,170

The accompanying notes are an integral part of these consolidated financial statements.

THERMO FIBERTEK INC.

Consolidated Statement of Income
(Unaudited)

(In thousands except per share amounts)	Six Months Ended July 4, 1998	Six Months Ended June 28, 1997
Revenues	$125,913	$ 99,178
Costs and Operating Expenses:		
Cost of revenues	74,516	58,186
Selling, general, and administrative expenses	31,716	27,481
Research and development expenses	3,624	2,863
	109,856	88,530
Operating Income	16,057	10,648
Interest Income	4,084	3,102
Interest Expense (includes $902 to related party in fiscal 1997)	(3,708)	(941)
Income Before Provision for Income Taxes and Minority Interest	16,433	12,809
Provision for Income Taxes	6,386	4,930
Minority Interest Expense	468	660
Net Income	$ 9,579	$ 7,219
Earnings per Share (Note 2):		
Basic	$ .16	$ .12
Diluted	$ .15	$ .11
Weighted Average Shares (Note 2):		
Basic	61,683	61,192
Diluted	62,638	64,180

The accompanying notes are an integral part of these consolidated financial statements.

THERMO FIBERTEK INC.

Consolidated Statement of Cash Flows
(Unaudited)

(In thousands)	Six Months Ended July 4, 1998	Six Months Ended June 28, 1997
Operating Activities:		
Net income	$ 9,579	$ 7,219
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,447	3,089
Provision for losses on accounts receivable	59	(7)
Minority interest expense	468	660
Other noncash items	207	(10)
Changes in current accounts, excluding the effects of acquisition:		
Accounts receivable	5,497	(4,813)
Inventories and unbilled contract costs and fees	(630)	(494)
Prepaid income taxes and other current assets	1,239	1,012
Accounts payable	(3,823)	(4,949)
Other current liabilities	(299)	(559)
Net cash provided by operating activities	16,744	1,148
Investing Activities:		
Acquisition, net of cash acquired	-	(107,738)
Purchases of available-for-sale investments	(23,150)	(10,000)
Proceeds from sale and maturities of available-for-sale investments	23,311	-
Purchases of property, plant, and equipment	(4,534)	(1,418)
Advances under notes receivable (Note 4)	(2,910)	(3,000)
Repayment of notes receivable	-	3,000
Other	174	(69)
Net cash used in investing activities	(7,109)	(119,225)
Financing Activities:		
Issuance of long-term obligation to parent company	-	110,000
Purchases of subsidiary common stock	-	(1,901)
Net proceeds from issuance of Company common stock	272	604
Other	-	(9)
Net cash provided by financing activities	$ 272	$ 108,694

THERMO FIBERTEK INC.

Consolidated Statement of Cash Flows (continued)
(Unaudited)

(In thousands)	Six Months Ended July 4, 1998	Six Months Ended June 28, 1997
Exchange Rate Effect on Cash	$ (462)	$ (4,017)
Increase (Decrease) in Cash and Cash Equivalents	9,445	(13,400)
Cash and Cash Equivalents at Beginning of Period	111,648	109,805
Cash and Cash Equivalents at End of Period	$ 121,093	$ 96,405
Noncash Activities:		
Fair value of assets of acquired company	$ -	$ 129,271
Cash paid for acquired company	-	(107,750)
Liabilities assumed of acquired company	$ -	$ 21,521

The accompanying notes are an integral part of these consolidated financial statements.

THERMO FIBERTEK INC.

Notes to Consolidated Financial Statements

1. General

The interim consolidated financial statements presented have been prepared by Thermo Fibertek Inc. (the Company) without audit and, in the opinion of management, reflect all adjustments of a normal recurring nature necessary for a fair statement of the financial position at July 4, 1998, the results of operations for the three- and six-month periods ended July 4, 1998, and June 28, 1997, and the cash flows for the six-month periods ended July 4, 1998, and June 28, 1997. Interim results are not necessarily indicative of results for a full year.

The consolidated balance sheet presented as of January 3, 1998, has been derived from the consolidated financial statements that have been audited by the Company's independent public accountants. The consolidated financial statements and notes are presented as permitted by Form 10-Q and do not contain certain information included in the annual financial statements and notes of the Company. The consolidated financial statements and notes included herein should be read in conjunction with the financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1998, filed with the Securities and Exchange Commission.

2. Earnings per Share

Basic and diluted earnings per share were calculated as follows:

(In thousands except per share amounts)	Three Months Ended July 4, 1998	Three Months Ended June 28, 1997	Six Months Ended July 4, 1998	Six Months Ended June 28, 1997
Basic				
Net income	$ 5,328	$ 3,759	$ 9,579	$ 7,219
Weighted average shares	61,805	61,244	61,683	61,192
Basic earnings per share	$ .09	$ .06	$ .16	$ .12
Diluted				
Net income	$ 5,328	$ 3,759	$ 9,579	$ 7,219
Effect of:				
Convertible obligations	1,033	79	-	158
Majority-owned subsidiary's dilutive securities	-	(43)	(9)	(70)
Income available to common shareholders, as adjusted	$ 6,361	$ 3,795	$ 9,570	$ 7,307
Weighted average shares	61,805	61,244	61,683	61,192
Effect of:				
Convertible obligations	12,645	1,888	-	1,888
Stock options	831	1,038	955	1,100
Weighted average shares, as adjusted	75,281	64,170	62,638	64,180
Diluted earnings per share	$ .08	$ .06	$ .15	$ .11

2. Earnings per Share (continued)

The computation of diluted earnings per share excludes the effect of assuming the exercise of certain outstanding stock options because the effect would be antidilutive. As of July 4, 1998, there were 654,000 of such options outstanding, with exercise prices ranging from $11.28 to $14.32 per share.

In addition, the computation of diluted earnings per share for the six months ended July 4, 1998, excludes the effect of assuming the conversion of the Company's $153.0 million principal amount of 4 1/2% subordinated convertible debentures, convertible at $12.10 per share, because the effect would be antidilutive.

3. Comprehensive Income

During the first quarter of 1998, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income." This pronouncement sets forth requirements for disclosure of the Company's comprehensive income and accumulated other comprehensive items. In general, comprehensive income combines net income and "other comprehensive items," which represent certain amounts that are reported as components of shareholders' investment in the accompanying balance sheet, including foreign currency translation adjustments and unrealized net of tax gains and losses on available-for-sale investments. During the second quarter of 1998 and 1997, the Company had comprehensive income of $5,209,000 and $3,860,000, respectively. During the first six months of 1998 and 1997, the Company had comprehensive income of $8,854,000 and $2,790,000, respectively.

4. Notes Receivable

During 1996, the Company loaned $6.0 million to Tree-Free Fiber Company, LLC (Tree-Free) in connection with a proposed engineering, procurement, and construction project. This project was delayed due to weakness in pulp prices, and will not proceed as a result of Tree-Free's recent insolvency. Tree-Free was unable to repay the note upon its original maturity. The note is secured by pari-passu liens on a tissue mill in Maine and stock representing partial ownership of a tissue mill located in Mexico. In December 1997, a receiver was appointed by the Superior Court of Maine to preserve and protect the collateral for the loans made by the Company and other lenders to Tree-Free. In May 1998, the Company purchased an assignment of Tree-Free's secured indebtedness to a pari-passu lender for $2.9 million. In June 1998, the Company conducted a foreclosure sale of the tissue mill and was the successful bidder. The closing of the sale is in the process of being completed. The Company intends to sell the mill as soon as practicable, or operate the mill with the intent of selling it as a going concern. In July 1998, the Company reached an agreement in principle in which the stock of the mill located in Mexico, which is owned by Tree-Free, will be sold and the proceeds paid to the Company. The Company and the receiver for Tree-Free have jointly requested authorization from the Superior Court of Maine to transfer such stock. The Company believes that the fair value of the tissue mill and the stock in the mill located in Mexico, net of amounts owed by Tree-Free to a senior lender, is in excess of the carrying amount of the notes, net of established reserves. However, no assurance can be given as to the outcome of a sale of the collateral, the timing of any such sale, or the amount of the proceeds that may be received therefrom.

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934, are made throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects," "seeks," "estimates," and similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause the results of the Company to differ materially from those indicated by such forward-looking statements, including those detailed under the heading "Forward-looking Statements" in Exhibit 13 to the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 1998, filed with the Securities and Exchange Commission.

Overview

The Company designs and manufactures processing machinery, accessories, and water-management systems for the paper and paper recycling industries. The Company's principal products include custom-engineered systems and equipment for the preparation of wastepaper for conversion into recycled paper; accessory equipment and related consumables important to the efficient operation of papermaking machines; and water-management systems essential for draining, purifying, and recycling process water. The Company's Thermo Black Clawson subsidiary, acquired May 1997, is a leading supplier of recycling equipment used in processing fiber for the manufacture of "brown paper," such as that used in the manufacture of corrugated boxes. The Company's Thermo Fibergen Inc. subsidiary is developing and commercializing technologies to recover valuable components such as water, long cellulose fiber, and minerals, generated as byproducts of the virgin and recycled papermaking process and to clarify and recycle process water to be reused in papermaking. Thermo Fibergen also converts papermaking byproducts into commercial products. In December 1997, Thermo Fibergen entered into a ten-year contract with a paper mill to provide fiber-recovery and water-clarification services to the paper mill, and also entered into an engineering, procurement, and construction contract for the construction of the facility to provide such services. Construction of the fiber-recovery and water-clarification facility was completed in July 1998. The Company has been able to test-run the facility, delivering clean water

Overview (continued)

and long fiber to the mill. Through its GranTek Inc. subsidiary, Thermo Fibergen employs patented technology to produce absorbing granules from papermaking byproducts.

The Company's manufacturing facilities are principally located in the U.S. and France. The manufacturing facility in France is located at the Company's E. & M. Lamort, S.A. subsidiary, which primarily manufactures recycling equipment and accessories.

The Company's products are primarily sold to the paper industry. Generally, the financial condition of the paper industry corresponds both to changes in the general economy and to a number of other factors, including paper and pulp production capacity. The paper industry entered a severe downcycle in early 1996 and has not recovered. This cyclical downturn, which began adversely affecting the Company's business during the second half of 1996, continues to have an adverse effect on the Company's business. The timing of the recovery of the financial condition of the paper industry cannot be predicted.

In 1997, approximately 37% of the Company's sales originated outside the U.S., principally in Europe, and approximately 13% of the Company's revenues were exports from the U.S. During 1997, the Company had exports from the Company's U.S. and foreign operations to Asia of approximately 6% of total revenues, a substantial portion of which represents sales from Thermo Black Clawson, acquired May 1997. Exports to Asia in 1997 were primarily to China, Japan, and South Korea. Asia is experiencing a severe economic crisis, which has been characterized by sharply reduced economic activity and liquidity, highly volatile foreign-currency-exchange and interest rates, and unstable stock markets. The Company's sales to Asia, other than to China, have been adversely affected by the unstable economic conditions in that region. To date, the Company's business in China has not been adversely affected by the Asian crisis.

Results of Operations

Second Quarter 1998 Compared With Second Quarter 1997

Revenues increased to $63.6 million in the second quarter of 1998 from $54.5 million in the second quarter of 1997, primarily due to an $8.7 million increase in revenues from Thermo Black Clawson, acquired May 1997, resulting from the inclusion of revenues for the full three-month period in 1998. In addition, an increase in demand at Lamort improved revenues at the Company's recycling business. These improvements were offset in part by a $2.6 million decrease in revenues from the Company's assessories business, principally due to a decrease in demand. The unfavorable effects of currency translation due to a stronger U.S. dollar decreased 1998 revenues by $1.0 million.

The gross profit margin increased to 41% in the second quarter of 1998 from 40% in the second quarter of 1997, primarily due to improved margins at Thermo Black Clawson and the Company's water-management business. Margin improvement at the Company's water-management business was principally due to a change in sales mix.

Selling, general, and administrative expenses as a percentage of revenues decreased to 24% in the second quarter of 1998 from 27% in the second quarter of 1997, primarily due to an increase in revenues and lower expenses as a percentage of revenues at Thermo Black Clawson.

Research and development expenses increased to $1.8 million in the second quarter of 1998 from $1.6 million in the second quarter of 1997, primarily due to the inclusion of expenses at Thermo Black Clawson for the full three-month period in 1998.

Interest income increased to $2.1 million in the second quarter of 1998 from $1.7 million in the second quarter of 1997, primarily due to an increase in average invested balances resulting from the remaining net proceeds from the July 1997 sale of $153.0 million principal amount of 4 1/2% subordinated convertible debentures, of which $103.4 million was used to finance the acquisition of Thermo Black Clawson.

Interest expense increased to $1.8 million in the second quarter of 1998 from $0.8 million in the second quarter of 1997 as a result of the July 1997 issuance of subordinated convertible debentures.

The effective tax rate was 39% in the second quarter of 1998 and 1997. The effective tax rate exceeded the statutory federal income tax rate primarily due to the impact of state income taxes.

Minority interest expense primarily represents accretion of Thermo Fibergen's common stock subject to redemption.

The Company is currently assessing the potential impact of the year 2000 on the processing of date-sensitive information by the Company's computerized information systems. The Company believes that its internal information systems are either year 2000 compliant or will be so prior to the year 2000 without incurring material costs. There can be no assurance, however, that the Company will not experience unexpected costs and delays in achieving year 2000 compliance for its internal information systems, which could result in a material adverse effect on the Company's future results of operations.

First Six Months 1998 Compared With First Six Months 1997

Revenues increased to $125.9 million in the first six months of 1998 from $99.2 million in the first six months of 1997, primarily due to a $26.1 million increase in revenues from Thermo Black Clawson, acquired May 1997, resulting from the inclusion of revenues for the full six-month period in 1998. The unfavorable effects of currency translation due to a stronger U.S. dollar decreased 1998 revenues by $2.5 million.

First Six Months 1998 Compared With First Six Months 1997 (continued)

The gross profit margin was unchanged at 41% in the first six months of 1998 and 1997. Margin improvement at the Company's water-management business, principally due to a change in sales mix, was offset by the inclusion of lower-margin revenues from Thermo Black Clawson for the full six-month period in 1998.

Selling, general, and administrative expenses as a percentage of revenues decreased to 25% in the first six months of 1998 from 28% in the first six months of 1997, primarily due to an increase in revenues and lower expenses as a percentage of revenues at Thermo Black Clawson.

Research and development expenses increased to $3.6 million in the first six months of 1998 from $2.9 million in the first six months of 1997, primarily due to the inclusion of expenses at Thermo Black Clawson for the full six-month period in 1998.

Interest income increased to $4.1 million in the first six months of 1998 from $3.1 million in the first six months of 1997, primarily due to an increase in average invested balances resulting from the remaining net proceeds from the July 1997 sale of $153.0 million principal amount of 4 1/2% subordinated convertible debentures, of which $103.4 million was used to finance the acquisition of Thermo Black Clawson.

Interest expense increased to $3.7 million in the first six months of 1998 from $0.9 million in the first six months of 1997 as a result of the July 1997 issuance of subordinated convertible debentures.

The effective tax rate was 39% in the first six months of 1998 and 38% in the first six months of 1997. These rates exceeded the statutory federal income tax rate primarily due to the impact of state income taxes.

Minority interest expense decreased to $0.5 million in the first six months of 1998 from $0.7 million in the first six months of 1997 due to a decrease in Thermo Fibergen's net income. Minority interest expense primarily represents accretion of Thermo Fibergen's common stock subject to redemption.

Liquidity and Capital Resources

Consolidated working capital was $185.4 million at July 4, 1998, compared with $177.0 million at January 3, 1998. Included in working capital are cash, cash equivalents, and available-for-sale investments of $156.8 million at July 4, 1998, compared with $148.0 million at January 3, 1998. Of the $156.8 million balance at July 4, 1998, $55.8 million was held by Thermo Fibergen, $7.0 million was held by Fiberprep, and the remainder was held by the Company and its wholly owned subsidiaries. At July 4, 1998, $35.7 million of the Company's cash and cash equivalents was held by its foreign subsidiaries. Repatriation of this cash into the U.S. would be subject to foreign withholding taxes and could also be subject to a U.S. tax.

Liquidity and Capital Resources (continued)

During the first six months of 1998, $16.7 million of cash was provided by operating activities. Cash provided by a decrease in accounts receivable of $5.5 million was offset in part by a $3.8 million reduction of accounts payable. The decrease in accounts receivable resulted primarily from payments for orders shipped in late 1997.

During the first six months of 1998, the Company's primary investing activities, excluding available-for-sale investments activity, were the purchase of property, plant, and equipment for $4.5 million and an advance of $2.9 million under a note receivable (Note 4). During the first six months of 1998, the Company's financing activities used $0.3 million in cash.

In July 1998, the Company's Board of Directors authorized the repurchase, through July 15, 1999, of up to one million shares of its common stock, or the equivalent in outstanding convertible debentures, in open market or negotiated transactions. Any such purchases would be funded from working capital.

Thermo Fibergen's common stock is subject to redemption in September 2000 or 2001, the redemption value of which is $54.8 million.

At July 4, 1998, the Company had $59.9 million of undistributed foreign earnings. The Company does not intend to repatriate undistributed foreign earnings into the U.S., and does not expect that this will have a material adverse effect on the Company's current liquidity.

During the remainder of 1998, the Company plans to make expenditures for property, plant, and equipment of approximately $6 million, which includes expenditures at Thermo Fibergen for the construction of a fiber-recovery and water-clarification facility, which was completed in July 1998. In addition, Thermo Fibergen may make additional capital expenditures for the construction of additional fiber-recovery facilities. Construction of fiber-recovery facilities is dependent upon Thermo Fibergen entering into long-term contracts with paper mills, under which Thermo Fibergen will charge fees to process the mills' papermaking byproducts. Thermo Fibergen currently has only one such agreement in place and there is no assurance that Thermo Fibergen will be able to obtain such additional contracts. The Company believes that its existing resources are sufficient to meet the capital requirements of its existing operations for the foreseeable future.

PART II - OTHER INFORMATION

Item 4 - Submission of Matters of a Vote of Security Holders

On June 1, 1998, at the Annual Meeting of Shareholders, the shareholders reelected six incumbent directors to a one-year term expiring in 1999. The directors reelected at the meeting were: Dr. Walter J. Bornhorst, Dr. George N. Hatsopoulos, John N. Hatsopoulos, Francis L. McKone, Donald E. Noble, and William A. Rainville. Dr. Bornhorst received 60,381,657 shares voted in favor of his election and 55,454 shares voted against; Dr. G. Hatsopoulos and Mr. Rainville received 60,385,888 shares voted in favor of his election and 51,223 shares voted against; Mr. J. Hatsopoulos received 60,384,765 shares voted in favor of his election and 52,346 shares voted against; Mr. McKone received 60,385,663 shares voted in favor of his election and 51,448 shares voted against; and Mr. Noble received 60,384,721 shares voted in favor of his election and 52,390 shares voted against. No abstentions or broker nonvotes were recorded on the election of directors.

Item 5 - Other Information

Pursuant to recent amendments to the rules relating to proxy statements under the Securities Exchange Act of 1934, as amended (the Exchange Act), shareholders of the Company are hereby notified that any shareholder proposal not included in the Company's proxy materials for its 1999 Annual Meeting of Shareholders (the Annual Meeting) in accordance with Rule 14a-8 under the Exchange Act will be considered untimely for the purposes of Rules 14a-4 and 14a-5 under the Exchange Act if notice thereof is received by the Company after March 15, 1999. Management proxies will be authorized to exercise discretionary voting authority with respect to any shareholder proposal not included in the Company's proxy materials for the Annual Meeting unless (a) the Company receives notice of such proposal by March 15, 1999, and (b) the conditions set forth in Rule 14a-4(c)(2)(i)-(iii) under the Exchange Act are met.

Item 6 - Exhibits

See Exhibit Index on the page immediately preceding exhibits.

SIGNATURES

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 thereunto duly authorized as of the 7th day of August 1998.

THERMO FIBERTEK INC.

Paul F. Kelleher

Paul F. Kelleher
Chief Accounting Officer

John N. Hatsopoulos

John N. Hatsopoulos
Chief Financial Officer and
Senior Vice President

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
27	Financial Data Schedule.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THERMO FIBERTEK INC.'S REPORT ON FORM 10-Q FOR THE PERIOD ENDED JULY 4, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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6-MOS
JAN-02-1999
JUL-04-1998
121,093
35,730
49,757
2,064
33,911
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65,099
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