



Inspiring Confidence

2010 Annual Report

Financial Summary

Years Ended December 31

2010

2009

(In thousands, except per-share data)

Net Income and Diluted Earnings Per Share

Net income (loss) as reported under generally accepted accounting principles (GAAP) **\$ 27,027** \$ (1,353)

After-tax effects of:

(Gains) losses associated with plant shutdowns, asset impairments and restructurings **863** 2,407

(Gains) losses from sale of assets and other **1,043** (2,720)

Goodwill impairment relating to aluminum extrusions business **—** 30,559

Income from ongoing operations¹ **\$ 28,933** \$ 28,893

Diluted earnings (loss) per share as reported under GAAP **\$.83** \$ (.04)

After-tax effects per diluted share of:

(Gains) losses associated with plant shutdowns, asset impairments and restructurings **.03** .07

(Gains) losses from sale of assets and other **.03** (.08)

Goodwill impairment relating to aluminum extrusions business **—** .90

Diluted earnings per share from ongoing operations¹ **\$.89** \$.85

Ongoing Operations

Film Products:

Net sales² **\$520,445** \$455,007

Ongoing operating profit **71,184** 64,379

Adjusted EBITDA³ **104,949** 96,739

Depreciation and amortization **33,765** 32,360

Capital expenditures **15,664** 11,487

Aluminum Extrusions:

Net sales² **199,639** 177,521

Ongoing operating profit **(4,154)** (6,494)

Adjusted EBITDA³ **4,900** 1,072

Depreciation and amortization **9,054** 7,566

Capital expenditures **4,339** 22,530

Other:

Net sales² **2,579** —

Ongoing operating profit **(4,173)** —

Adjusted EBITDA³ **(3,478)** —

Depreciation and amortization **695** —

Capital expenditures **179** —

Financial Position and Other Data

Cash and cash equivalents **73,191** 90,663

Debt outstanding **450** 1,163

Shareholders' equity **417,546** 429,072

Annualized dividends per share **.16** .16

Shares outstanding at end of period **31,883** 33,888

Shares used to compute diluted earnings (loss) per share **32,572** 33,861

Closing Market Price Per Share

High **\$ 20.19** \$ 18.68

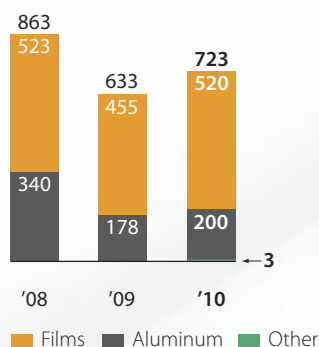
Low **14.93** 12.79

End of year **19.38** 15.82

Total return to shareholders⁴ **23.5%** (12.1)%

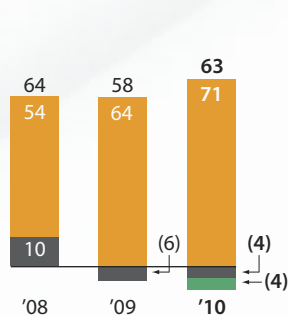
Net Sales²

(\$ Millions)



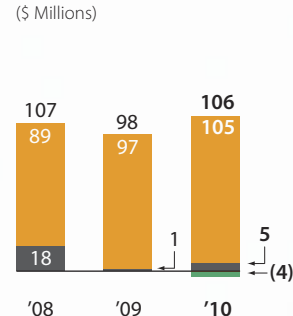
Ongoing Operating Profit

(\$ Millions)



Adjusted EBITDA³

(Excludes Corporate Overhead)
(\$ Millions)



Our Vision

Inspiring confidence by delivering long-term value to all of our stakeholders by:

- Growing Profitably in our Target Markets
- Passionately Pursuing Operational Excellence, Innovation and Leadership
- Promoting Global Citizenship
- Embracing the Talents of our People





Dear Shareholders,

Inspiring Confidence. There's no higher praise from a shareholder, customer or employee than to have earned their confidence. And as you can see from the prior page of this Annual Report, it's our vision for Tredegar. We want our shareholders to be confident in what Tredegar is and what it can achieve. We want our customers to have confidence in our service and the quality of our products. And we want our employees to feel confident that Tredegar is an employer that will support their professional development and unleash their talents.

So, how do we fulfill that vision? Growing profitably in our target markets, passionately pursuing operational excellence, innovation and leadership, promoting global citizenship and embracing the talents of our people.

Growing Profitably in Our Target Markets. Volume growth has been a challenge for both our Film Products and Bonnell Aluminum businesses during the last few years. The economy certainly hasn't helped.

Bonnell's volume declined by almost 40% from 2007 to 2010 (although we did see a slight increase in 2010 volumes versus 2009). The commercial construction market had been a sweet spot for Bonnell until the latest down cycle. It looks like the decline in that market may have finally bottomed out, but no one is betting on a quick recovery for commercial construction in the U.S. And whether that market will ever return to its heyday is anybody's guess.

During 2010, Bonnell's leadership launched a strategic growth initiative to identify new, attractive markets that would value Bonnell's service and quality. In other words, we are looking for a few more sweet spots. We may need to broaden our capabilities to participate in those markets, and we are committed to doing just that for the right market opportunity. This will be an important activity for Bonnell during 2011.

Meanwhile, Bonnell will continue to pursue new customers and opportunities created by its new large press at the Carthage, Tennessee plant. That press is fully operational, and we are confident that its capability to produce quality extrusions for the commercial construction market is unmatched.

Film Products experienced a second consecutive year of volume growth. In particular, our surface protection business had its strongest year yet in both volume and revenues. We experienced some encouraging growth in other markets too, due to new product introductions.

Film Products is committed to continued growth in its current markets. The personal care market has been an important market for Films for over 30 years and transformed us into a global company. Another critical part of Films' strategy, however, is to identify other attractive markets where we can emerge as a leader. Our success in surface protection, a small contributor to Films just five years ago, gives us the confidence that we can succeed in that strategy. A refocused and augmented upstream research and development organization will play a critical role in the pursuit of new markets as will our dedicated business development efforts.

Business development is an important part of our overall growth strategy, so we will continue to evaluate opportunities for growth within and outside of Film Products and Bonnell. While our newest businesses, Bright View Technologies and Falling Springs, are in early stages, they each participate in markets poised for significant growth. Our good cash flow and strong balance sheet provide us the flexibility to pursue external growth. I have complete confidence in the strength and ability of Tredegar's management team to execute upon the right opportunities.

Passionately Pursuing Operational Excellence, Innovation and Leadership. Last year's shareholders' letter was devoted to these crucial building blocks, so I won't repeat that letter here. It is important to highlight though, that one year later, Operational Excellence, Innovation and Leadership are even more firmly embedded in Tredegar's culture. Operational Excellence, Innovation and Leadership are the reasons that Bonnell was able to generate positive free cash flow* in 2010 despite a \$4.2 million operating loss (a \$2.3 million

improvement over 2009) and nearly a 4% improvement in volume. These guiding principles are personified in the actions that allowed Bonnell's Carthage, Tennessee employees to manage through a 100-year flood while barely missing a beat.

Operational Excellence, Innovation and Leadership are the reasons that Film Products was able to satisfy our customers' needs during unprecedented volume surges. It's also how a global team moved from a ceremonial ground breaking to an operational plant in Pune, India in less than 12 months.

As much as Operational Excellence, Innovation and Leadership are becoming part of Tredegar's DNA, we still have much work to do to improve on each of these key building blocks. While we can be proud of how our safety record compares to the industry benchmarks for Films and Bonnell, both businesses

"OUR GOOD CASH FLOW AND STRONG BALANCE SHEET PROVIDE US THE FLEXIBILITY TO PURSUE EXTERNAL GROWTH. I HAVE COMPLETE CONFIDENCE IN THE STRENGTH AND ABILITY OF TREDEGAR'S MANAGEMENT TEAM TO EXECUTE UPON THE RIGHT OPPORTUNITIES."

fell short of our internal 2010 safety goals and experienced a slight backslide in comparison with 2009. We set high quality improvement goals in 2010 and, while there was improvement, we didn't meet our overall internal targets. We are striving to be a process organization, yet in the past year, there were still examples of firefighting and the need for streamlined processes. So, as I said, there are many opportunities to improve. The good news is that the commitment to Operational Excellence, Innovation and Leadership is strongly held across the entire company.

Promoting Global Citizenship. In many ways, this is the most ambitious element of our vision because it is so multi-dimensional. On the most basic level, it is about increasing our global mindedness. In the last five years, the face of Tredegar has become significantly more culturally diverse. But we need to draw more on our cultural diversity as we navigate our global expansion in an increasingly complex world. It's also about having a positive impact on the communities in which we operate—something we are taking steps to better coordinate around the globe. And then there's the important topic of sustainability. We have been working in this area for a few years and have already introduced some of our initiatives to customers. And we'll keep working on this front in a thoughtful way that integrates sustainability into the fabric of our culture.

Embracing the Talents of our People. Tredegar has many strengths, and our greatest strength, our most precious asset, is our people. I would put the passion, commitment and engagement of our employees up against those of any other company. The challenge we have at Tredegar is to create more opportunities for our employees to grow and develop, to provide the right support and structure to leverage the talents of our people. In other words, to ensure our employees understand the business strategy and targets, provide them with the right tools and training and then get out of the way! I wish I could report that we have all of that fully in place today. We don't. This is another area where there is still work to do, but it's work about which we are excited. In 2011, we will launch an improved set of development and training programs and processes. We have the raw talent, and Tredegar's management team is committed to doing the work necessary to enable our employees to realize their full potential.

Inspiring Confidence. Inspiring the confidence of our shareholders, customers, employees, Board of Directors, suppliers and communities. No matter the constituency, in the end, it's about performance.

So how did we perform in 2010? Our Film Products business had a very strong year with top line volume growth, near record operating profit, good cost control and strong cash generation. Bonnell showed improvement, despite incurring an operating loss, largely due to their keen focus on operational excellence, and their efforts were highlighted by generating positive free cash flow. Tredegar's balance sheet remains strong, and we ended the year with net cash of \$73 million (after repurchasing 2.1 million shares of our stock). 2010 economic profit added, operating profit and adjusted EBITDA* all showed improvement over 2009. All in all, I feel good about Tredegar's performance in 2010.

Thank you. We are nothing without our customers. Thank you for your business and loyalty. Our success comes from the efforts of our employees. Thank you for stepping up and going the extra mile with a "can do" attitude. In addition, I have to express my deep gratitude to Tredegar's Board of Directors. Your continued support and counsel, especially during my first year as CEO, has been invaluable.

After serving on Tredegar's Board of Directors since Tredegar's birth as a public company in 1989, Norm Scher will retire from the Board in May. Norm has made innumerable contributions to Tredegar. His agenda has always been Tredegar's success, and his words and actions have always been grounded in reason and practicality. I'm happy to report that, after some arm-twisting, Norm has agreed to remain as part of the Tredegar management team for at least the remainder of 2011. I am grateful that I and the rest of Tredegar's management will continue to have access to his wisdom and perspective as we drive towards our vision.



Nancy M. Taylor
President and Chief Executive Officer

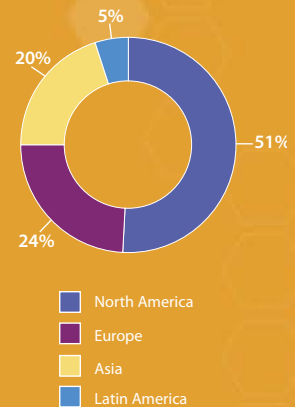
"OUR FILM PRODUCTS BUSINESS HAD A VERY STRONG YEAR WITH TOP LINE VOLUME GROWTH, NEAR RECORD OPERATING PROFIT, GOOD COST CONTROL AND STRONG CASH FLOW GENERATION. BONNELL SHOWED IMPROVEMENT, DESPITE INCURRING AN OPERATING LOSS, LARGELY DUE TO THEIR KEEN FOCUS ON OPERATIONAL EXCELLENCE."

*See appendix for footnotes 5, 6 and 7.



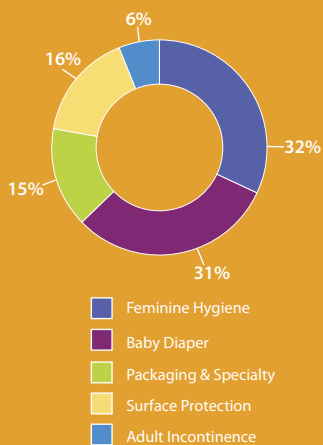
AMONG THE TOP GLOBAL LEADERS IN THE PLASTIC FILMS INDUSTRY, TREDEGAR FILM PRODUCTS IS WELL POSITIONED FOR GROWTH, WITH EXTENSIVE PRODUCT DEVELOPMENT CAPABILITIES, A GLOBAL CUSTOMER BASE, AND MANUFACTURING PLANTS THROUGHOUT THE WORLD.

Film Products
Net Sales by Region



Layers of

Film Products
Net Sales by Major
Product Category



Delivering Layers of Confidence™

Headquartered in Richmond, Virginia, Tredegar Film Products has 1,200 employees around the world and 13 locations throughout North America, Europe, Asia, and South America, including a new location in Pune, India. Our technology serves numerous industries, including: personal care, electronic displays, flexible packaging, building materials, and healthcare.

In 2010, we kicked off the development of our new Tredegar Film Products' brand, starting with the introduction of our brand promise, "Delivering Layers of Confidence," which speaks to who we are. We believe in Making a Difference for our customers, business partners, shareholders, and communities through employee creativity and superior quality. This commitment is demonstrated by our key focus on continuous improvement efforts through the Lean Six Sigma methodology.

We have a strong commitment to innovative technology efforts, and have a global R&D structure. We realize that many additional ideas and technologies relevant to our continued growth are also generated outside of our company. As a result, part of our innovation team's role is to develop technologies and partnerships globally through interactions with universities, research institutes, large corporations, and start-up companies.

One of our top priorities is to create value for our customers through strategically located global operations. In November 2010, Tredegar opened its new manufacturing plant near Pune, India to better serve our customers. The development of the India plant is integral to the company's plans to expand in emerging markets.



Confidence



Electronic Displays • Personal Care • Flexible Packaging • Building Materials • Healthcare



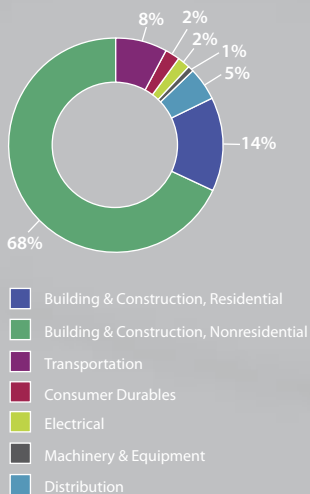
Aluminum Extrusions

AS ONE OF NORTH AMERICA'S LEADING ALUMINUM EXTRUSION MANUFACTURERS TO THE BUILDING AND CONSTRUCTION MARKET, BONNELL ALUMINUM RECOGNIZES THAT ITS HIGHEST RESPONSIBILITY IS TO HELP CUSTOMERS DELIVER INNOVATIVE AND COMPETITIVE PRODUCTS TO MARKET.



Extruding Confidence

Aluminum Extrusions
Volume by End Market
(95 Million Pounds in 2010)



Bonnell Aluminum's full service approach is what inspires confidence in our customers and embodies market differentiation. The company is recognized for its longevity in customer relationships and continuously seeks to provide its core markets with the highest quality products supported by comprehensive extrusion and finishing capabilities and superior customer service. Bonnell's dedicated and experienced personnel work relentlessly towards achieving operational excellence utilizing Lean Six Sigma methodologies to improve product quality and consistency while reducing waste.

Estimated North American Market Share of Extruded Shapes into Building & Construction
(% Share)



Data source: Aluminum Association reported shipments of Extruded Shapes into Building and Construction.

AN IMPORTANT ELEMENT OF TREDEGAR'S VISION FOR PROFITABLE GROWTH IS GROWING THROUGH ACQUISITIONS. WE ARE ACTIVELY SEEKING OPPORTUNITIES WITHIN THE BROADLY DEFINED MANUFACTURING SEGMENT THAT WILL ALLOW US TO LEVERAGE OUR KEY COMPETENCIES—OUR DEMONSTRATED STRENGTH IN PROCESS, INNOVATION, AND PRODUCT COMMERCIALIZATION, COMPLEMENTED BY THE SUBSTANTIAL BENEFITS THAT COME FROM HAVING A GLOBAL FOOTPRINT.

Confident Growth



Bright View Technologies has developed a technology platform with rapid design and quick turn tooling capability to produce highly engineered, complex micro-structured surfaces. With the rapid growth of LED lighting and the push for increased energy efficiency with fluorescent lighting, we have focused our microstructure surface technology on developing products for the lighting market. By combining advanced microstructures with various substrate options, coatings, and form factors, Bright View diffuser products provide industry leading performance in terms of angle control, efficiency, source hiding, and aesthetics.



Falling Springs develops, owns and operates mitigation banks for the purpose of selling compensatory mitigation credits to those who need to offset their environmental impacts required by Section 404 of the Clean Water Act. In short, we restore critical habitat to protect and enhance water quality and biodiversity throughout Virginia and several other states. Our work offsets the negative impacts that other land disturbance projects like roads and buildings often have in our communities. In conjunction with our partners, we oversee the entitlement, design, construction, compliance, and sales of these important restoration projects.



CONFIDENCE IN OUR BUSINESS PERFORMANCE, IN THE STRENGTH OF OUR PEOPLE, AND IN THE POSITIVE CONTRIBUTIONS THAT WE MAKE TO OUR CUSTOMERS AND COMMUNITIES IN WHICH WE OPERATE AROUND THE GLOBE ARE THE FOUNDATION OF OUR LEADERSHIP DEVELOPMENT PRACTICES.



Confident Leadership



The goal of our leadership development program is to build the overall leadership capability and bench strength at Tredegar, as part of a comprehensive talent management and development strategy. In addition to a program of coursework to build leadership competency, we're designing personal and professional development opportunities at each leadership level to enhance on-the-job experiences and learning.

Our core values are central to our leadership development efforts:

- Integrity & Trust
- Safety
- Quality
- Innovation
- Humility & Credibility
- Long-term Perspective
- Collaboration
- Courage

Building leaders at every level of the business gives us confidence.

Tredegear Locations

CORPORATE HEADQUARTERS

Richmond, Virginia

FILM PRODUCTS

Division Headquarters
Richmond, Virginia

Technical Centers
Chieti, Italy
Richmond, Virginia
Terre Haute, Indiana

Manufacturing Plants
Domestic
Lake Zurich, Illinois
Pottsville, Pennsylvania
Red Springs, North Carolina
Terre Haute, Indiana
International
Guangzhou, China
Kerkrade, The Netherlands
Pune, India
Rétság, Hungary
Roccamontepiano, Italy
São Paulo, Brazil
Shanghai, China

BONNELL ALUMINUM

Division Headquarters
Newnan, Georgia

Manufacturing Plants
Carthage, Tennessee
Kentland, Indiana
Newnan, Georgia

BRIGHT VIEW TECHNOLOGIES

Division Headquarters
Morrisville, North Carolina

FALLING SPRINGS

Division Headquarters
Richmond, Virginia

Corporate Information

CORPORATE OFFICERS AND OPERATING COMPANY MANAGEMENT

Nancy M. Taylor
President and Chief Executive Officer

Duncan A. Crowdis
*President,
The William L. Bonnell Company
and Corporate Vice President*

A. Brent King
*Vice President, General Counsel
and Corporate Secretary*

Monica Moretti
*President, Tredegear Film Products
and Corporate Vice President*

Kevin A. O'Leary
*Vice President, Chief Financial Officer
and Treasurer*

Larry J. Scott
Vice President, Audit

DIRECTORS

R. Gregory Williams^{2, 4, 6}
*Chairman of the Board
Tredegear Corporation
President
CCA Financial Services, LLC*

Austin Brockenbrough, III^{2, 4, 5, 6}
*Managing Director and President
Lowe, Brockenbrough & Company, Inc.*

Donald T. Cowles^{2, 3, 5, 6}
*Retired
Reynolds Metals Company*

John D. Gottwald¹
*Retired
Tredegear Corporation*

William M. Gottwald
*Vice Chairman
Tredegear Corporation
Retired
Albemarle Corporation*

Richard L. Morrill^{3, 4, 5, 6}
*Chancellor
University of Richmond
President
The Teague Foundation*

George A. Newbill^{3, 6}
*Retired
Albemarle Corporation*

Norman A. Scher¹
*Vice Chairman
Tredegear Corporation*

Nancy M. Taylor¹
*President and Chief Executive Officer
Tredegear Corporation*

¹ Executive Committee
² Audit Committee

³ Executive Compensation Committee

⁴ Nominating and Governance Committee

⁵ Investment Policy and Related Person
Transactions Committee

⁶ Independent Director

SHAREHOLDER INFORMATION

Annual Meeting

The annual meeting of shareholders of Tredegear Corporation will be held on May 24, 2011, beginning at 9:00 AM EDT at Jepson Alumni Center, University of Richmond, in Richmond, Virginia. Formal notices of the annual meeting, proxies and proxy statements will be mailed to shareholders on or about April 13.

Corporate Headquarters

1100 Boulders Parkway
Richmond, Virginia 23225
Phone: 804-330-1000
Website: www.tredegear.com

Number of Employees

Approximately 2,000

Counsel

Hunton & Williams LLP
Richmond, Virginia

Independent Auditors

PricewaterhouseCoopers LLP
Richmond, Virginia

Stock Listing

New York Stock Exchange
Ticker Symbol: TG

Transfer Agent and Registrar

Computershare Investor Services
Canton, Massachusetts

Inquiries

Inquiries concerning stock transfers, dividends, dividend reinvestment, consolidating accounts, changes of address, or lost or stolen stock certificates should be directed to:

Computershare Investor Services
250 Royall Street
Canton, Massachusetts 02021

Phone:
800-622-6757 (US, Canada,
Puerto Rico)
781-575-4735 (International)

E-mail:
web.queries@computershare.com

Website:
www.computershare.com/investor

All other inquiries should be directed to:

Tredegear Corporation
Investor Relations Department
1100 Boulders Parkway
Richmond, Virginia 23225
Phone: 800-411-7441 or
804-330-1044

E-mail: invest@tredegear.com

Website: www.tredegear.com



CORPORATE PROFILE

Tredegar Corporation is primarily a global manufacturer of plastic films and aluminum extrusions based in Richmond, Virginia. Tredegar employs approximately 2,000 people at more than 15 locations throughout North America, Europe, Asia, and South America.



Tredegar Corporation
1100 Boulders Parkway
Richmond, Virginia 23225
www.tredegar.com

