SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

AMENDMENT NO. 2 ON FORM 8-K/A

CURRENT REPORT

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

Date of Report
(Date of earliest event reported):

May 22, 1997

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

Delaware	1-11406	52-1762325
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification Number)

81 Wyman Street, P.O. Box 9046 Waltham, Massachusetts	02254-9046
(Address of principal executive offices)	(Zip Code)

(617) 622-1000
(Registrant's telephone number
including area code)

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FORM 8-K/A

Item 2. Acquisition or Disposition of Assets

On May 22, 1997, Thermo Fibertek Inc. (the "Company") acquired the stock-preparation business (the "Stock-preparation Business") of the Black Clawson Company and Subsidiaries ("Black Clawson") for $107,750,000 in cash. The purchase price is subject to a post-closing adjustment equal to the amount by which the net tangible assets of the Stock-preparation Business as of the closing date are greater or less than, as the case may be, certain target amounts set forth in the Asset Purchase Agreement dated as of May 22, 1997 between the Company, and certain of its affiliates, and Black Clawson, and certain of its affiliates (the "Agreement"). The purchase price includes $3.9 million in cash held in escrow by a third party for the subsequent acquisition of Black Clawson's French subsidiary. The Company has entered into a definitive agreement to acquire the French subsidiary and the parties to the agreement have taken all actions required to effect such acquisition except for certain procedural matters in France related to the transfer of the consideration for the business. Because these remaining matters are within the control of the Company, the financial statements filed with this Form 8-K/A include the French subsidiary. Such matters are expected to be completed in August 1997.

The purchase price was based upon the Company's determination of the fair value of the Stock-preparation Business, and the terms of the Agreement were determined by arms-length negotiation among the parties. To finance the acquisition, the Company borrowed $110 million from Thermo Electron Corporation ("Thermo Electron"), the Company's majority stockholder. The indebtedness to Thermo Electron bears interest at a rate equal to the 90-day Commercial Paper Composite Rate plus 25 basis points, set at the beginning of each quarter, and is due January 5, 1999. The note was repaid in July 1997 with the net proceeds from the sale of $153 million principal amount of 4 1/2% subordinated convertible debentures due 2004.

The Company has no present intention to use the plant, equipment or other physical property acquired for purposes materially different from the purposes for which such assets were used prior to the acquisition. However, the Company will review the Stock-preparation Business and its assets, corporate structure, capitalization, operations, properties, policies, management and personnel. After completion of this review, the Company may develop alternative plans or proposals, including mergers, transfers of a material amount of assets or other transactions or changes relating to the Stock-preparation Business.

Item 7. Financial Statements, Pro Forma Combined Condensed Financial Information and Exhibits

(a) Consolidated Financial Statements of Business Acquired

Attached hereto.

STOCK-PREPARATION BUSINESS OF BLACK CLAWSON COMPANY AND SUBSIDIARIES

Consolidated Financial Statements
For the Years Ended March 31, 1997 and 1996

Report of Independent Public Accountants

To the Board of Directors of Black Clawson Company and Subsidiaries:

We have audited the accompanying consolidated balance sheet of the stock-preparation business of Black Clawson Company and Subsidiaries (collectively referred to as the Company) as of March 31, 1997 and 1996, and the related consolidated statements of income, shareholders' investment, and cash flows for each of the two years in the period ended March 31, 1997. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the stock-preparation business of Black Clawson Company and Subsidiaries as of March 31, 1997 and 1996, and the results of their operations and their cash flows for each of the two years in the period ended March 31, 1997, in conformity with generally accepted accounting principles.

Arthur Andersen LLP

Boston, Massachusetts
August 4, 1997

Stock-preparation Business of Black Clawson Company and Subsidiaries
Consolidated Statement of Income

(In thousands)	Year Ended March 31, 1997	1996
Revenues	$ 98,427	$103,728
Costs and Operating Expenses:		
Cost of revenues	71,720	77,568
Selling, general, and administrative expenses (Note 5)	22,383	20,327
Research and development expenses	2,109	2,116
	96,212	100,011
Operating Income	2,215	3,717
Interest Income	125	83
Interest Expense	(251)	(340)
Other Income, Net	292	247
Income Before Provision for Income Taxes	2,381	3,707
Provision for Income Taxes (Note 3)	863	1,520
Net Income	$ 1,518	$ 2,187

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

Stock-preparation Business of Black Clawson Company and Subsidiaries
Consolidated Balance Sheet

(In thousands)	March 31, 1997	March 31, 1996
Assets		
Current Assets:		
Cash	$ 695	$ 1,896
Accounts receivable, less allowances of $1,462 and $1,157	19,686	21,183
Unbilled contract costs and fees	3,536	264
Inventories	13,082	13,339
Prepaid income taxes (Note 3)	2,084	1,766
Other current assets	702	799
	39,785	39,247
Property, Plant, and Equipment, at Cost, Net	5,048	5,235
Other Assets	840	1,678
	$ 45,673	$ 46,160
Liabilities and Shareholder's Investment		
Current Liabilities:		
Current maturities of long-term obligations (Note 4)	$ 1,051	$ 1,329
Accounts payable	14,979	20,044
Accrued payroll and employee benefits	1,038	1,140
Billings in excess of contract costs and fees	676	787
Customer deposits	3,353	3,204
Accrued warranty costs	1,447	1,835
Other accrued expenses	2,650	3,582
	25,194	31,921
Deferred Income Taxes and Other Deferred Items (Note 3)	652	584
Long-term Obligations (Note 4)	3,445	4,773
Commitments (Note 6)		
Shareholder's Investment (Note 9):		
Parent company investment	15,733	9,076
Cumulative translation adjustment	649	(194)
	16,382	8,882
	$ 45,673	$ 46,160

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

Stock-preparation Business of Black Clawson Company and Subsidiaries
Consolidated Statement of Cash Flows

(In thousands)	Year Ended March 31, 1997	1996
Operating Activities:		
Net income	$ 1,518	$ 2,187
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,008	853
Provision for losses on accounts receivable	305	768
Deferred income tax benefit	(162)	(196)
Other noncash items	250	285
Changes in current accounts:		
Accounts receivable	1,719	(6,523)
Inventories and unbilled contract costs and fees	(2,604)	(1,258)
Other current assets	(219)	(634)
Accounts payable	(5,116)	8,452
Other current liabilities	(1,676)	4,356
Net cash provided by (used in) operating activities	(4,977)	8,290
Investing Activities:		
Purchases of property, plant, and equipment	(748)	(1,521)
Other	644	245
Net cash used in investing activities	(104)	(1,276)
Financing Activities:		
Transfers from (to) parent company	5,139	(2,493)
Repayment of long-term obligations	(1,082)	(2,809)
Net cash provided by (used in) financing activities	4,057	(5,302)
Exchange Rate Effect on Cash	(177)	156
Increase (Decrease) in Cash	(1,201)	1,868
Cash at Beginning of Year	1,896	28
Cash at End of Year	$ 695	$ 1,896
Cash Paid For:		
Interest	$ 45	$ 97
Income taxes	$ 1,054	$ 1,686

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

Stock-preparation Business of Black Clawson Company and Subsidiaries
Consolidated Statement of Shareholder's Investment

(In thousands)	Year Ended March 31, 1997	1996
Net Parent Company Investment		
Balance at beginning of year	$ 9,076	$ 9,382
Net income	1,518	2,187
Transfers from (to) parent company	5,139	(2,493)
Balance at end of year	15,733	9,076
Cumulative Translation Adjustment		
Balance at beginning of year	(194)	-
Translation adjustment	843	(194)
Balance at end of year	649	(194)
Total Shareholder's Investment	$16,382	$ 8,882

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

1. Nature of Operations and Summary of Significant Accounting Policies

Basis of Presentation and Nature of Operations

The Stock-preparation Business (the Company) consisted of four wholly owned subsidiaries and one division of the Black Clawson Company and Subsidiaries (Black Clawson). The Company's principal products include recycling equipment used in processing fiber for the manufacture of "brown paper" such as that used for corrugated boxes.

On May 22, 1997, Thermo Fibertek Inc. (Thermo Fibertek), an 86%-owned subsidiary of Thermo Electron Corporation (Thermo Electron), purchased the assets, subject to certain liabilities, of the Company for $107.8 million in cash, subject to a post-closing adjustment (Note 9). The purchase price includes $3.9 million in cash held in escrow by a third party for the subsequent acquisition of Black Clawson's French subsidiary. The Company has entered into a definitive agreement to acquire the French subsidiary and the parties to the agreement have taken all actions required to effect such acquisition except for certain procedural matters in France related to the transfer of the consideration for the business. Because these remaining matters are within the control of the Company, the financial statements filed with this Form 8-K/A include the French subsidiary. Such matters are expected to be completed in August 1997.

Principles of Consolidation

The accompanying financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Fiscal Year

The Company's fiscal year end is March 31. References to 1997 and 1996 are for the fiscal years ended March 31, 1997 and 1996. The Company's European operations, which include operations in the United Kingdom and France, have fiscal years ending on December 31 to allow for sufficient time for the Company to receive financial statements.

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Revenue Recognition

The Company generally recognizes revenues upon shipment of its products. The Company provides a reserve for its estimate of warranty costs at the time of shipment. Revenues and profits on long-term contracts are recognized using the percentage-of-completion method. Revenues recorded under the percentage-of-completion method were $30,792,000 in 1997 and $32,571,000 in 1996. The percentage of completion is determined by relating the actual costs incurred to date to management's estimate of total costs to be incurred on each contract. If a loss is indicated on any contract in process, a provision is made currently for the entire loss. The Company's contracts generally provide for billing of customers upon the attainment of certain milestones specified in each contract. Revenues earned on contracts in process in excess of billings are classified as unbilled contract costs and fees, and amounts billed in excess of revenues are classified as billings in excess of contract costs and fees in the accompanying balance sheet. There are no significant amounts included in the accompanying balance sheet that are not expected to be recovered from existing contracts at one year, including amounts that are billed but not paid under retainage provisions.

Income Taxes

The Company's domestic operations are included in the consolidated income tax returns filed by Black Clawson.

In accordance with Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes," the Company recognizes deferred income taxes based on the expected future tax consequences of differences between the financial statement basis and the tax basis of assets and liabilities calculated using enacted tax rates in effect for the year in which the differences are expected to be reflected in the tax return.

Inventories

Work-in-process inventory is stated on a first-in, first-out basis, which approximates actual cost, and is not in excess of market. All other inventories are stated at the lower of average cost or market value and include materials, labor, and manufacturing overhead. The components of inventories are as follows:

(In thousands)	1997	1996
Raw materials and supplies	$ 2,024	$ 2,471
Work in process	4,190	4,760
Finished goods	6,868	6,108
	$13,082	$13,339

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Property, Plant, and Equipment

The costs of additions and improvements are capitalized, while maintenance and repairs are charged to expense as incurred. The Company provides for depreciation and amortization using the straight-line and declining balance methods over the estimated useful lives of the property as follows: buildings, 15 to 30 years; machinery and equipment, 3 to 10 years; and drawings and patterns, 5 to 7 years. Property, plant, and equipment consists of the following:

(In thousands)	1997	1996
Land and buildings	$ 3,671	$ 3,773
Machinery and equipment	8,507	7,965
Drawings and patterns	1,988	1,190
Construction in progress	-	815
	14,166	13,743
Less: Accumulated depreciation and amortization	9,118	8,508
	$ 5,048	$ 5,235

Other Assets

Other assets in the accompanying balance sheet includes the cost of patents that are amortized using the straight-line method over an estimated useful life of 10 years. These assets were $523,000 and $685,000, net of accumulated amortization of $1,383,000 and $1,256,000, at year-end 1997 and 1996, respectively.

Foreign Currency

All assets and liabilities of the Company's foreign subsidiaries are translated at year-end exchange rates, and revenues and expenses are translated at average exchange rates for the year, in accordance with SFAS No. 52, "Foreign Currency Translation." Resulting translation adjustments are reflected as a separate component of shareholder's investment titled "Cumulative translation adjustment." Foreign currency transaction gains and losses are included in the accompanying statement of income and are not material for the two years presented.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Employee Benefit Plans

Defined Benefit Pension Plan and Postretirement Benefit Plan

The Company participates in a Black Clawson-sponsored defined benefit retirement plan covering substantially all non-union employees. Additionally, substantially all union employees are covered either by one of these plans or a plan not controlled or administered by Black Clawson or the Company. Benefits are based on years of service and average final compensation. For these plans, the Company was charged $363,000 and $349,000 in 1997 and 1996, respectively.

In addition, the Company participates in a domestic postretirement benefit plan of Black Clawson that provides postretirement medical and other retirement benefits to current retirees and their spouses, as well as certain current full time employees and their spouses upon their retirement. In most cases, employees must have at least 10 years of service prior to retirement in order to be eligible to participate in the plan at age 65. In addition to medical coverage, the plan provides dental, vision, and drug benefits as well as life insurance to a small group of retirees. The plan provides the retiree and spouse with a fixed sum of money per month with which to purchase postretirement medical insurance. For this plan, the Company was charged $389,000 and $419,000 in 1997 and 1996, respectively.

3. Income Taxes

The components of income before provision for income taxes in the accompanying statement of income are as follows:

(In thousands)	1997	1996
Domestic	$ (841)	$2,186
Foreign	3,222	1,521
	$2,381	$3,707

The components of the provision for income taxes in the accompanying statement of income are as follows:

(In thousands)	1997	1996
Currently payable (receivable):		
Federal	$ (129)	$ 911
Foreign	1,110	424
State	44	381
	1,025	1,716
Prepaid, net:		
Federal	(126)	(152)
State	(36)	(44)
	(162)	(196)
	$ 863	$1,520

The provision for income taxes in the accompanying statement of income differs from the provision calculated by applying the statutory federal income tax rate of 34% to income before provision for income taxes due to the following:

(In thousands)	1997	1996
Provision for income taxes at statutory rate	$ 810	$1,260
Increases resulting from:		
State income taxes, net of federal tax	5	222
Foreign tax rate differential	14	3
Nondeductible expenses	34	35
	$ 863	$1,520

3. Income Taxes (continued)

Prepaid income taxes and deferred income taxes in the accompanying balance sheet consist of the following:

(In thousands)	1997	1996
Prepaid income taxes:		
Reserves and accruals	$ 433	$ 531
Inventory reserves and basis difference	1,555	1,136
Accrued compensation	96	99
	$2,084	$1,766
Deferred income taxes, net:		
Depreciation	$ 392	$ 304

A provision has not been made for U.S. or additional foreign taxes on $8 million of undistributed earnings of foreign subsidiaries that could be subject to tax if remitted to the U.S. because the Company currently plans to keep these amounts permanently reinvested overseas. The Company believes that any additional U.S. tax liability due upon remittance of such earnings would be immaterial due to available U.S. foreign tax credits.

4. Short- and Long-term Obligations

The Company's French subsidiary, Black Clawson - Europe, filed for protection under French bankruptcy statutes in August 1990. A formal plan of reorganization was accepted by a French court in May 1991, under which creditors accepting the plan of reorganization were to be paid 70% of the amount owed to them over a seven-year period commencing March 1, 1992 and ending March 1, 1998, and creditors rejecting the plan were to be paid the full amount owed to them over a seven-year period commencing March 1, 1993 and ending March 1, 1999. Amounts included in the accompanying balance sheet related to these obligations were current maturities of long-term obligations of $1,051,000 and $972,000 in 1997 and 1996, respectively, and long-term obligations of $3,445,000 and $4,773,000 in 1997 and 1996, respectively. In connection with the acquisition of the Company on May 22, 1997, all remaining liabilities under this plan of reorganization were paid to the Company's creditors, and Black Clawson - Europe emerged from bankruptcy.

4. Short- and Long-term Obligations (continued)

In December 1988, the Company borrowed 14 million French Francs from a syndication of banks. This debt had a maturity date of December 1996, and accrued interest at the Paris interbank offering rate plus 2%. The amount outstanding under this borrowing at March 31, 1996 was $357,000 and was included in current maturities of long-term obligations in the accompanying balance sheet. The Company repaid this obligation in fiscal 1997.

A significant portion of the Company's accounts receivable and inventory was used to collateralize the debt of Black Clawson in both 1997 and 1996 based upon a formula established by Black Clawson's bank.

5. Related Party Transactions

Black Clawson provides certain services to the Company, which include legal advice and services, risk management, personnel administration, tax advice and preparation of tax returns, and certain financial and other services. For these services, the Company was charged $3,757,000 and $3,415,000 in 1997 and 1996, respectively. For additional items such as employee benefit plans, insurance coverage, and other identifiable costs, Black Clawson charged the Company based upon costs attributable to the Company.

The Company had revenues from SBCCS Constructors Joint Venture, a 25%-owned general partnership interest of Black Clawson, of $14,718,000 in 1996. The Company had no revenues from this joint venture in 1997.

6. Commitments

Operating Leases

The Company leases portions of its office and operating facilities under various noncancellable operating lease arrangements expiring at various dates through 2000. The accompanying statement of income includes expenses from operating leases of $1,422,000 and $1,593,000 in 1997 and 1996, respectively. The future minimum payments due under noncancellable operating leases as of March 31, 1997, are $960,000 in 1998; $214,000 in 1999; and $50,000 in 2000. Total future minimum lease payments are $1,224,000.

7. Fair Value of Financial Instruments

The Company's financial instruments consist mainly of cash and cash equivalents, accounts receivable, current maturities of long-term obligations, accounts payable, long-term obligations, and forward exchange contracts. The carrying amount of these financial instruments, with the exception of current maturities of long-term obligations, long-term obligations, and forward exchange contracts, approximate fair value due to their short-term nature.

The Company's current maturities of long-term obligations and long-term obligations are obligations of the Company's French subsidiary which was operating under a formal plan of reorganization under French bankruptcy statutes during 1997 and 1996 (Note 4). Since the Company was unable to borrow funds from a third party in an arms-length transaction, the fair value of these obligations is not estimable. On May 22, 1997, all long-term obligations were repaid by the Company.

The Company enters into forward exchange contracts to hedge certain firm purchase and sale commitments denominated in currencies other than its subsidiaries' local currencies, principally U.S. dollars, British pounds sterling, and French francs. The purpose of the Company's foreign currency hedging activities is to protect the Company's local currency cash flows related to these commitments from fluctuations in foreign exchange rates. The amounts of such forward exchange contracts at year-end 1997 and 1996 were $215,000 and $1,120,000, respectively.

The fair value of the Company's forward exchange contracts was a receivable of $195,000 and $1,113,000 in 1997 and 1996, respectively. The fair value of forward exchange contracts is the estimated amount that the Company would receive upon termination of the contract, taking into account the change in foreign exchange rates.

8. Geographical Information

The Company is engaged in one business segment: the design and manufacture of processing machinery for paper-recycling.

The following table shows data for the Company by geographic area.

(In thousands)	1997	1996
Revenues:		
United States	$ 61,213	$ 68,059
United Kingdom	24,304	23,073
France	18,685	15,555
Other	213	-
Transfers among geographic areas (a)	(5,988)	(2,959)
	$ 98,427	$103,728
Income before provision for income taxes:		
United States	$ (24)	$ 3,360
United Kingdom	2,490	1,097
France	655	434
Other	(906)	(1,174)
Operating income	2,215	3,717
Interest and other income (expense), net	166	(10)
	$ 2,381	$ 3,707
Identifiable assets:		
United States	$ 25,082	$ 24,900
United Kingdom	13,467	10,935
France	6,693	10,325
Other	431	-
	$ 45,673	$ 46,160
Export revenues included in United States revenues above (b)	$ 14,269	$ 5,517

(a) Transfers among geographic areas are accounted for at prices that are representative of transactions with unaffiliated parties.
(b) In general, export sales are denominated in U.S. dollars.

9. Subsequent Event

On May 22, 1997, Thermo Fibertek Inc. acquired the assets, subject to certain liabilities, of the Company for $107.8 million in cash, subject to a post-closing adjustment. The purchase price includes $3.9 million in cash held in escrow by a third party for the subsequent acquisition of the Company's French subsidiary. The Company has entered into a definitive agreement to acquire the French subsidiary and the parties to the agreement have taken all actions required to effect such acquisition except for certain procedural matters in France related to the transfer of the consideration for the business. Because these remaining matters are within the control of the Company, the financial statements filed with this Form 8-K/A include the French subsidiary. Such matters are expected to be completed in August 1997.

Item 7. Financial Statements, Pro Forma Combined Condensed Financial Information and Exhibits

(b) Pro Forma Combined Condensed Financial Information

The following unaudited pro forma combined condensed financial statements set forth the results of operations for the year ended December 28, 1996, and the three-month period ended March 29, 1997, as if the acquisition of the stock-preparation business (Stock-preparation Business) of Black Clawson Company and Subsidiaries (Black Clawson) by the Company had occurred at the beginning of 1996, and assuming there is no post-closing purchase price adjustment. The pro forma combined condensed statement of income for the year ended December 28, 1996, includes the results of operations of the Company for the year ended December 28, 1996, and of the Stock-preparation Business for the fiscal year ended March 31, 1997. The European operations of the Stock-preparation Business, which includes operations in the United Kingdom and France, have a fiscal year ending December 31, and results for this period are included in the consolidated results of operations of the Stock-preparation Business for fiscal years ending March 31. The pro forma combined condensed statement of income for the three-month period ended March 29, 1997, includes the results of operations of the Company for the three-month period ended March 29, 1997, and of the European and U.S. operations of the Stock-preparation Business for the three-month period ended March 31, 1997. The results of operations for the three-month period ended March 31, 1997 for the U.S. operations of the Stock-preparation Business are included in the pro forma combined condensed statements of income for both the twelve months ended December 28, 1996 and the three months ended March 29, 1997.

The acquisition has been accounted for using the purchase method of accounting. The pro forma results of operations are not necessarily indicative of future operations or the actual results that would have occurred had the acquisition of the Stock-preparation Business been consummated at the beginning of 1996. The consolidated financial statements filed under part (a) of this item should be read in conjunction with the pro forma combined condensed financial statements.

THERMO FIBERTEK INC.

PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME
Year Ended December 28, 1996
(Unaudited)

	Historical		Pro Forma	
	Thermo Fibertek	Stock-preparation Business	Adjustments	Combined
	(In thousands except per share amounts)			
Revenues	$ 192,209	$ 98,427	$ -	$ 290,636
Costs and Operating Expenses:				
Cost of revenues	109,537	71,720	755	182,012
Selling, general, and administrative expenses	47,093	22,383	(220)	69,256
Research and development expenses	5,460	2,109	-	7,569
	162,090	96,212	535	258,837
Operating Income	30,119	2,215	(535)	31,799
Interest and Other Income (Expense), Net	2,905	166	(6,196)	(3,125)
Income Before Income Taxes and Minority Interest	33,024	2,381	(6,731)	28,674
Provision for Income Taxes	12,684	863	(2,692)	10,855
Minority Interest Expense	446	-	-	446
Net Income	$ 19,894	$ 1,518	$ (4,039)	$ 17,373
Earnings per Share:				
Primary	$ .33			$ .28
Fully diluted	$ .31			$ .27
Weighted Average Shares:				
Primary	61,040			61,040
Fully diluted	64,343			64,343

See notes to pro forma combined condensed statement of income.

THERMO FIBERTEK INC.

PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME
Three Months Ended March 29, 1997
(Unaudited)

	Historical		Pro Forma	
	Thermo Fibertek	Stock-preparation Business	Adjustments	Combined
	(In thousands except per share amounts)			
Revenues	$ 44,667	$ 23,612	$ -	$ 68,279
Costs and Operating Expenses:				
Cost of revenues	25,536	17,129	-	42,665
Selling, general, and administrative expenses	12,975	5,906	(104)	18,777
Research and development expenses	1,276	-	-	1,276
	39,787	23,035	(104)	62,718
Operating Income	4,880	577	104	5,561
Interest and Other Income (Expense), Net	1,281	197	(1,557)	(79)
Income Before Income Taxes and Minority Interest	6,161	774	(1,453)	5,482
Provision for Income Taxes	2,317	280	(581)	2,016
Minority Interest Expense	384	-	-	384
Net Income	$ 3,460	$ 494	$ (872)	$ 3,082
Earnings per Share:				
Primary	$ .06			$ .05
Fully diluted	$ .06			$ .05
Weighted Average Shares:				
Primary	61,140			61,140
Fully diluted	64,189			64,189

See notes to pro forma combined condensed statement of income.

THERMO FIBERTEK INC.

NOTES TO PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME
(Unaudited)

Note 1 - Basis of Presentation

The allocation of the purchase price is based on an estimate of the fair market value of the net assets acquired and is subject to adjustment. To date, no information has been gathered that would cause the Company to believe that the final allocation of the purchase price will be materially different than the preliminary estimate.

Note 2 - Pro Forma Adjustments to Pro Forma Combined Condensed Statement of Income (In thousands, except in text)

	Year Ended December 28, 1996	Three Months Ended March 29, 1997
	Debit (Credit)	
Cost of Revenues		
Increase in the finished goods inventory of the Stock-preparation Business to the estimated selling price, less the sum of the costs of disposal and a reasonable profit allowance for the Company's selling efforts	$ 755	$ -
Selling, General, and Administrative Expenses		
Elimination of service fee charged to the Stock-preparation Business by Black Clawson	(3,757)	(978)
Service fee of 1.0% of the revenues of the Stock-preparation Business for the fiscal year ended March 31, 1997, and the three-month period ended March 31, 1997, for services that would have been provided under a services agreement between the Company and Thermo Electron	984	236
Amortization over 40 years of $90,108,000 of cost in excess of net assets of acquired companies created by the acquisition of the Stock-preparation Business	2,253	563
Amortization over 10 years of a $3,000,000 non-compete agreement entered into in connection with the acquisition of the Stock-preparation Business	300	75
	(220)	(104)

THERMO FIBERTEK INC.

NOTES TO PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME (continued)
(Unaudited)

Note 2 - Pro Forma Adjustments to Pro Forma Combined Condensed Statement of Income (In thousands, except in text) (continued)

	Year Ended December 28, 1996	Three Months Ended March 29, 1997
	Debit (Credit)	
Interest Expense		
Increase in interest expense as a result of the issuance of a promissory note to Thermo Electron to finance the $107,750,000 purchase price for the acquisition of the Stock-preparation Business, calculated using the 90-day Commercial Paper Composite Rate plus 25 basis points, or 5.75% for the year ended December 28, 1996, and 5.78% for the three-month period ended March 29, 1997	$ 6,196	$ 1,557
Provision for Income Taxes		
Income tax benefit associated with the adjustments above	(2,692)	(581)

THERMO FIBERTEK INC.

NOTES TO PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME (continued)
(Unaudited)

Item 7. Financial Statements, Pro Forma Combined Condensed Financial Information and Exhibits

(c) Exhibits

23 Consent of Arthur Andersen LLP

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, on this 5th day of August 1997.

THERMO FIBERTEK INC.

Paul F. Kelleher

Paul F. Kelleher
Chief Accounting Officer

Exhibit 23

Consent of Independent Public Accountants

To Thermo Fibertek Inc.:

As independent public accountants, we hereby consent to the use of our reports and to all references to our Firm included in or made a part of this Form 8-K.

Arthur Andersen LLP

Boston, Massachusetts
August 4, 1997