SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1999
OR

[ ] TRANSACTION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _________ to __________

Commission File Number 1-10258

TREDEGAR CORPORATION

(Exact name of registrant as specified in its charter)

Virginia	54-1497771
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1100 Boulders Parkway, Richmond, Virginia	23225
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 804-330-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 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 at least the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [X].

Aggregate market value of voting stock held by non-affiliates of the registrant as of March 10, 2000: *
$768,435,366

Number of shares of Common Stock outstanding as of March 10, 2000: 37,814,461

* In determining this figure, an aggregate of 12,411,639 shares of Common Stock beneficially owned by Floyd D. Gottwald, Jr., Bruce C. Gottwald, John D. Gottwald, William M. Gottwald and the members of their immediate families has been excluded because the shares are held by affiliates. The aggregate market value has been computed based on the closing price in the New York Stock Exchange Composite Transactions on March 10, 2000, as reported by The Wall Street Journal.

Documents Incorporated By Reference

Portions of the Tredegar Corporation ("Tredegar") Proxy Statement for the 2000 Annual Meeting of Shareholders (the "Proxy Statement") are incorporated by reference into Part III of this Form 10-K. We expect to file our Proxy Statement with the Securities and Exchange Commission and mail it to shareholders around March 31.

Index to Annual Report on Form 10-K

Year Ended December 31, 1999

* Items 11 and 12 and portions of Item 10 are incorporated by reference from the Proxy Statement.

The Securities and Exchange Commission has not approved or disapproved of this report or passed upon its accuracy or adequacy.

PART I

Item 1. BUSINESS

Description of Business

Tredegar is engaged directly or through subsidiaries in the manufacture of plastic films, vinyl extrusions and aluminum extrusions. We also have interests in a variety of technology-based businesses.

Film Products

Film Products manufactures plastic films for disposable personal hygiene products (primarily feminine hygiene and diaper products) and packaging, medical, industrial and agricultural products. These products are produced at various locations throughout the United States and are sold both directly and through distributors. Film Products also has plants in the Netherlands, Hungary, Brazil, Argentina and China where it produces films for European, Latin American and Asian markets. On May 17, 1999, Film Products acquired Exxon Chemical Company's plastic film business ("Exxon Films") for $205 million (including transaction costs). The acquisition included 350 employees and two plants. The plants are located in Lake Zurich, Illinois and in Pottsville, Pennsylvania, and manufacture films used primarily in packaging, personal hygiene and medical markets. Film Products competes in all of its markets on the basis of product quality, price and service.

Film Products produces film for several major market categories: hygiene, packaging and industrial.

Hygiene. Film Products is one of the largest U.S. suppliers of permeable, breathable, elastomeric and embossed films for disposable personal hygiene products. In each of the last three years, this class of products accounted for more than 30% of Tredegar's consolidated revenues.

Film Products supplies permeable films for use as liners in feminine hygiene products and adult incontinent products. Film Products also supplies breathable, embossed and elastomeric films and nonwoven film laminates for use as backsheet and other components for hygienic products such as baby diapers, adult incontinent products and feminine hygiene products. Film Products' primary customer for permeable, breathable and elastomeric films and nonwoven film laminates is The Procter & Gamble Company ("P&G"), the leading global personal hygiene product manufacturer. Net sales to P&G totaled $250 million in 1999, $233.5 million in 1998 and $242.2 million in 1997 (these amounts include plastic film sold to others that converted the film into materials used in products manufactured by P&G).

P&G and Tredegar have had a successful long-term relationship based on cooperation, product innovation and continuous process improvement. The loss or significant reduction of sales associated with P&G would have a material adverse effect on our business.

Packaging & Industrial. Film Products produces a broad line of packaging films with an emphasis on paper and industrial packaging, as well as laminating films. These are both coextruded and monolayer films produced by either the blown or cast processes. They give our customers a competitive advantage by providing a thin gauge film that is readily printable and convertible on conventional processing equipment. Packaging and industrial films sold directly or indirectly to P&G constitutes about 35% of overall packaging and industrial films sales volume and somewhat less of related revenue.

Coextruded and monolayer permeable films under the VisPore(R) name are also sold by Film Products. These films are used to regulate fluid and vapor transmission in many industrial, medical, agricultural and packaging markets. Specific examples include filter plies for surgical masks and other medical applications, permeable ground cover, natural cheese mold release cloths and rubber bale wrap.

Film Products also produces differentially embossed monolayer and coextruded films. Some of these films are extruded in a Class 10,000 clean room and act as a disposable, protective coversheet for photopolymers used in the manufacture of circuit boards. Other films sold under the ULTRAMASK(R) name are used as masking films to protect polycarbonate, acrylics and glass from damage during fabrication, shipping and handling.

Film Products produces a line of oriented films for food packaging, in-mold labels and other applications under the name Monax(R)Plus. These are high-strength, high moisture barrier films that provide cost and source reduction benefits over competing packaging materials.

Raw Materials. The primary raw materials used by Film Products are low-density and linear low-density polyethylene resins, which are obtained from domestic and foreign suppliers at competitive prices. We believe there will be an adequate supply of polyethylene resins in the immediate future.

Research and Development. Film Products has technical centers in Terre Haute, Indiana, and Lake Zurich, Illinois, and holds 42 U.S. patents and 14 U.S. trademarks. Expenditures for research and development have averaged $6.3 million per year during the past three years.

Fiberlux

Fiberlux is a U.S. producer of rigid vinyl extrusions for windows and patio doors. Fiberlux products are sold to fabricators and directly to end-users. The primary raw material, polyvinyl chloride resin, is purchased in the open market and under contract. No critical shortages of polyvinyl chloride resins are expected. Fiberlux competes in all of its markets on the basis of product quality, price and service. Fiberlux holds one U.S. patent and three U.S. trademarks. Fiberlux is currently not material to Tredegar's consolidated results of operations.

Aluminum Extrusions

Aluminum Extrusions is composed of The William L. Bonnell Company, Inc., Capitol Products Corporation, Bon L Campo Limited Partnership and Bon L Canada Inc. (together, "Aluminum Extrusions"), which produce soft alloy aluminum extrusions primarily for the building and construction, distribution, transportation, electrical and consumer durables markets. The operations associated with Bon L Campo Limited Partnership were acquired in 1997 and the operations associated with Bon L Canada Inc. were acquired in 1998 (see Note 2 on page 46).

Aluminum Extrusions manufactures mill (unfinished), anodized and painted aluminum extrusions for sale directly to fabricators and distributors that use aluminum extrusions to produce curtain walls, architectural shapes, tub and shower doors, window components, ladders, running boards, boat windshields, bus bars, tractor-trailer shapes, snowmobiles and furniture, among other products. Sales are made primarily in the United States and Canada, principally east of the Rocky Mountains.

The percentage concentration of aluminum extrusions shipped to the building and construction market has declined over the past several years due primarily to acquisitions (48% in 1999 compared to 71% in 1995). A breakdown of 1999 and 1998 aluminum extrusion sales volume by market segment is shown below:

% of Aluminum Extrusion Sales Volume by Market Segment		
	1999	1998
Building and construction	48	51
Distribution	18	9
Transportation	14	15
Electrical	7	7
Consumer durables	5	7
Other	8	11
Total	100	100

Raw materials for Aluminum Extrusions, consisting of aluminum ingot, aluminum scrap and various alloys, are purchased from domestic and foreign producers in open-market purchases and under short-term contracts. We do not expect critical shortages of aluminum or other required raw materials and supplies.

Aluminum Extrusions competes primarily on the basis of product quality, service and price.

Aluminum Extrusions holds two U.S. patents and nine U.S. trademarks.

Technology

Our technology interests include Tredegar Investments, Inc., Molecumetics, Ltd., and Therics, Inc.

Tredegar Investments. Tredegar Investments is our venture capital subsidiary. Its investments represent high-risk stakes in technology start-up companies, primarily in the areas of Internet and information technologies, communications and life sciences. Its primary objective is to generate high after-tax internal rates of return commensurate with the level of risk involved. More information, including a schedule of investments, is provided in the business segment review on pages 29-31, and in Note 7 on page 51.

Molecumetics. Molecumetics operates a drug discovery research laboratory in Bellevue, Washington, where it uses patented chemistry to develop new drug candidates for licensing to pharmaceutical and biotechnology companies. Molecumetics has entered into a number of research collaboration and license agreements, which are described below. Each of these agreements, except for the agreement with ChoongWae Pharma Corporation ("ChoongWae"; see below), provides for research and development ("R&D") support funding. Each of these agreements, again except for the ChoongWae agreement, also provides for additional payments if Molecumetics achieves certain milestones based on the clinical progression of program compounds, as well as future royalties if sales of products from the programs occur. Revenues recognized to date relate entirely to payments received for R&D support, including revenues of $7.6 million in 1999, $5.7 million in 1998 and $2.6 million in 1997. See Note 1 on page 40 for more information on revenue recognition.

To date, Molecumetics has not achieved any defined milestones nor does it have licensed products for which royalties are received. Any discussion of the possibility of achieving milestones or realizing future royalties would be speculative at this time. Molecumetics' operating losses were $3.4 million in 1999, $3.5 million in 1998 and $4.5 million in 1997.

In 1999, Molecumetics entered into a research collaboration agreement with Pharmacia & Upjohn Company ("Pharmacia") to identify and develop orally active modulators of Cysteinyl aspartate-specific proteinases ("Caspases"). Caspases play a central role in apoptosis, the inappropriate control of which contributes to the underlying pathology in many human diseases. Under the agreement, Molecumetics uses its SMART Library(R) technology to optimize lead compounds, and Pharmacia is responsible for in-vivo testing and all pre-clinical and clinical development activities. Pharmacia also has worldwide exclusive rights to develop and commercialize the resulting compounds.

In 1999, Molecumetics expanded its existing relationship with Asahi Chemical Industry Co., Ltd. (Asahi) by signing a multi-year research collaboration agreement for the discovery and development of new drugs for treatment of central nervous system, cardiovascular, inflammation and metabolism therapeutic areas. The new agreement replaces a 1997 collaboration agreement between the two companies that focused solely on cardiovascular disorders. Under the terms of the current agreement, the companies mutually select multiple molecular targets to pursue in the agreed-upon therapeutic areas. Molecumetics is responsible for providing libraries of compounds for identifying lead compounds. The two companies share the screening responsibilities and the optimization of lead compounds. Asahi is responsible for the pre-clinical development of the compounds in Japan and other Asian countries. Molecumetics retains all rights to the compounds in North America and Europe.

In 1998, Molecumetics and Bristol-Myers Squibb Company ("BMS") entered into a three-year research alliance aimed at developing new drugs for the treatment of inflammatory and immunological diseases. The collaborative research is focused on the identification of small-molecule transcription factor inhibitors. Molecumetics also is supplying BMS with 150,000 of its proprietary MolecuSet(R) compounds for broad-based screening against a wide variety of disease targets.

In 1998, Molecumetics signed a two-year license and supply agreement with ChoongWae, a Korean pharmaceutical company. Under terms of the agreement, ChoongWae synthesizes and delivers certain key chemical intermediates to Molecumetics in exchange for licensing rights to the jointly developed tryptase inhibitors in certain Asian countries. Molecumetics retains the rights to these compounds in all other countries. Tryptase inhibitors could be used to treat asthma, inflammatory bowel disease and psoriasis. The intermediates supplied by ChoongWae are not commercially available, and Molecumetics uses them in the tryptase inhibitors and other programs, and for synthesis of proprietary compounds using its SMART Library technology. Under the agreement, no cash settlement is involved. No revenue has been recognized, and Molecumetics expenses the costs associated with the jointly developed tryptase inhibitors program as incurred.

In September 1997, Molecumetics signed a research and licensing collaboration agreement with Teijin Limited ("Teijin") for the optimization and development of Molecumetics' orally active inhibitors of thrombin, a key protease in the blood coagulation cascade. The resulting therapeutic drugs would be useful for treating a variety of blood-clotting disorders. Under the terms of the agreement, Molecumetics is responsible for the optimization of its lead compounds using its SMART Library technology. The two companies collaborate on preclinical studies. Teijin is responsible for the clinical development, approval and marketing of the compounds in Japan and other Asian countries. Molecumetics retains all rights to the compounds in North America and Europe.

Molecumetics holds 14 U.S. patents and three U.S. trademarks, and has filed a number of other patent applications with respect to its technology. Molecumetics spent approximately $10.8 million in 1999, $8.5 million in 1998 and $6.7 million in 1997 on research and development activities.

Therics. On April 8, 1999, Tredegar acquired the assets of Therics for cash consideration of $13.6 million (including transaction costs). Before the acquisition, Tredegar owned approximately 19% of Therics. Upon the final liquidation of the former Therics, Tredegar paid approximately $10.2 million to effectively acquire the remaining 81% ownership interest. Based in Princeton, New Jersey, Therics is developing new microfabrication technology that has potential applications in drug delivery and a variety of other medical markets. Its primary focus is on commercializing the TheriForm(TM) process, a new and unique process for manufacturing oral and implantable drugs and bioimplantable reconstructive body parts. Among other things, this technology enables drug companies to build precise amounts of active drugs and excipients in specific locations within each tablet. As a result, the internal architecture of each tablet can be designed to provide unique release profiles that are tailored to meet medical needs.

In connection with the acquisition, Tredegar recognized a charge of $3.5 million (classified as an unusual item in the consolidated statement of income) in the second quarter of 1999 related to the write-off of acquired in-process research and development (primarily the TheriForm process). The amount of the charge was determined through an independent third-party analysis using the income approach. At the date of acquisition, the TheriForm process was 90% complete and will be considered technologically feasible upon the successful manufacture of an FDA-validated product. The uncertainties involved include the ability to:

- Meet machine performance objectives in a sustainable manufacturing environment
- Produce machines for large-scale commercial production
- Meet customer requirements with regard to price and performance objectives
- Achieve technological and commercial feasibility within the anticipated cost structure and timetable

The technology has no alternative future use for which technological feasibility has been achieved. The estimated cost to complete the development at the acquisition date was $4.6 million, over 70% of which was projected for 1999 and 2000. Therics had revenues of $161,000 and an operating loss of $5.2 million for the period from the acquisition date (April 8, 1999) through December 31, 1999.

In 1999, Therics signed a five-year collaboration agreement with Warner-Lambert Company aimed at developing formulations of several model compounds to be chosen by the parties, which formulations could then be used as templates for the development of the same or different compounds. Therics will receive R&D support funding for its work under this agreement.

Revenues recognized by Therics in 1999 relate entirely to payments received for R&D support. See Note 1 on page 40 for more information on revenue recognition.

The immediate challenges at Therics are to enter into additional collaborations and to advance internal product development efforts.

Therics is exclusively licensed in the healthcare field under 10 U.S. patents, owns 1 U.S. patent, has applied for 7 U.S. trademarks, and has filed a number of other patent applications with respect to its technology. For the period from the acquisition date to the end of 1999, Therics spent approximately $4.5 million on research and development activities.

Miscellaneous

Patents, Licenses and Trademarks. Tredegar considers patents, licenses and trademarks to be of significance for Film Products, Molecumetics and Therics. We routinely apply for patents on significant developments with respect to all of our businesses. Our patents have remaining terms ranging from 1 to 17 years. We also have licenses under patents owned by third parties.

Research and Development. Tredegar spent approximately $22.3 million in 1999, $14.5 million in 1998 and $13.2 million in 1997 on research and development activities.

Backlog. Backlogs are not material to our operations.

Government Regulation. Laws concerning the environment that affect or could affect our domestic operations include, among others, the Clean Water Act, the Clean Air Act, the Resource Conservation Recovery Act, the Occupational Safety and Health Act, the National Environmental Policy Act, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), regulations promulgated under these acts, and any other federal, state or local laws or regulations governing environmental matters. We are in substantial compliance with all applicable laws, regulations and permits. In order to maintain substantial compliance with such standards, we may be required to incur expenditures, the amounts and timing of which are not presently determinable but which could be significant, in constructing new facilities or in modifying existing facilities.

From time to time the Environmental Protection Agency may identify us as a potentially responsible party with respect to a Superfund site under CERCLA. To date, we are indirectly potentially responsible with respect to three Superfund sites. As a result, we may be required to expend amounts on remedial investigations and actions at such Superfund sites. Responsible parties under CERCLA may be jointly and severally liable for costs at a site, although typically costs are allocated among the responsible parties.

In addition, we are indirectly potentially responsible for one New Jersey Spill Site Act location. Another New Jersey site is being investigated pursuant to the New Jersey Industrial Site Recovery Act.

Employees. Tredegar employed approximately 3,700 people at December 31, 1999.

Item 2. PROPERTIES

General

Most of the improved real property and the other assets used in our operations are owned, and none of the owned property is subject to an encumbrance that is material to our consolidated operations. We consider the condition of the plants, warehouses and other properties and assets owned or leased by us to be generally good. We also consider the geographical distribution of our plants to be well-suited to satisfying the needs of our customers.

We believe that the capacity of our plants is adequate to meet our immediate needs. Our plants generally have operated at 65-95 percent of capacity. Our corporate headquarters offices are located at 1100 Boulders Parkway, Richmond, Virginia 23225.

Our principal plants and facilities are listed below:

Film Products		Principal Operations
Locations in the United States	Locations in Foreign Countries	
Carbondale, Pennsylvania LaGrange, Georgia Lake Zurich, Illinois Manchester, Iowa New Bern, North Carolina Pottsville, Pennsylvania Tacoma, Washington (leased) Terre Haute, Indiana (2) (technical center and production facility)	Budapest, Hungary Guangzhou, China (leased) Kerkrade, the Netherlands San Juan, Argentina Sao Paulo, Brazil	Production of plastic films

Fiberlux Locations	Principal Operations
Pawling, New York	Production of vinyl extrusions for windows and patio doors

Aluminum Extrusions		Principal Operations
Locations in the United States	Locations in Canada	
Carthage, Tennessee El Campo, Texas Kentland, Indiana Newnan, Georgia	Aurora, Ontario Pickering, Ontario Richmond Hill, Ontario Ste. Therese, Quebec	Production of aluminum extrusions, fabrication and finishing

Technology

Tredegar Investments leases office space in Seattle, Washington, and Palo Alto, California. Molecumetics leases its laboratory space in Bellevue, Washington. Therics leases space in Princeton, New Jersey.

Item 3. LEGAL PROCEEDINGS

None

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

PART II

Item 5. MARKET FOR TREDEGAR'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Prices of Common Stock and Shareholder Data

Our common stock is traded on the New York Stock Exchange under the ticker symbol TG. We have no preferred stock outstanding. There were 37,661,140 shares of common stock held by 6,057 shareholders of record on December 31, 1999.

The following table shows the reported high and low closing prices of our common stock by quarter for the past two years.

	1999		1998	
	High	Low	High	Low
First quarter	$ 32.38	$22.50	$24.70	$19.00
Second quarter	32.94	20.50	30.67	23.81
Third quarter	23.69	20.38	29.94	16.13
Fourth quarter	23.19	16.06	26.25	19.00

Dividend Information

On May 20, 1998, we declared a three-for-one stock split payable on July 1, 1998, to shareholders of record on June 15, 1998. Accordingly, all historical references to per-share amounts, shares repurchased and the shares used to compute earnings per share have been restated to reflect the split.

The quarterly dividend rate was increased to:

- 2.67 cents per share effective January 1, 1997
- 3 cents per share effective October 1, 1997
- 4 cents per share effective July 1, 1998

All decisions with respect to payment of dividends will be made by the Board of Directors based upon earnings, financial condition, anticipated cash needs and such other considerations as the Board deems relevant. See Note 9 on page 54 for restriction on minimum shareholders' equity required.

Annual Meeting

Our annual meeting of shareholders will be held on May 24, 2000, beginning at 9:30 a.m. EDT at The Jefferson Hotel in Richmond, Virginia. Formal notices of the annual meeting, proxies and proxy statements will be mailed to shareholders around March 31.

Inquiries

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

American Stock Transfer & Trust Company
Shareholder Services Department
40 Wall Street - 46th Floor
New York, New York 10005
Phone: 800-937-5449
Web site: http://www.amstock.com

All other inquiries should be directed to:

Tredegar Corporation
Corporate Communications Department
1100 Boulders Parkway
Richmond, Virginia 23225
Phone: 804-330-1044
E-mail: invest@tredegar.com
Web site: http://www.tredegar.com

Quarterly Information

We do not generate or distribute quarterly reports to shareholders. Information on quarterly results can be obtained from our Web site and from quarterly Form 10-Qs filed with the Securities and Exchange Commission.

Counsel	Independent Accountants
Hunton & Williams Richmond, Virginia	PricewaterhouseCoopers LLP Richmond, Virginia

Item 6. SELECTED FINANCIAL DATA

The tables that follow on pages 11-17 present certain selected financial and segment information for the eight years ended December 31, 1999.

EIGHT-YEAR SUMMARY

Tredegar Corporation and Subsidiaries

Years Ended December 31	1999	1998	1997	1996	1995	1994	1993	1992
(In thousands, except per-share data)								
Results of Operations (a):								
Net sales	$820,411	$699,796	$581,004	$523,551	$589,454	$502,208	$449,208	$445,229
Other income (expense), net	(4,362)	4,015	17,015	4,248	(669)	(296)	(387)	226
	816,049	703,811	598,019	527,799	588,785	501,912	448,821	445,455
Cost of goods sold	648,254	553,184	457,896	417,014	489,931	418,469	376,580	369,738
Selling, general & administrative expenses	47,357	39,493	37,035	39,719	48,229	47,978	47,973	48,130
Research and development expenses	22,313	14,502	13,170	11,066	8,763	8,275	9,141	5,026
Amortization of intangibles	3,430	205	50	256	579	1,354	2,706	914
Interest expense (b)	9,088	1,318	1,952	2,176	3,039	4,008	5,044	5,615
Unusual items	4,065 (c)	(101)(d)	(2,250)(e)	(11,427)(f)	(78)(g)	16,494 (h)	452 (i)	90(j)
	734,507	608,601	507,853	458,804	550,463	496,578	441,896	429,513
Income from continuing operations before income taxes	81,542	95,210	90,166	68,995	38,322	5,334	6,925	15,942
Income taxes	28,894	31,054 (d)	31,720	23,960	14,269	3,917	3,202 (i)	6,425
Income from continuing operations (a)	52,648	64,156	58,446	45,035	24,053	1,417	3,723	9,517
Income from discontinued Energy segment operations (a)	-	4,713	-	-	-	37,218	6,784	5,795
Net income before extraordinary item and cumulative effect of accounting changes	52,648	68,869	58,446	45,035	24,053	38,635	10,507	15,312
Extraordinary item - prepayment premium on extinguishment of debt (net of tax)	-	-	-	-	-	-	(1,115)	-
Cumulative effect of accounting changes	-	-	-	-	-	-	150	-
Net income	$52,648	$68,869	$58,446	$45,035	$24,053	$38,635	$ 9,542	$15,312
Diluted earnings per share:								
Continuing operations (a)	1.36	1.66	1.48	1.15	.60	.03	.08	.19
Discontinued Energy segment operations (a)	-	.12	-	-	-	.79	.14	.12
Before extraordinary item and cumulative effect of accounting changes	1.36	1.78	1.48	1.15	.60	.82	.22	.31
Net income	1.36	1.78	1.48	1.15	.60	.82	.19	.31

Refer to notes to financial tables on page 17.

EIGHT-YEAR SUMMARY

Tredegar Corporation and Subsidiaries

Years Ended December 31	1999	1998	1997	1996	1995	1994	1993	1992
(In thousands, except per-share data)								
Share Data:								
Equity per share	$ 9.88	$ 8.46	$ 7.34	$ 5.79	$ 4.67	$ 4.25	$ 3.45	$ 3.31
Cash dividends declared per share	.16	.15	.11	.09	.06	.05	.05	.05
Weighted average common shares outstanding during the period	36,992	36,286	36,861	36,624	38,748	46,572	49,029	49,023
Shares used to compute diluted earnings per share during the period	38,739	38,670	39,534	39,315	40,110	46,842	49,182	49,176
Shares outstanding at end of period	37,661	36,661	37,113	36,714	36,528	40,464	49,029	49,023
Closing market price per share:								
High	32.94	30.67	24.65	15.13	7.72	4.14	4.00	4.14
Low	16.06	16.13	12.54	6.83	3.86	3.11	2.78	2.22
End of year	20.69	22.50	21.96	13.38	7.17	3.86	3.33	3.44
Total return to shareholders (k)	(7.3)%	3.1%	65.0%	87.8%	87.2%	17.4%	(1.7)%	57.4%
Financial Position:								
Total assets	792,487	457,178	410,937	341,077	314,052	318,345	353,383	354,910
Working capital excluding cash and cash equivalents	80,594	52,050	30,279	31,860	54,504	53,087	62,064	56,365
Current ratio	2.0:1	1.9:1	3.1:1	3.2:1	1.8:1	1.9:1	2.1:1	2.0:1
Cash and cash equivalents	25,752	25,409	120,065	101,261	2,145	9,036	-	-
Venture capital investments:								
Cost basis	135,469	60,617	25,826	6,048	3,410	2,200	800	200
Carrying value	140,698	60,024	33,513	6,048	3,410	2,200	800	200
Estimated fair value	205,363	70,841	40,757	15,000	5,700	2,300	800	200
Net asset value	180,201	67,160	35,382	11,777	4,876	2,264	800	200
Ending consolidated capital employed(l)	616,476	309,886	182,481	146,284	203,376	200,842	266,088	263,897
Capital employed of divested and discontinued operations (Molded Products, Brudi and the Energy segment) (a)	-	-	-	-	60,144	59,267	98,903	96,830
Debt	270,000	25,000	30,000	35,000	35,000	38,000	97,000	101,500
Shareholders' equity (net book value)	372,228	310,295	272,546	212,545	170,521	171,878	169,088	162,397
Equity market capitalization (m)	779,112	824,873	814,940	491,050	261,784	156,236	163,430	168,857
Net debt (cash) (debt less cash and cash equivalents) as a % of net capitalization	39.6%	(0.1)%	(49.4)%	(45.3)%	16.2%	14.4%	36.5%	38.5%

Refer to notes to financial tables on page 17.

SEGMENT TABLES
Tredegar Corporation and Subsidiaries

Net Sales

Segment	1999	1998	1997	1996	1995	1994	1993	1992
(In thousands)								
Film Products	$ 342,300	$ 286,965	$ 298,862	$ 257,306	$ 237,770	$ 188,672	$ 177,052	$ 183,117
Fiberlux	9,092	11,629	10,596	10,564	11,329	11,479	10,239	10,655
Aluminum Extrusions	461,241	395,455	266,585	219,044	221,657	193,870	166,465	150,524
Technology:								
Molecumetics	7,617	5,718	2,583	36	-	200	-	-
Therics	161	-	-	-	-	-	-	-
Other	-	29	2,378	2,090	1,953	2,517	2,994	-
Total ongoing operations (n)	820,411	699,796	581,004	489,040	472,709	396,738	356,750	344,296
Divested operations (a):								
Molded Products	-	-	-	21,131	84,911	76,579	68,233	80,834
Brudi	-	-	-	13,380	31,834	28,891	24,225	20,099
Total	$ 820,411	$ 699,796	$ 581,004	$ 523,551	$ 589,454	$ 502,208	$ 449,208	$ 445,229

Refer to notes to financial tables on page 17.

SEGMENT TABLES
Tredegar Corporation and Subsidiaries

Operating Profit

Segment	1999	1998	1997	1996	1995	1994	1993	1992
(In thousands)								
Film Products:								
Ongoing operations	$ 59,554	$ 53,786	$ 50,463	$ 43,158	$ 36,019	$ 34,726	$ 22,320	$ 26,700
Unusual items	(1,170)(c)	-	-	680 (f)	1,750 (g)	-	(1,815)(i)	-
	58,384	53,786	50,463	43,838	37,769	34,726	20,505	26,700
Fiberlux:								
Ongoing operations	57	1,433	845	1,220	452	950	557	(127)
Unusual items	-	-	-	-	-	-	-	-
	57	1,433	845	1,220	452	950	557	(127)
Aluminum Extrusions:								
Ongoing operations	56,501	47,091	32,057	23,371	16,777	11,311	7,964	4,180
Unusual items	-	(664)(d)	-	-	-	-	-	-
	56,501	46,427	32,057	23,371	16,777	11,311	7,964	4,180
Technology:								
Molecumetics	(3,421)	(3,504)	(4,488)	(6,564)	(4,769)	(3,534)	(3,324)	(1,031)
Therics	(5,235)	-	-	-	-	-	-	-
Venture capital investments	(7,079)	615	13,880	2,139	(695)	-	-	-
Other	-	(428)	(267)	(118)	(566)	(5,354)	(6,380)	(834)
Unusual items	(3,607)(c)	765 (d)	-	-	(1,672)(g)	(9,521)(h)	2,263 (i)	1,092 (j)
	(19,342)	(2,552)	9,125	(4,543)	(7,702)	(18,409)	(7,441)	(773)
Divested operations (a):								
Molded Products	-	-	-	1,011	2,718	(2,484)	(228)	1,176
Brudi	-	-	-	231	222	(356)	177	513
Unusual items	-	-	2,250 (e)	10,747 (f)	-	(6,973)(h)	-	(1,182)(j)
	-	-	2,250	11,989	2,940	(9,813)	(51)	507
Total operating profit	95,600	99,094	94,740	75,875	50,236	18,765	21,534	30,487
Interest income (p)	1,419	2,279	4,959	2,956	333	544	-	-
Interest expense (b)	9,088	1,318	1,952	2,176	3,039	4,008	5,044	5,615
Corporate expenses, net	6,389	4,845	7,581	7,660	9,208	9,967	9,565 (i)	8,930
Income from continuing operations before income taxes	81,542	95,210	90,166	68,995	38,322	5,334	6,925	15,942
Income taxes	28,894	31,054 (d)	31,720	23,960	14,269	3,917	3,202	6,425
Income from continuing operations	52,648	64,156	58,446	45,035	24,053	1,417	3,723	9,517
Income from discontinued Energy segment operations (a)	-	4,713	-	-	-	37,218	6,784	5,795
Net income before extraordinary item and cumulative effect of accounting changes	$ 52,648	$ 68,869	$ 58,446	$ 45,035	$ 24,053	$ 38,635	$ 10,507	$ 15,312

Refer to notes to financial tables on page 17.

SEGMENT TABLES
Tredegar Corporation and Subsidiaries

Identifiable Assets

Segment	1999	1998	1997	1996	1995	1994	1993	1992
(In thousands)								
Film Products	$ 360,517	$ 132,241	$ 123,613	$ 116,520	$ 118,096	$ 108,862	$ 109,916	$ 112,153
Fiberlux	7,859	7,811	6,886	6,203	6,330	6,448	6,667	7,762
Aluminum Extrusions	216,258	201,518	101,855	83,814	80,955	89,406	89,498	93,365
Technology:								
Molecumetics	4,749	5,196	2,550	2,911	2,018	1,536	1,926	1,415
Therics	9,905	-	-	-	-	-	-	-
Investments and other (o)	145,028	61,098	34,611	7,760	5,442	5,780	13,321	15,441
Identifiable assets for ongoing operations	744,316	407,864	269,515	217,208	212,841	212,032	221,328	230,136
Nonoperating assets held for sale	-	-	-	-	6,057	5,018	3,605	4,330
General corporate	22,419	23,905	21,357	22,608	20,326	12,789	12,031	11,745
Cash and cash equivalents	25,752	25,409	120,065	101,261	2,145	9,036	-	-
Divested operations (a):								
Molded Products	-	-	-	-	44,173	48,932	54,487	50,151
Brudi	-	-	-	-	28,510	30,538	30,956	28,744
Net assets of discontinued Energy segment operations (a)	-	-	-	-	-	-	30,976	29,804
Total	$ 792,487	$ 457,178	$ 410,937	$ 341,077	$ 314,052	$ 318,345	$ 353,383	$ 354,910

Refer to notes to financial tables on page 17.

SEGMENT TABLES
Tredegar Corporation and Subsidiaries

Depreciation and Amortization

Segment	1999	1998	1997	1996	1995	1994	1993	1992
(In thousands)								
Film Products	$ 18,751	$ 11,993	$ 10,947	$ 11,262	$ 9,766	$ 9,097	$ 9,200	$ 7,697
Fiberlux	498	544	515	507	577	644	826	883
Aluminum Extrusions	9,484	8,393	5,508	5,407	5,966	5,948	6,240	7,093
Technology:								
Molecumetics	1,490	1,260	996	780	592	573	443	-
Therics	1,195	-	-	-	-	-	-	-
Investments and other	22	21	135	161	197	720	1,868	-
Subtotal	31,440	22,211	18,101	18,117	17,098	16,982	18,577	15,673
General corporate	253	254	313	390	481	570	685	703
Total ongoing operations	31,693	22,465	18,414	18,507	17,579	17,552	19,262	16,376
Divested operations (a):								
Molded Products	-	-	-	1,261	5,055	5,956	5,289	5,416
Brudi	-	-	-	550	1,201	1,337	1,272	1,085
Total	$ 31,693	$ 22,465	$ 18,414	$ 20,318	$ 23,835	$ 24,845	$ 25,823	$ 22,877

Capital Expenditures,
Acquisitions and Investments

Segment	1999	1998	1997	1996	1995	1994	1993	1992
(In thousands)								
Film Products	$ 25,296	$ 18,456	$ 15,354	$ 11,932	$ 10,734	$ 6,710	$ 6,561	$ 12,931
Fiberlux	812	1,477	530	417	465	416	14	283
Aluminum Extrusions	16,388	10,407	6,372	8,598	5,454	4,391	1,870	2,487
Technology:								
Molecumetics	1,362	3,561	366	1,594	894	178	939	1,414
Therics	757	-	-	-	-	-	-	-
Investments and other	-	54	5	14	-	99	905	-
Subtotal	44,615	33,955	22,627	22,555	17,547	11,794	10,289	17,115
General corporate	606	115	28	143	231	191	2,440	316
Capital expenditures for ongoing operations	45,221	34,070	22,655	22,698	17,778	11,985	12,729	17,431
Divested operations (a):								
Molded Products	-	-	-	1,158	6,553	2,988	3,235	2,441
Brudi	-	-	-	104	807	606	516	833
Total capital expenditures	45,221	34,070	22,655	23,960	25,138	15,579	16,480	20,705
Acquisitions and other	215,227	72,102	13,469	-	3,637	-	5,099	17,422
Venture capital investments	81,747	35,399	20,801	3,138	1,904	1,400	600	200
Total	$ 342,195	$ 141,571	$ 56,925	$ 27,098	$ 30,679	$ 16,979	$ 22,179	$ 38,327

Refer to notes to financial tables on page 17.

NOTES TO FINANCIAL TABLES

(In thousands, except per-share amounts)

(a) On August 16, 1994, Tredegar completed the divestiture of its coal subsidiary, The Elk Horn Coal Corporation. On February 4, 1994, we sold our remaining oil and gas properties. As a result of these events, we report the Energy segment as discontinued operations. In 1998, discontinued operations includes gains for the reimbursement of payments made by us to the United Mine Workers of America Combined Benefit Fund (the "Fund") and the reversal of a related accrued liability established to cover future payments to the Fund (see Note 18 on page 65). On March 29, 1996, we sold Molded Products. During the second quarter of 1996, we completed the sale of Brudi. The operating results for Molded Products were historically reported as part of the Plastics segment on a combined basis with Film Products and Fiberlux. Likewise, results for Brudi were combined with Aluminum Extrusions and reported as part of the Metal Products segment. Accordingly, results for Molded Products and Brudi have been included in continuing operations. We began reporting Molded Products and Brudi separately in our segment disclosures in 1995 after announcing our intent to divest these businesses.

(b) Interest expense has been allocated between continuing and discontinued operations based on relative capital employed (see (a)).

(c) Unusual items for 1999 include a charge for costs associated with the evaluation of financing and structural options for the Technology Group ($149), a gain on the sale of corporate real estate ($712), a charge related to a write-off of in-process research and development expenses associated with the Therics acquisition ($3,458, see Note 2 on page 46) and a charge for the write-off of excess packaging film capacity ($1,170).

(d) Unusual items for 1998 include a charge related to the shutdown of the powder-coat paint line in the production facility in Newnan, Georgia ($664) and a gain on the sale of APPX Software ($765). Income taxes include a tax benefit of $2,001 related to the sale, including a tax benefit for the excess of APPX Software's income tax basis over its financial reporting basis.

(e) Unusual items for 1997 include a gain of $2,250 related to the redemption of preferred stock received in connection with the 1996 divestiture of Molded Products.

(f) Unusual items for 1996 include a gain on the sale of Molded Products ($19,893), a gain on the sale of a former plastic films manufacturing site site in Fremont, California ($1,968), a charge related to the loss on the divestiture of Brudi ($9,146) and a charge related to the write-off of specialized machinery and equipment due to excess capacity in certain industrial packaging films ($1,288).

(g) Unusual items in 1995 include a gain on the sale of Regal Cinema shares ($728), a charge related to the restructuring of APPX Software ($2,400) and a recovery in connection with a Film Products product liability lawsuit ($1,750).

(h) Unusual items in 1994 include the write-off of certain goodwill and intangibles in APPX Software ($9,521), the write-off of certain goodwill in Molded Products ($4,873) and the estimated costs related to the closing of a Molded Products plant in Alsip, Illinois ($2,100).

(i) Unusual items in 1993 include estimated costs related to the sale of a Film Products plant in Flemington, New Jersey ($1,815), and the reorganization of corporate functions ($900), partially offset by the gain on the sale of our remaining investment in Emisphere Technologies, Inc. ($2,263). Income taxes includes a tax charge of $348 for the impact on deferred taxes of a one percent increase in the federal income tax rate.

(j) Unusual items in 1992 include the write-off of certain goodwill in Molded Products ($1,182), partially offset by the gain on the sale of a portion of an investment in Emisphere Technologies, Inc. ($1,092).

(k) Total return to shareholders is computed as the sum of the change in stock price during the year plus dividends per share, divided by the stock price at the beginning of the year.

(l) Consolidated capital employed is debt plus shareholders' equity minus cash and cash equivalents.

(m) Equity market capitalization is the closing market price per share for the period times the shares outstanding at the end of the period.

(n) Net sales include sales to P&G totaling $250,020 in 1999, $233,493 in 1998 and $242,229 in 1997. These amounts include plastic film sold to others that converted the film into materials used in products manufactured by P&G.

(o) Included in the investments and other category of the Technology segment are APPX Software (sold in 1998 - see (d)) and venture capital investments in which our ownership is less than 20% (see Note 7 on page 51).

(p) Interest income was insignificant prior to 1994.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Tredegar is a manufacturer of plastic film, aluminum extrusions and vinyl extrusions. We also have interests in a variety of technology-based businesses. Descriptions of our businesses and interests are provided on pages 1-7.

Our manufacturing businesses are quite different from our technology interests. Our manufacturing businesses can be analyzed and valued by traditional measures of earnings and cash flow, and because they generate positive ongoing cash flow, they can be leveraged with borrowed funds.

Our technology operating companies, Molecumetics and Therics, are drug research and delivery start-up companies. Each generates operating losses and negative cash flow in the form of net R&D expenditures. Neither has licensed products to-date, and revenues consist entirely of collaboration revenues (R&D support payments). They may never generate profits or positive cash flow. If they were stand-alone, independent operations they would typically be financed by private venture capital.

Our venture capital investments represent high-risk stakes in technology start-up companies, primarily in the areas of Internet and information technologies, communications and life sciences. Our primary objective in the venture capital area is to generate high after-tax internal rates of return commensurate with the level of risk involved.

In summary, we have a variety of business interests with dramatically different risk profiles, which makes the communication of operating results more difficult, especially since we only have one class of stock. As a result, the segment information presented on pages 13-17, and the business segment review on pages 26-31, is critical to the understanding of our operating results and business risks.

On September 24, 1999, we announced that our board of directors is evaluating alternative financing and structural options for the Technology Group (Tredegar Investments, Molecumetics and Therics). These options are still being studied.

Results of Operations

1999 versus 1998

Revenues. Net sales in 1999 increased by 17% over 1998 due primarily to acquisitions. Pro forma net sales were up 1.4% for the year ($863.7 million in 1999 versus $851.6 million in 1998) as higher pro forma sales in Aluminum Extrusions (up 4.5%) and higher R&D support revenues at Molecumetics were offset by lower pro forma sales in Film Products (down 1.9%). Pro forma sales assume that acquisitions occurred at the beginning of 1998 (see Note 2 on page 46). Net losses from venture capital investment activities totaled $7.1 million ($4.5 million after income taxes) in 1999. Net gains from venture capital investment activities totaled $615,000 ($394,000 after income taxes) in 1998.

Venture capital investment gains and losses recognized are included in "Other income (expense), net" in the consolidated statements of income on page 36 and "Venture capital investments" in the operating profit table on page 14. Beginning April 1, 1998, we began classifying the stand-alone operating expenses (primarily employee compensation and benefits and leased office space and equipment) for our venture capital investment activities with gains and losses in "Venture capital investments" in the operating profit table. Prior to that time they were classified in the "Other" category of the technology segment. These expenses, which continue to be reported in selling, general and administrative expenses in the consolidated statements of income, totaled $2.5 million in 1999, $2.1 million in 1998, $1.7 million for the nine months ended December 31, 1998, and $1 million in 1997.

For more information on net sales and venture capital investment activities, see the business segment review on pages 26-31.

Operating Costs and Expenses. The gross profit margin during 1999 remained unchanged at 21%, as a decline in the gross profit margin at Film Products was offset by an increase in margins at Aluminum Extrusions. Lower gross profit margins in Film Products were due mainly to lower volume and weakness in international markets. Higher margins in Aluminum Extrusions were due primarily to strong demand and higher volume.

Selling, general and administrative expenses ("SG&A") expenses in 1999 were $47.4 million, up from $39.5 million in 1998 due primarily to:

- The acquisition of Exxon Films (impact of approximately $4 million)
- A full year of SG&A for the aluminum extrusion plants acquired in Canada last year (impact of approximately $1.5 million)
- Increases in SG&A salaries and wages (up approximately 4%)

As a percentage of sales, SG&A expenses increased to 5.8% in 1999 compared with 5.6% in 1998.

R&D expenses increased to $22.3 million in 1999 from $14.5 million in 1998 due to the acquisition of Therics (impact of $4.5 million), higher spending at Molecumetics in support of collaboration programs (up $2.3 million) and higher product development spending at Film Products (up $1 million).

Unusual charges (net) in 1999 totaled $4.1 million ($2.6 million after income taxes) and included:

- A fourth-quarter charge of $149,000 ($95,000 after taxes) for costs associated with the evaluation of financing and structural options for the Technology Group
- A third-quarter gain of $712,000 ($456,000 after taxes) on the sale of corporate real estate (included in "Corporate expenses, net" in the operating profit table on page 14)
- A second-quarter charge of $3.5 million ($2.2 million after taxes) related to the write-off of in-process R&D expenses associated with the Therics acquisition (see page 5 for more information)
- A second-quarter charge of $1.2 million ($749,000 after taxes) for the write-off of excess packaging film capacity

For more information on costs and expenses, see the business segment review on pages 26-31.

Interest Income and Expense. Interest income, which is included in "Other income (expense), net" in the consolidated statements of income, decreased to $1.4 million in 1999 from $2.3 million in 1998 due to a lower average cash equivalents balance (see "Cash Flows" on page 23 for more information) and yields. The average tax-equivalent yield earned on cash equivalents was approximately 5.1% in 1999 and 5.6% in 1998. Our policy permits investment of excess cash in marketable securities that have the highest credit ratings and maturities of less than one year. The primary objectives of our policy are safety of principal and liquidity.

Interest expense increased to $9.1 million in 1999 from $1.3 million in 1998 due to higher average debt outstanding of $165.3 million ($143 million of average variable-rate debt and $22.3 million of average fixed-rate debt) in 1999 compared to $27.3 million in 1998 (all fixed-rate debt). The impact on interest expense of higher average debt (see "Cash Flows" on page 23 for more information) was partially offset by:

- Lower average interest cost of 6.2% in 1999 (6.1% average on variable-rate debt and 7.2% on fixed-rate debt) versus 7.2% in 1998 (all fixed-rate debt)
- Higher capitalized interest from higher capital expenditures ($1.6 million in 1999 versus $915,000 in 1998)

Income Taxes. The effective tax rate, excluding unusual items and venture capital investment activities, was approximately 35.5% in 1999 compared to 35% in 1998. The increase during 1999 was due to a higher effective state income tax rate and lower tax-exempt interest income, partially offset by a higher R&D tax credit from higher R&D expenses. See Note 15 on page 62 for additional tax rate information.

1998 versus 1997

Revenues. Net sales in 1998 increased by 20% over 1997 due primarily to acquisitions. Pro forma net sales were flat for the year as higher pro forma sales in Aluminum Extrusions (up 3%), higher collaboration revenues at Molecumetics and higher sales at Fiberlux were offset by lower sales in Film Products (down 4%). Net gains realized from venture capital investment activities totaled $615,000 ($394,000 after income taxes) in 1998 and $13.9 million ($8.9 million after income taxes) in 1997. For more information on net sales and venture capital investment activities, see the business segment review on pages 26-31.

Operating Costs and Expenses. The gross profit margin during 1998 decreased to 21% from 21.2% in 1997 due primarily to acquisitions in Aluminum Extrusions. The acquired businesses generally have lower margins than those realized in Film Products. Higher contract research revenues had a positive impact on margins.

SG&A expenses in 1998 were $39.5 million, up from $37 million in 1997 due to acquisitions, partially offset by lower charges for the savings restoration plan and higher pension income. As a percentage of sales, SG&A expenses declined to 5.6% in 1998 compared with 6.4% in 1997.

Research and development expenses increased to $14.5 million in 1998 from $13.2 million in 1997 due to higher spending at Molecumetics in support of collaboration programs. Research and development spending at Film Products in 1998 was about the same as 1997, with primary focus on breathable and elastomeric film technologies, which were commercialized in 1998.

Unusual income (net) in 1998 totaled $101,000 ($2.4 million after income tax benefits) and included:

- - A fourth-quarter charge of $664,000 ($425,000 after taxes) related to the shutdown of the powder-coat paint line at the aluminum extrusion facility in Newnan, Georgia
- - A first-quarter gain of $765,000 ($2.8 million after tax benefits) on the sale of APPX Software

Income taxes for continuing operations in 1998 include a tax benefit of $2 million related to the sale of APPX Software, reflecting a tax benefit for the excess of its income tax basis over its financial reporting basis.

For more information on costs and expenses, see the business segment review on pages 26-31.

Interest Income and Expense. Interest income decreased to $2.3 million in 1998 from $5 million in 1997 due to a lower average cash equivalents balance (see "Cash Flows" on page 23 for more information). The average tax-equivalent yield earned on cash equivalents was approximately 5.6% in 1998 and 5.7% in 1997.

Interest expense decreased to $1.3 million in 1998 from $2 million in 1997 due to higher capitalized interest from higher capital expenditures, the 1997 write-off of deferred financing costs related to the refinancing of our revolving credit facility, and lower average debt outstanding.

Income Taxes. The effective tax rate, excluding unusual items and venture capital investment activities, was approximately 35% in 1998 and 1997, as the impact of a decline in average tax-exempt investments was offset by a lower effective state income tax rate. See Note 15 on page 62 for additional tax rate information.

Discontinued Operations. Gains recognized in 1998 related to our discontinued coal operations include:

- - A third-quarter after-tax gain of $3.4 million for the reversal of an accrued liability established to cover future payments to the United Mine Workers of America Combined Benefit Fund (the "UMWA Fund")
- - A fourth-quarter after-tax gain of $1.2 million for the reimbursement of payments made by us to the UMWA Fund

We were relieved of any liability to the UMWA Fund as the result of a 1998 Supreme Court ruling.

Financial Condition

Assets

Total assets increased to $792.5 million at December 31, 1999, from $457.2 million at December 31, 1998, due mainly to:

- - The acquisition of Exxon Films on May 17, 1999 (total assets acquired of $210 million)
- - New venture capital investments ($77.8 million, net of proceeds from investments sold)
- - Higher receivables and inventories supporting manufacturing operations (up $15.4 million)
- - Capital expenditures in excess of depreciation and amortization($13.5 million)
- - An increase in unrealized appreciation from available-for-sale securities (up $10.9 million)
- - The acquisition of Therics on April 8, 1999 (total assets acquired of $10.1 million net of the in-process R&D write-off of $3.5 million)

Liabilities and Available Credit

Total liabilities were $420.3 million at December 31, 1999, up from $146.9 million at December 31, 1998, due primarily to:

- - Higher debt (net increase of $245 million - see "Cash Flows" on page 23 for more information)
- - Higher accounts payable primarily in support of manufacturing operations (up $11.4 million)
- - Liabilities assumed from the acquisition of Exxon Films ($5 million)
- - An increase in the deferred income tax liability of $8.3 million, including an increase due to higher unrealized appreciation from available-for-sale securities ($3.9 million)

Debt outstanding of $270 million at December 31, 1999, consisted of a $250 million term loan and a note payable with a remaining balance $20 million. We also have a revolving credit facility that permits borrowings of up to $275 million (no amounts borrowed at December 31, 1999). The facility matures on July 9, 2002, with an annual extension of one year permitted subject to the approval of participating banks. See Note 9 on page 54 for more information on debt and credit agreements.

Shareholders' Equity

At December 31, 1999, Tredegar had 37,661,140 shares of common stock outstanding and a total market capitalization of $779.1 million, compared with 36,660,751 shares outstanding and a total market capitalization of $824.9 million at December 31, 1998.

We did not purchase any shares of our common stock during 1999. During 1998, we purchased 1,667,054 shares of our common stock for $36.8 million ($22.06 per share). During 1997, we purchased 166,989 shares of our common stock for $2.5 million ($15.15 per share). Since becoming an independent company in 1989, we have purchased a total of 20.2 million shares, or 35% of our issued and outstanding common stock, for $115.5 million ($5.70 per share). Under a standing authorization from our board of directors, we may purchase an additional four million shares in the open market or in privately negotiated transactions at prices management deems appropriate.

Cash Flows

The reasons for the changes in cash and cash equivalents during 1999, 1998 and 1997, are summarized below:

	(In Millions) 1999	1998	1997
Cash and cash equivalents, beginning of year	$ 25.4	$120.1	$101.3
Cash provided by continuing operating activities in excess of capital expenditures and dividends	40.8	33.2	39.5
Cash used by discontinued operations	-	(1.9)	-
Proceeds from the exercise of stock options (including related income tax benefits realized by Tredegar)	7.4	6.2	4.8
Acquisitions (see Note 2 on page 46)	(215.2)	(60.9)	(13.5)
Repurchases of Tredegar common stock	-	(36.8)	(2.5)
New venture capital investments, net of proceeds from disposals (see Note 7 on page 51)	(77.8)	(29.9)	(5.7)
Other, net	.2	.4	1.2
Net increase (decrease) in borrowings	245.0	(5.0)	(5.0)
Net increase (decrease) in cash and cash equivalents	.4	(94.7)	18.8
Cash and cash equivalents, end of year	$ 25.8	$ 25.4	$120.1

Net cash provided by continuing operating activities in excess of capital expenditures and dividends increased $7.6 million in 1999 due primarily to higher cash flow from operating activities, partially offset by higher capital expenditures (up $11.2 million).

Capital expenditures in 1999 reflect the normal replacement of machinery and equipment and:

- Machinery and equipment purchased for the Hungary facility, which produces disposable films for hygiene products marketed in Eastern Europe
- Machinery and equipment purchased for the manufacture of breathable and elastomeric films (these films are replacing conventional diaper backsheet and other components in order to improve comfort and fit)
- Further expansion of diaper backsheet film capacity in Brazil
- Commercial production capacity for new film products
- Expenditures for the second phase of a modernization program at the aluminum extrusion plant in Newnan, Georgia (the first phase was completed in 1996)

Net cash provided by continuing operating activities in excess of capital expenditures and dividends decreased $6.3 million in 1998 due primarily to higher capital expenditures for manufacturing and research operations and higher dividends, partially offset by improved operating results. Cash used by discontinued operations of $1.9 million was due to the recapture of tax deductions previously taken on the UMWA Fund liability, partially offset by reimbursements received from the UMWA Fund.

Capital expenditures increased $11.4 million in 1998. Capital expenditures in 1998 reflect the normal replacement of machinery and equipment and:

- The new facility in Hungary
- Machinery and equipment purchased for the manufacture of breathable and elastomeric films
- Expansion of diaper backsheet film capacity in Brazil
- The second phase of a modernization program at the aluminum extrusion plant in Newnan, Georgia
- Expansion of Molecumetics' research lab in Bellevue, Washington

Net cash provided by continuing operating activities in excess of capital expenditures and dividends was $39.5 million in 1997, up from $18.1 million in 1996 due primarily to:

- Improved operating results
- Lower capital expenditures in Aluminum Extrusions due to the completion of the first phase of the modernization project at the Newnan plant in late 1996
- Lower capital expenditures due to the 1996 Molded Products and Brudi divestitures (Molded Products and Brudi had combined capital expenditures of $1.3 million in 1996)

These items were partially offset in 1997 by:

- Income taxes paid on venture capital investment net gains
- Higher capital expenditures in Film Products reflecting normal replacement of machinery and equipment and permeable film additions, including expansion into China and Eastern Europe

Quantitative and Qualitative Disclosures about Market Risk

Tredegar has exposure to the volatility of interest rates, polyethylene and polypropylene resin prices, aluminum ingot and scrap prices, foreign currencies, emerging markets and technology stocks. See Note 9 on page 54 regarding credit agreements and interest rate exposures.

Changes in resin prices, and the timing of those changes, could have a significant impact on profit margins in Film Products; however, those changes are generally followed by a corresponding change in selling prices. Profit margins in Aluminum Extrusions are sensitive to fluctuations in aluminum ingot and scrap prices but are also generally followed by a corresponding change in selling prices; however, there is no assurance that higher ingot costs can be passed along to customers.

In the normal course of business, we enter into fixed-price forward sales contracts with certain customers for the sale of fixed quantities of aluminum extrusions at scheduled intervals. In order to hedge our exposure to aluminum price volatility under these fixed-price arrangements, which generally have a duration of not more than 12 months, we enter into a combination of forward purchase commitments and futures contracts to acquire aluminum, based on the scheduled deliveries. See Note 6 on page 50 for more information.

We sell to customers in foreign markets through our foreign operations and through exports from U.S. plants. The percentage of sales, income and total assets related to foreign markets for 1999 and 1998 are presented below:

Tredegar Corporation
Percentage of Net Sales, Pretax Income and Total Assets Related to Foreign Markets

	1999					1998				
	% of Total Net Sales		% of Total Pretax Income*		% Total Assets -	% of Total Net Sales		% of Total Pretax Income*		% Total Assets -
	Exports From U.S.	Foreign Operations	Exports From U.S.	Foreign Operations	Foreign Operations	Exports From U.S.	Foreign Operations	Exports From U.S.	Foreign Operations	Foreign Operations
Canada	3	19	6	12	12	3	15	6	7	20
Europe	1	4	3	7	3	1	4	1	10	3
Latin America	3	2	7	3	2	3	4	4	5	4
Asia	4	1	5	2	1	4	-	6	(1)	1
Total % exposure to foreign markets	11	26	21	24	18	11	23	17	21	28

* The percentages of pretax income for foreign markets are relative to Tredegar's total pretax income from manufacturing and technology operations (consolidated pretax income from continuing operations excluding venture capital investment activities and unusual items).

We attempt to match the pricing and cost of our products in the same currency and generally view the volatility of foreign currencies and emerging markets, and the corresponding impact on earnings and cash flow, as part of the overall risk of operating in a global environment. Exports from the U.S. are generally denominated in U.S. Dollars. Our foreign operations in emerging markets have agreements with certain customers that index the pricing of our products to the U.S. Dollar, the German Mark or the Euro. Our foreign currency exposure on income from foreign operations in Europe primarily relates to the German Mark and the Euro. We believe that our exposure to the Canadian Dollar has been substantially neutralized by the U.S. Dollar-based spread (the difference between selling prices and aluminum costs) generated from Canadian casting operations and exports from Canada to the U.S. The acquisition of Exxon Films on May 17, 1999, has increased the proportion of assets located in the U.S. It has also increased the amount of operating profit earned in the U.S., partially offset by higher U.S. Dollar interest expense on higher debt related to the acquisition.

We have investments in private venture capital fund limited partnerships and early-stage technology companies, including the stock of privately-held companies and the restricted and unrestricted stock of companies that have recently registered shares in initial public offerings. The portfolio is subject to risks typically associated with investments in technology start-up companies, which include business failure, illiquidity and stock market volatility. Furthermore, publicly traded stocks of emerging, technology-based companies have higher volatility and risk than the U.S. stock market as a whole. See the business segment review on page 29 and Note 7 on page 51 for more information.

New Accounting Standards

The Financial Accounting Standards Board has issued a new standard affecting the accounting for derivative instruments and hedging activities. This standard is not expected to significantly change our operating results, financial condition or disclosures. The new standard will be adopted in the first quarter of 2001.

Business Segment Review

Film Products

Sales. Film Products sales increased by 19% in 1999 due to the acquisition of Exxon Films on May 17, 1999 (see Note 2 on page 46), partially offset by lower volume in existing operations. Lower volume from existing operations (down 4.6%) was due to:

- The transition to breathable and elastomeric films (these films are replacing conventional diaper backsheet and other diaper components in order to improve comfort and fit)
- Lower volume due to decline in the market share of a major customer
- Weakness in international markets (volume was down 3.7% for European operations and down 13.3% for Latin American operations)

On a pro forma basis (assuming the acquisition of Exxon Films occurred at the beginning of 1998), Film Products sales declined by almost 2% to $386 million in 1999 from $393 million in 1998.

Film Products sales decreased by 4% in 1998 due to lower selling prices reflecting lower average plastic resin costs and lower volume of plastic film in Asia (primarily supplied to P&G), partially offset by:

- Sales of breathable backsheet and other new products to P&G
- Higher volume of VisPore(R) film (primarily used for ground cover applications)
- Higher volume of permeable film supplied to P&G in Europe
- Higher sales to new customers

Operating Profit. Film Products operating profit (excluding unusual items) was $59.6 million in 1999, up from $53.8 million in 1998 due to the acquisition of Exxon Films, partially offset by lower profit from existing operations. Lower profit from existing operations (down $6.9 million or 12.8%) was due to:

- Lower volume from the transition to new products and lower customer market share as noted above
- Weakness in international markets (profits down $2.3 million for foreign operations), including a decline in profits in Brazil (down $2 million due primarily to the economic impact of the devaluation of the Real) and lower profits from European operations (down $2.8 million due mainly to lower volume and higher losses of $900,000 from start-up of the new plant in Hungary), partially offset by higher profits in China (up $2.6 million)
- Higher product development spending (up $1 million)

Tredegar expects that, by 2001, the annual ongoing benefits from synergies (cost reductions, efficiencies and technology enhancements expected from the integration of Exxon Films into existing operations) will range from $7 - $9 million.

Film Products operating profit was $53.8 million in 1998, up from $50.5 million in 1997 due to higher volume in the areas noted above and material efficiencies in nonwoven film laminates, partially offset by:

- - Lower volume and operating profits relating to Asia (profits down $3 million)
- - Higher costs related to new product introductions
- - Start-up costs for the new permeable film production sites in China and Hungary

Identifiable Assets. Identifiable assets in Film Products were $360.5 million in 1999, up from $132.2 million in 1998 due primarily to:

- - The acquisition of Exxon Films (assets acquired totaled $210 million, including goodwill of $115 million)
- - Higher receivables and inventories (up $9 million) reflecting primarily higher raw material costs from higher plastic resin prices at the end of the year
- - Capital expenditures in excess of depreciation and amortization ($6.5 million)

Identifiable assets in Film Products were $132.2 million in 1998, up from $123.6 million in 1997 due primarily to capital expenditures in excess of depreciation and amortization.

Depreciation, Amortization and Capital Expenditures. Depreciation and amortization for Film Products was $18.8 million in 1999, up from $12 million in 1998 due to the acquisition of Exxon Films. Depreciation and amortization for Film Products was $12 million in 1998, up from $10.9 million in 1997 due to higher capital expenditures.

Capital expenditures in Film Products in 1999 reflect the normal replacement of machinery and equipment and:

- - Machinery and equipment purchased for the Hungary facility, which produces disposable films for hygiene products marketed in Eastern Europe
- - Machinery and equipment purchased for the manufacture of breathable and elastomeric films
- - Further expansion of diaper backsheet film capacity in Brazil
- - Commercial production capacity for new products

Capital expenditures in Film Products for 1998 reflect the normal replacement of machinery and equipment and:

- - The new facility in Hungary
- - Machinery and equipment purchased for the manufacture of breathable and elastomeric films
- - Expansion of diaper backsheet film capacity in Brazil

Fiberlux

Fiberlux is currently not material to the consolidated results of operations.

Aluminum Extrusions

Sales. Sales in Aluminum Extrusions increased by 17% in 1999 due to acquisitions in 1998 (there were no acquisitions in Aluminum Extrusions in 1999 - see Note 2 on page 46) and higher volume from strong demand (see our market segments in the table on page 3), partially offset by lower average selling prices. Volume was up 10.6% on a comparable basis excluding acquisitions. Lower average selling prices (down about 6 cents per pound or 4%) were due primarily to lower average raw material (aluminum) costs. On a pro forma basis, assuming acquisitions in Aluminum Extrusions in 1997 and 1998 occurred at the beginning of 1997, sales increased by 4.5% in 1999.

Sales in Aluminum Extrusions increased by 48% in 1998 due to acquisitions and strength in all building and construction markets and higher sales to distributors. Pro forma sales in Aluminum Extrusions increased by 3% in 1998.

Operating Profit. Operating profit increased by 20% in 1999 due to higher volume and acquisitions as noted above. Operating results were adversely affected by press and furnace repairs and resulting downtime at the El Campo, Texas facility, and expenses and disruptions associated with the second phase of the press modernization project at the Newnan, Georgia plant (the first phase was completed in 1996).

Operating profit increased by 47% in 1998 due to higher volume, related lower unit conversion costs and acquisitions. Conversion costs were also reduced by an insurance recovery of $791,000 related to expenses incurred in 1997 for repairs to the casting furnaces at the Newnan, Georgia, plant.

Identifiable Assets. Identifiable assets in Aluminum Extrusions were $216.3 million in 1999, up from $201.5 million in 1998, due primarily to:

- - Capital expenditures in excess of depreciation and amortization ($6.9 million)
- - Higher accounts receivable (up $7 million) from higher sales in the fourth quarter of 1999 compared to the fourth quarter of 1998

Identifiable assets in Aluminum Extrusions were $201.5 million in 1998, up from $101.9 million in 1997, due to acquisitions (assets related to acquisitions in 1998 totaled $97 million, including goodwill of $13.1 million) and capital expenditures in excess of depreciation and amortization ($2 million).

Depreciation, Amortization and Capital Expenditures. Depreciation and amortization for Aluminum Extrusions was $9.5 million in 1999, up from $8.4 million in 1998 due to acquisitions. Depreciation and amortization for Aluminum Extrusions was $8.4 million in 1998, up from $5.5 million in 1997 due to acquisitions, partially offset by the full depreciation of certain assets in 1997.

Capital expenditures in 1999 and 1998 reflect the normal replacement of machinery and equipment, and expenditures for the second phase of the press modernization project at the Newnan plant. Total capital outlays for this project are expected to be $10 million, of which $6.2 million was spent in 1999 and $1.3 million was spent in 1998.

Technology

Revenues recognized to date for technology operating companies, Molecumetics and Therics (Therics was acquired on April 8, 1999), relate entirely to payments received for R&D support, including revenues of $7.8 million in 1999, $5.7 million in 1998 and $2.6 million in 1997. Operating losses (excluding unusual items) from technology operating companies increased by $5.2 million in 1999 due to the acquisition of Therics. R&D support revenues from collaboration arrangements increased at Molecumetics in 1999, but were offset by related higher R&D expenses. Operating losses at Molecumetics declined to $3.5 million in 1998 from $4.5 million in 1997 due to R&D support revenues from collaborations. See pages 3-6 for more information on Molecumetics and Therics.

Changes in Technology segment identifiable assets over the last three years are summarized below:

(In Millions)	1999	1998	1997
Technology segment identifiable assets, beginning of year	$ 66.3	$ 37.2	$ 10.7
Molecumetics:			
Capital expenditures, primarily expansion of its research lab in Bellevue, Washington	1.4	3.6	.4
Depreciation	(1.5)	(1.3)	(1.1)
Therics:			
Assets acquired (see Note 2 on page 46)	13.6	-	-
Write-off of in-process R&D (unusual item, see pages 5-6)	(3.5)	-	-
Capital expenditures	.8	-	-
Depreciation	(.5)	-	-
Amortization of intangibles	(.7)	-	-
Tredegar Investments (see Note 7 on page 51):			
New investments	81.7	35.4	20.8
Proceeds from the sale of investments	(3.9)	(5.5)	(15.1)
Realized gains	3.1	4.6	14.3
Realized losses, write-offs and write-downs	(7.7)	(2.3)	(.4)
Transfer of carrying value of Therics out of portfolio (acquired by Tredegar)	(3.4)	-	-
Increase (decrease) in unrealized gain on available-for-sale securities	10.9	(5.7)	7.8
Other (primarily increase in deferred income tax asset in 1999)	3.0	.3	(.2)
Net increase in Technology segment identifiable assets	93.3	29.1	26.5
Technology segment identifiable assets, end of year	$ 159.6	$ 66.3	$ 37.2

Tredegar Investments is our venture capital subsidiary. A schedule of investments is provided in Note 7 on page 51. Information on how we account for and value our venture capital investments is provided in Note 1 on page 41.

The appreciation (depreciation) in net asset value ("NAV") related to venture capital investment activities for the last three years is summarized below:

	(In Millions) 1999	1998	1997
Net realized gains, losses, writedowns and related operating expenses for venture capital investments reflected in consolidated statements of income (net of tax)	$ (4.5)	$ .4	$ 8.2
Change in unrealized appreciation of venture capital investments (net of tax)	41.4	(1.4)	4.0
Appreciation (depreciation) in net asset value related to venture capital investment activities	$ 36.9	$ (1.0)	$ 12.2

The substantial increase in the net asset value in 1999 was due to a strong market for technology investments, IPOs and mergers, especially in the fourth quarter of 1999, and further maturity of the companies in the portfolio. The following companies held directly in the portfolio, or held indirectly through our interests in other venture capital funds, accounted for more than half of the net asset value appreciation in 1999:

- Caliper Technologies Corporation, IPO ($4.4 million NAV appreciation in 1999)
- Monterey Networks, acquired by Cisco Systems through merger (indirectly held through our interest in Communications Ventures II, L.P.) ($4.4 million NAV appreciation in 1999)
- Digital Island, IPO (indirectly held through our interest in Vanguard V, L.P.) ($3.4 million NAV appreciation in 1999)
- Cobalt Networks, Inc., IPO (indirectly held through our interest in Vanguard V, L.P.) ($2.8 million NAV appreciation in 1999)
- V-Bits, Inc., acquired by Cisco Systems through merger ($2.7 million NAV appreciation in 1999)
- Superconductor Technologies, Inc. ($1 million NAV appreciation in 1999 on common stock equivalent basis)
- Lightspeed International, acquired by Cisco Systems through merger (indirectly held through our interest in Vanguard V, L.P.) ($1.3 million NAV appreciation in 1999)

Higher valuations (net of writedowns) of private securities in the portfolio (direct and indirect) accounted for most of the remaining appreciation in NAV. The cost basis, carrying value and net asset value of the venture capital portfolio is reconciled on the next page.

	(In Millions) December 31		
	1999	1998	1997
Cost basis of venture capital investments	$ 135.5	$ 60.6	$ 25.9
Writedowns taken on securities held (charged to earnings)	(7.8)	(2.7)	(.2)
Unrealized appreciation on public securities held by Tredegar (reflected directly in equity net of deferred income taxes)	13.0	2.1	7.8
Carrying value of venture capital investments reflected in the balance sheet	140.7	60.0	33.5
Unrealized appreciation in private securities held by Tredegar and in its indirect interest in all securities held by venture capital funds	64.7	10.8	7.3
Estimated fair value of venture capital investments	205.4	70.8	40.8
Estimated income taxes on assumed disposal at fair value	(25.2)	(3.7)	(5.4)
Estimated NAV of venture capital investments	$ 180.2	$ 67.1	$ 35.4

Our internal rate of return ("IRR") since inception in 1992 through December 31, 1999, is estimated at 51% (34% after income taxes), but is not necessarily indicative of the IRR that we will generate in the future. The pooled IRR for the venture capital industry reported by Venture Economics/Thomson Financial Securities Data ("Venture Economics") was 35.2% for the five years ended September 30, 1999, 20.8% for the 10 years ended September 30, 1999, and 16.3% for the 20 years ended September 30, 1999.

IRR is the discount rate that equates the net present value of investment cash inflows with investment cash outflows. The IRR is calculated as an annualized compounded rate of return using actual investment cash flows, modified to incorporate our share of the current valuation of unliquidated holdings and operating expenses (and taxes in case of the after-tax IRR). The pooled IRR for the venture capital industry was computed by Venture Economics from the combined cash flows and net asset values of all venture capital funds in their database as if the funds were one portfolio. These are pre-tax returns and computed on the same basis as Tredegar's pre-tax IRR. However, it is important to note that the predominant structure for private venture capital funds is the limited partnership, which, unlike corporations, is not subject to income taxes. As a result, the after-tax IRR for most private venture capital funds is equal to the funds' pre-tax IRR.

Our portfolio is subject to risks typically associated with investments in technology start-up companies, which include business failure, illiquidity and stock market volatility.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See the index on page 34 for references to the report of independent accountants, management's report on the financial statements, the consolidated financial statements and selected quarterly financial data.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF TREDEGAR

The information concerning directors and persons nominated to become directors of Tredegar included in the Proxy Statement under the heading "Election of Directors" is incorporated herein by reference.

The information included in the Proxy Statement under the heading "Stock Ownership" is incorporated herein by reference.

Set forth below are the names, ages and titles of our executive officers:

Name	Age	Title
John D. Gottwald	45	President and Chief Executive Officer
Douglas R. Monk	54	Executive Vice President and Chief Operating Officer
Norman A. Scher	62	Executive Vice President and Chief Financial Officer
D. Andrew Edwards	41	Vice President, Treasurer and Controller
Michael W. Giancaspro	44	Vice President, Corporate Development
Nancy M. Taylor	40	Vice President, General Counsel and Secretary

Except as described below, each of these officers has served in such capacity since July 10, 1989. Each will hold office until his successor is elected or until his earlier removal or resignation.

Douglas R. Monk. Mr. Monk was elected Executive Vice President and Chief Operating Officer on November 18, 1998, and is responsible for our manufacturing operations. Mr. Monk has served as a Vice President since August 29, 1994, and served as President of The William L. Bonnell Company, Inc. and Capitol Products Corporation since February 23, 1993. He also served as Director of Operations for our Aluminum Division.

D. Andrew Edwards. Mr. Edwards was elected Vice President on November 18, 1998. Mr. Edwards served as Controller from October 19, 1992, until May 22, 1997, when he was elected Treasurer and Controller.

Nancy M. Taylor. Ms. Taylor was elected Vice President on November 18, 1998. Ms. Taylor has served as General Counsel and Secretary since May 22, 1997. From February 25, 1994 until May 22, 1997, Ms. Taylor served as Corporate Counsel and Secretary. She served as Assistant General Counsel from September 1, 1991 until February 25, 1994.

Michael W. Giancaspro. Mr. Giancaspro served as Director of Corporate Planning from March 31, 1989, until February 27, 1992, when he was elected Vice President, Corporate Planning. On January 1, 1998, his position was changed to Vice President, Corporate Development. Mr. Giancaspro has submitted his resignation effective as of April 30, 2000.

Item 11. EXECUTIVE COMPENSATION

The information included in the Proxy Statement under the heading "Compensation of Executive Officers and Directors" is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL

OWNERS AND MANAGEMENT

The information included in the Proxy Statement under the heading "Stock Ownership" is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND

REPORTS ON FORM 8-K

(a) List of documents filed as a part of the report:

(1) Financial statements:

Tredegar Corporation

Index to Financial Statements and Supplementary Data

(2) Financial statement schedules:

None

(3) Exhibits:

See Exhibit Index on page 69.

(b) Reports on Form 8-K

We did not file or amend any reports on Form 8-K during the last quarter of the year ended December 31, 1999.

INDEPENDENT ACCOUNTANTS' AND MANAGEMENT'S REPORTS

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders
of Tredegar Corporation:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, cash flows and shareholders' equity present fairly, in all material respects, the financial position of Tredegar Corporation and Subsidiaries ("Tredegar") at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP
Richmond, Virginia

January 20, 2000

MANAGEMENT'S REPORT ON THE FINANCIAL STATEMENTS

Tredegar's management has prepared the financial statements and related notes appearing on pages 36-65 in conformity with generally accepted accounting principles. In so doing, management makes informed judgments and estimates of the expected effects of events and transactions. Financial data appearing elsewhere in this report are consistent with these financial statements.

Tredegar maintains a system of internal controls to provide reasonable, but not absolute, assurance of the reliability of the financial records and the protection of assets. The internal control system is supported by written policies and procedures, careful selection and training of qualified personnel and an extensive internal audit program.

These financial statements have been audited by PricewaterhouseCoopers LLP, independent accountants. Their audit was made in accordance with generally accepted auditing standards and included a review of Tredegar's internal accounting controls to the extent considered necessary to determine audit procedures.

The Audit Committee of the Board of Directors, composed of outside directors only, meets with management, internal auditors and the independent accountants to review accounting, auditing and financial reporting matters. The independent accountants are appointed by the Board on recommendation of the Audit Committee, subject to shareholder approval.

CONSOLIDATED STATEMENTS OF INCOME

Tredegar Corporation and Subsidiaries

Years Ended December 31	1999	1998	1997
(In thousands, except per-share amounts)			
Revenues:			
Net sales	$820,411	$ 699,796	$ 581,004
Other income (expense), net	(4,362)	4,015	17,015
Total	816,049	703,811	598,019
Costs and expenses:			
Cost of goods sold	648,254	553,184	457,896
Selling, general and administrative	47,357	39,493	37,035
Research and development	22,313	14,502	13,170
Amortization of intangibles	3,430	205	50
Interest	9,088	1,318	1,952
Unusual items	4,065	(101)	(2,250)
Total	734,507	608,601	507,853
Income from continuing operations before income taxes	81,542	95,210	90,166
Income taxes	28,894	31,054	31,720
Income from continuing operations	52,648	64,156	58,446
Income from discontinued operations	-	4,713	-
Net income	$ 52,648	$ 68,869	$ 58,446
Earnings per share:			
Basic:			
Continuing operations	$ 1.42	$ 1.77	$ 1.59
Discontinued operations	-	.13	-
Net income	$ 1.42	$ 1.90	$ 1.59
Diluted:			
Continuing operations	$ 1.36	$ 1.66	$ 1.48
Discontinued operations	-	.12	-
Net income	$ 1.36	$ 1.78	$ 1.48

See accompanying notes to financial statements.

CONSOLIDATED BALANCE SHEETS

Tredegar Corporation and Subsidiaries

December 31	1999	1998
(In thousands, except share amounts)		
Assets		
Current assets:		
Cash and cash equivalents	$ 25,752	$ 25,409
Accounts and notes receivable	121,820	94,341
Inventories	53,129	34,276
Deferred income taxes	11,230	8,762
Prepaid expenses and other	2,657	3,536
Total current assets	214,588	166,324
Property, plant and equipment, at cost:		
Land and land improvements	12,328	9,162
Buildings	62,466	51,633
Machinery and equipment	392,771	295,616
Total property, plant and equipment	467,565	356,411
Less accumulated depreciation	224,158	200,380
Net property, plant and equipment	243,407	156,031
Venture capital investments	140,698	60,024
Other assets and deferred charges	41,250	41,886
Goodwill and other intangibles	152,544	32,913
Total assets	$792,487	$ 457,178
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 61,476	$ 47,551
Accrued expenses	45,030	41,071
Income taxes payable	1,736	243
Total current liabilities	108,242	88,865
Long-term debt	270,000	25,000
Deferred income taxes	33,205	24,914
Other noncurrent liabilities	8,812	8,104
Total liabilities	420,259	146,883
Commitments and contingencies (Notes 7, 12 and 17)		
Shareholders' equity:		
Common stock (no par value):		
Authorized 150,000,000 shares;		
Issued and outstanding - 37,661,140 shares in 1999 and 36,660,751 in 1998	103,327	95,893
Common stock held in trust for savings restoration plan (53,871 shares in 1999 and 1998)	(1,212)	(1,212)
Accumulated other comprehensive income (loss):		
Unrealized gain on available-for-sale securities	8,330	1,376
Foreign currency translation adjustment	(1,672)	(2,519)
Retained earnings	263,455	216,757
Total shareholders' equity	372,228	310,295
Total liabilities and shareholders' equity	$792,487	$ 457,178

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Tredegar Corporation and Subsidiaries

Years Ended December 31	1999	1998	1997
(In thousands)			
Cash flows from operating activities:			
Net income from continuing operations	$52,648	$ 64,156	$58,446
Adjustments for noncash items:			
Depreciation	28,263	22,260	18,364
Amortization of intangibles	3,430	205	50
Write-off of in-process R&D acquired and other intangibles	3,725	-	7
Deferred income taxes	1,456	431	3,341
Accrued pension income and postretirement benefits	(2,904)	(3,931)	(2,975)
Loss (gain) on sale of venture capital investments	4,622	(2,267)	(13,880)
Loss (gain) on equipment writedowns and divestitures	458	(101)	(2,250)
Net cash used by discontinued operating activities	-	(1,910)	-
Changes in assets and liabilities, net of effects from acquisitions and divestitures:			
Accounts and notes receivable	(13,293)	(4,271)	(1,937)
Inventories	(2,120)	(4,035)	994
Income taxes recoverable and other prepaid expenses	1,059	1,263	280
Accounts payable and accrued expenses	15,547	665	8,010
Other, net	(871)	(1,691)	(2,130)
Net cash provided by operating activities	92,020	70,774	66,320
Cash flows from investing activities:			
Capital expenditures	(45,221)	(34,070)	(22,655)
Acquisitions (net of cash acquired of $1,097 in 1998; excludes equity issued of $11,219 in 1998)	(215,227)	(60,883)	(13,469)
Venture capital investments	(81,747)	(35,399)	(20,801)
Proceeds from the sale of venture capital investments	3,936	5,462	15,060
Proceeds from property disposals and divestitures	1,424	747	2,637
Other, net	(1,326)	(74)	(359)
Net cash used in investing activities	(338,161)	(124,217)	(39,587)
Cash flows from financing activities:			
Dividends paid	(5,950)	(5,404)	(4,181)
Net increase (decrease) in borrowings	245,000	(5,000)	(5,000)
Repurchases of Tredegar common stock	-	(36,774)	(2,531)
Tredegar common stock purchased by trust for savings restoration plan	-	(192)	(1,020)
Proceeds from exercise of stock options (including related income tax benefits realized)	7,434	6,157	4,803
Net cash provided by (used in) financing activities	246,484	(41,213)	(7,929)
Increase (decrease) in cash and cash equivalents	343	(94,656)	18,804
Cash and cash equivalents at beginning of period	25,409	120,065	101,261
Cash and cash equivalents at end of period	$25,752	$ 25,409	$120,065
Supplemental cash flow information:			
Interest payments (net of amount capitalized)	$ 5,554	$ 1,333	$ 1,968
Income tax payments, net	$24,367	$ 34,464	$24,485

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Tredegar Corporation and Subsidiaries

	Common Stock Shares	Common Stock Amount	Retained Earnings	Trust for Savings Restoration Plan	Accumulated Other Comprehensive Income (Loss): Unrealized Gain on Available-for-Sale Securities	Accumulated Other Comprehensive Income (Loss): Foreign Currency Translation	Total Shareholders' Equity
(In thousands, except share and per-share data)							
Balance December 31, 1996	36,714,159	$113,019	$ 99,027	$ -	$ -	$ 499	$212,545
Comprehensive income:							
Net income	-	-	58,446	-	-	-	58,446
Other comprehensive income (loss):							
Available-for-sale securities adjustment, net of reclassification adjustment (net of tax provision of $2,824)	-	-	-	-	5,020	-	5,020
Foreign currency translation adjustment (net of tax benefit of $289)	-	-	-	-	-	(536)	(536)
Comprehensive income							62,930
Cash dividends declared ($.113 per share)	-	-	(4,181)	-	-	-	(4,181)
Repurchases of Tredegar common stock	(166,989)	(2,531)	-	-	-	-	(2,531)
Issued upon exercise of stock options (including related income tax benefits realized by Tredegar of $2,042)	566,565	4,803	-	-	-	-	4,803
Tredegar common stock purchased by trust for savings restoration plan	-	-	-	(1,020)	-	-	(1,020)
Balance December 31, 1997	37,113,735	115,291	153,292	(1,020)	5,020	(37)	272,546
Comprehensive income:							
Net income	-	-	68,869	-	-	-	68,869
Other comprehensive loss:							
Available-for-sale securities adjustment, net of reclassification adjustment (net of tax benefit of $2,049)	-	-	-	-	(3,644)	-	(3,644)
Foreign currency translation adjustment (net of tax benefit of $1,336)	-	-	-	-	-	(2,482)	(2,482)
Comprehensive income							62,743
Cash dividends declared ($.15 per share)	-	-	(5,404)	-	-	-	(5,404)
Shares issued for acquisition	380,172	11,219	-	-	-	-	11,219
Repurchases of Tredegar common stock	(1,667,054)	(36,774)	-	-	-	-	(36,774)
Issued upon exercise of stock options (including related income tax benefits realized by Tredegar of $2,521)	833,898	6,157	-	-	-	-	6,157
Tredegar common stock purchased by trust for savings restoration plan	-	-	-	(192)	-	-	(192)
Balance December 31, 1998	36,660,751	95,893	216,757	(1,212)	1,376	(2,519)	310,295
Comprehensive income:							
Net income	-	-	52,648	-	-	-	52,648
Other comprehensive income:							
Available-for-sale securities adjustment, net of reclassification adjustment (net of tax benefit of $3,911)	-	-	-	-	6,954	-	6,954
Foreign currency translation adjustment (net of tax benefit of $466)	-	-	-	-	-	847	847
Comprehensive income							60,449
Cash dividends declared ($.16 per share)	-	-	(5,950)	-	-	-	(5,950)
Issued upon exercise of stock options (including related income tax benefits realized by Tredegar of $3,007)	1,000,389	7,434	-	-	-	-	7,434
Balance December 31, 1999	37,661,140	$103,327	$263,455	$ (1,212)	$ 8,330	$ (1,672)	$372,228

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Tredegar Corporation and Subsidiaries
(In thousands, except Tredegar share and per-share amounts and unless otherwise stated)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations. Tredegar Corporation and subsidiaries ("Tredegar") is engaged in the manufacture of plastic films, vinyl extrusions and aluminum extrusions. We also have interests in a variety of technology-based businesses. For more information on our products, principal markets and customers, see the "Description of Business" on pages 1-7 and the segment tables on pages 13-17.

During 1997-1999, we made several acquisitions (see Note 2).

Basis of Presentation. The consolidated financial statements include the accounts and operations of Tredegar and all of its subsidiaries. Intercompany accounts and transactions within Tredegar have been eliminated. Certain previously reported amounts have been reclassified to conform to the 1999 presentation.

On May 20, 1998, we declared a three-for-one stock split payable on July 1, 1998, to shareholders of record on June 15, 1998. All historical references to shares, per-share amounts, stock option data and market prices of our common stock have been restated to reflect the split.

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

The Financial Accounting Standards Board has issued a new standard affecting the accounting for derivative instruments and hedging activities. This standard is not expected to significantly change our operating results, financial condition or disclosures. The new standard will be adopted in the first quarter of 2001.

Revenue Recognition. Revenue from the sale of products is recognized when title and risk of loss have transferred to the buyer, which is when the product is shipped.

Contract research revenue from collaboration agreements with our technology operating companies (Molecumetics and Therics) is accounted for under the percentage-of-completion method. Under the percentage-of-completion method, contract research support payments received in advance are recorded as deferred revenue and recognized as revenue only after the services to which they relate have been performed. The application of this revenue recognition method is dependent on the contractual arrangement of each agreement. Accordingly, revenue is recognized on the proportional achievement of deliveries against a compound delivery schedule or as development labor is expended against a total research and development labor plan, as appropriate. A contract is considered substantially complete when the remaining costs and potential risks associated with that contract are insignificant in amount. There is little or no profit generated from contract research support programs. At December 31, 1999, no contractually-defined milestones had been achieved and there were no licensed products. Accordingly, no milestone-driven revenue or royalties have been recognized.

Cash and Cash Equivalents. Cash and cash equivalents consist of cash on hand in excess of daily operating requirements and highly liquid investments with maturities of three months or less when purchased. At December 31, 1999 and 1998, Tredegar had approximately $25,000 invested in securities with maturities of two months or less.

Our policy permits investment of excess cash in marketable securities that have the highest credit ratings and maturities of less than one year. The primary objectives of the policy are safety of principal and liquidity.

Inventories. Inventories are stated at the lower of cost or market, with cost principally determined on the last-in, first-out ("LIFO") basis. Other inventories are stated on either the weighted average cost or the first-in, first-out basis. Cost elements included in work-in-process and finished goods inventories are raw materials, direct labor and manufacturing overhead.

Aluminum Forward Sales, Purchase and Futures Contracts. In the normal course of business, we enter into a combination of forward purchase commitments and futures contracts to acquire aluminum. Gains and losses on these contracts are designated and effective as hedges of aluminum price and margin exposure on forward sales contracts and, accordingly, are recorded as adjustments to the cost of inventory (see Note 6).

Property, Plant and Equipment. Accounts include costs of assets constructed or purchased, related delivery and installation costs and interest incurred on significant capital projects during their construction periods. Expenditures for renewals and betterments also are capitalized, but expenditures for repairs and maintenance are expensed as incurred. The cost and accumulated depreciation applicable to assets retired or sold are removed from the respective accounts, and gains or losses thereon are included in income.

Property, plant and equipment includes capitalized interest of $1,550 in 1999, $915 in 1998 and $751 in 1997.

Depreciation is computed primarily by the straight-line method based on the estimated useful lives of the assets.

Investments. We have investments in private venture capital fund limited partnerships and early-stage technology companies, including the stock of privately held companies and the restricted and unrestricted stock of companies that have recently registered shares in initial public offerings. These investments individually represent ownership interests of less than 20%.

Beginning in 1997, the securities of public companies held by us (common stock listed on Nasdaq) are classified as available-for-sale and stated at fair value, with unrealized holding gains or losses excluded from earnings and reported net of deferred income taxes in a separate component of shareholders' equity until realized. Prior to 1997, such securities were stated at the lower of cost or fair value, and the differences were immaterial. The securities of private companies held by us (primarily convertible preferred stock) are accounted for at the lower of cost or estimated fair value. Ownership interests of less than or equal to 5% in private venture capital funds are accounted for at the lower of cost or estimated fair value, while ownership interests in excess of 5% in such funds are accounted for under the equity method.

We write-down or write-off an investment and recognize a loss when events indicate that the investment is permanently impaired. For private securities and ownership interests in private venture capital funds, permanent impairment is deemed to exist whenever the estimated fair value at quarterly valuation dates is below carrying value. For available-for-sale securities, permanent impairment is deemed to exist if analyst reports or other information on the company indicates that recovery of value above cost basis is unlikely within several quarters.

The fair value of securities of public companies is determined based on closing price quotations, subject to estimated restricted stock discounts. Restricted securities are securities for which an agreement exists not to sell shares for a specified period of time, usually 180 days. Also included within the category of restricted securities are unregistered securities, the sale of which must comply with an exemption to the Securities Act of 1933 (usually SEC Rule 144). These unregistered securities are either the same class of stock that is registered and publicly traded or are convertible into a class of stock that is registered and publicly traded. Restricted issues of the same class of stock that is publicly traded are classified as available-for-sale securities if the securities can be reasonably expected to qualify for sale within one year. We estimate discounts to apply to restricted stock based on the circumstances surrounding each security, including the restriction period, the average trading volume of the security relative to our holdings and the discount applied by other venture capital funds with similar restrictions, if known.

We estimate the fair value of securities of private companies using purchase cost, prices of recent significant private placements of securities of the same issuer, changes in financial condition and prospects of the issuer, and estimates of liquidation value. The fair value of ownership interests in private venture capital funds is based on our estimate of our distributable share of fund net assets using, among other information:

- The general partners' estimate of the fair value of nonmarketable securities held by the funds (which is usually the indicative value from the latest round of financing or a reduced amount if events subsequent to the financing imply a lower valuation)
- Closing bid prices of publicly traded securities held by the funds, subject to estimated restricted stock discounts
- Fund formulas for allocating profits, losses and distributions

The limited partnership agreements for each venture capital fund that we participate in are similar. Generally, 80% of the capital transaction gain or loss and net income or loss is allocated to all partners in proportion to their respective total capital contributions. The remaining 20% is allocated to the general partner. Should the allocation of losses lead to a negative balance in the capital account of the general partner, the amount of loss necessary to bring the general partner's capital account to zero is reallocated to limited partners. If the capital accounts of the limited partners include reallocated loss from the general partner, the 20% share of capital transaction gains allocable to the general partner is first applied to the limited partners until the loss is restored in the ratio of 99:1 in favor of the limited partners. The remaining reallocated capital transaction gains or net income or loss, if any, are allocated to the general partner and limited partners according to their normal allocation percentages.

Because of the inherent uncertainty associated with the valuations of restricted securities or securities for which there is no public market, estimates of fair value may differ significantly from the values that would have been used had a ready market for the securities existed. The portfolio is subject to risks typically associated with investments in technology start-up companies, which include business failure, illiquidity and stock market volatility. Furthermore, publicly traded stocks of emerging, technology-based companies usually have higher volatility and risk than the U.S. stock market as a whole.

Gains and losses recognized are included in "Other income (expense), net" in the consolidated statements of income on page 36 and "Venture capital investments" in the operating profit table on page 48. Beginning April 1, 1998, we began classifying the stand-alone operating expenses (primarily employee compensation and benefits and leased office space and equipment) for our venture capital investment activities with gains and losses in "Venture capital investments" in the operating profit table. Prior to that time they were classified in the "Other" category of the technology segment. These expenses, which continue to be reported in selling, general and administrative expenses in the consolidated statements of income, totaled $2,457 in 1999, $2,073 in 1998, $1,651 for the nine months ended December 31, 1998, and $1,033 in 1997.

Goodwill and Other Intangibles. The components of goodwill and other intangibles at December 31, 1999 and 1998, and related amortization periods are as follows:

December 31	1999	1998	Amortization Periods
Goodwill at acquisition date related to:			
The acquisition of the assets of the plastic films business of Exxon Chemical Company (May 17, 1999)	$115,243	$ -	30 years
The acquisition of the assets of Therics, Inc. (April 8, 1999)	4,908	-	10 years
The acquisition of Exal Aluminum Inc. (June 11, 1998)	13,074	13,074	40 years
Acquisitions prior to November 1, 1970, and relating to Aluminum Extrusions	19,484	19,484	Not amortized
Other Therics intangibles at acquisition date:			
In-process R&D	3,458	-	Immediate write-off
Tradename	2,236	-	10 years
Workforce	881	-	5 years
Other (primarily patent rights and licenses acquired)	603	810	No more than 17 yrs.
Total	159,887	33,368	
Accumulated amortization and in-process R&D write-off	(7,343)	(455)	
Net	$152,544	$32,913	

We evaluate the periods of amortization continually to determine whether events and circumstances warrant revised estimates of useful lives.

Impairment of Long-Lived Assets. We review long-lived tangible and intangible assets for possible impairment on a quarterly basis. For assets to be held and used in operations, if events indicate that an asset may be impaired, we estimate the future unlevered cash flows expected to result from the use of the asset and its eventual disposition. Assets (including intangibles) are grouped for this purpose at the lowest level for which there are identifiable and independent cash flows. If the sum of these undiscounted cash flows is less than the carrying amount of the asset, an impairment loss is recognized. Measurement of the impairment loss is based on the estimated fair value of the asset.

Assets to be disposed of are reported at the lower of their carrying amount or estimated fair value less cost to sell, with an impairment loss recognized for any write-downs required.

Pension Costs and Postretirement Benefit Costs Other Than Pensions. Pension costs and postretirement benefit costs other than pensions are accrued over the period employees provide service to the company. Our policy is to fund our pension plans at amounts not less than the minimum requirements of the Employee Retirement Income Security Act of 1974 and to fund postretirement benefits other than pensions when claims are incurred.

Postemployment Benefits. We periodically provide certain postemployment benefits purely on a discretionary basis. Related costs for these programs are accrued when it is probable that benefits will be paid. All other postemployment benefits are either accrued under current benefit plans or are not material to our financial position or results of operations.

Income Taxes. Income taxes are recognized during the period in which transactions enter into the determination of income for financial reporting purposes, with deferred income taxes being provided at enacted statutory tax rates on the differences between the financial reporting and tax bases of assets and liabilities (see Note 15). We accrue U.S. federal income taxes on undistributed earnings of our foreign subsidiaries.

Foreign Currency Translation. The financial statements of foreign subsidiaries, where the local currency is the functional currency, are translated into U.S. Dollars using exchange rates in effect at the period end for assets and liabilities and average exchange rates during each reporting period for results of operations. Adjustments resulting from the translation of these financial statements are reflected as a separate component of shareholders' equity.

The financial statements of foreign subsidiaries where the U.S. Dollar is the functional currency, and which have certain transactions in a local currency, are remeasured as if the functional currency were the U.S. Dollar. The remeasurement of local currencies into U.S. Dollars creates translation adjustments which are included in income.

Transaction and remeasurement exchange gains or losses included in income were not material in 1999, 1998 and 1997.

Earnings Per Share. Basic earnings per share is computed using the weighted average number of shares of common stock outstanding. Diluted earnings per share is computed using the weighted average common and potentially dilutive common equivalent shares outstanding, determined as follows:

	1999	1998	1997
Weighted average shares outstanding used to compute basic earnings per share	36,991,974	36,286,476	36,862,917
Incremental shares issuable upon the assumed exercise of stock options	1,747,504	2,383,147	2,672,469
Shares used to compute diluted earnings per share	38,739,478	38,669,623	39,535,386

Incremental shares issuable upon the assumed exercise of outstanding stock options are computed using the average market price during the related period.

Stock Options. Stock options, stock appreciation rights ("SARs") and restricted stock grants are accounted for under APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations whereby:

- No compensation cost is recognized for fixed stock option or restricted stock grants unless the quoted market price of the stock at the measurement date (ordinarily the date of grant or award) is in excess of the amount the employee is required to pay
- Compensation cost for SARs is recognized and adjusted up through the date of exercise or forfeiture based on the estimated number of SARs expected to be exercised multiplied by the difference between the market price of our stock and the amount the employee is required to pay

The company provides additional pro forma disclosures of the fair value based method (see Note 11).

Comprehensive Income. Comprehensive income, which is included in the consolidated statement of shareholders' equity, is defined as net income and other comprehensive income. Other comprehensive income includes changes in unrealized gains and losses on available-for-sale securities and foreign currency translation adjustments recorded net of deferred income taxes directly in shareholders' equity.

The available-for-sale securities adjustment included in the consolidated statement of shareholders' equity is comprised of the following components:

	1999	1998	1997
Available-for-sale securities adjustment:			
Unrealized net holding gains (losses) arising during the period	$ 12,295	$ (3,426)	$ 21,724
Income taxes	(4,426)	1,233	(7,822)
Reclassification adjustment for net losses (gains) realized in income	(1,429)	(2,267)	(13,880)
Income taxes	514	816	4,998
Available-for-sale securities adjustment	$ 6,954	$ (3,644)	$ 5,020

2 ACQUISITIONS

On May 17, 1999, Tredegar acquired the assets of Exxon Chemical Company's plastic films business ("Exxon Films") for cash consideration of approximately $205,007 (including transaction costs). The acquisition was funded with borrowings under our revolving credit facility, and has since been refinanced by our new term loan (see Note 9). The asset-purchase structure, unlike a stock-purchase transaction, allows Tredegar to deduct for tax purposes over time the full value of depreciable fixed assets and intangibles (goodwill).

In addition to Exxon Films, Tredegar acquired:

- The assets of Therics, Inc. ("Therics") on April 8, 1999
- The stock of Canadian-based Exal Aluminum Inc. ("Exal") on June 11, 1998
- Two Canadian-based aluminum extrusion and fabrication plants from Reynolds Metals Company ("Reynolds") on February 6, 1998
- An aluminum extrusion and fabrication plant in El Campo, Texas, from Reynolds on May 30, 1997

The assets of Therics were acquired for cash consideration of $13,600 (including transaction costs). Before the acquisition, Tredegar owned approximately 19% of Therics. Upon the final liquidation of the former Therics, Tredegar will have paid approximately $10,220 to effectively acquire the remaining 81% ownership interest. Tredegar recognized a nonrecurring charge of $3,458 (classified in unusual items in the consolidated statements of income) in the second quarter of 1999 related to the write-off of acquired in-process R&D (see more information on pages 5-6).

Exal was acquired for $44,106 (including transaction costs), which was comprised of:

- Cash consideration of $32,887 ($31,790 net of cash acquired)
- 380,172 shares of Class I non-voting preferred shares of Tredegar's Bon L Canada subsidiary (the "Class I Shares")

The Class I Shares are exchangeable into shares of Tredegar common stock on a one-for-one basis. Each Class I Share is economically equivalent to one share of Tredegar common stock and accordingly accounted for in the same manner.

The aluminum extrusion plants acquired in the Exal transaction are located in Pickering, Ontario and Aurora, Ontario. Both facilities manufacture extrusions for distribution, transportation, electrical, machinery and equipment, and building and construction markets. The Pickering facility also produces aluminum logs and billet for internal use and for sale to customers.

The two Canadian-based aluminum extrusion and fabrication plants were acquired from Reynolds for cash consideration of $29,093 (including transaction costs). The plants are located in Ste-Therese, Quebec, and Richmond Hill, Ontario. Both facilities manufacture products used primarily in building and construction, transportation, electrical, machinery and equipment, and consumer durables markets.

The aluminum extrusion and fabrication plant in El Campo, Texas, was acquired from Reynolds for cash consideration of $13,469 (including transaction costs). The El Campo facility extrudes and fabricates products used primarily in transportation, electrical and consumer durables markets.

Detailed pro forma financial information for these acquisitions was included in our Form 8-K/As filed on June 25, 1999, and August 19, 1998. Selected 1999 and 1998 historical and pro forma financial information for Tredegar is as follows (assumes the acquisitions occurred at the beginning of 1998):

Selected Historical and Pro Forma Financial Information

	Historical		Pro Forma (Unaudited)	
	1999	1998	1999	1998
Net sales	$820,411	$699,796	$863,706	$851,631
Income from continuing operations	52,648	64,156	51,323	56,332
Diluted earnings per share from continuing operations	1.36	1.66	1.32	1.45

These acquisitions were accounted for using the purchase method. No goodwill arose from the acquisitions of the former Reynolds plants since the estimated fair value of the identifiable net assets acquired equaled the purchase price. Goodwill (the excess of the purchase price over the estimated fair value of identifiable net assets acquired) and identifiable intangibles arising from the acquisitions of Exxon Films, Therics and Exal are summarized in Note 1. The operating results for the acquired business have been included in the consolidated statements of income since the dates acquired.

3 BUSINESS SEGMENTS

Information by business segment and geographic area for the last three years is provided in the tables below. There are no accounting transactions between segments and no allocations to segments.

	Net Sales 1999	Net Sales 1998	Net Sales 1997	Operating Profit 1999	Operating Profit 1998	Operating Profit 1997
Film Products:						
Ongoing operations	$342,300	$ 286,965	$298,862	$59,554	$ 53,786	$50,463
Unusual items *	-	-	-	(1,170)	-	-
	342,300	286,965	298,862	58,384	53,786	50,463
Fiberlux	9,092	11,629	10,596	57	1,433	845
Aluminum Extrusions:						
Ongoing operations	461,241	395,455	266,585	56,501	47,091	32,057
Unusual items *	-	-	-	-	(664)	-
	461,241	395,455	266,585	56,501	46,427	32,057
Technology:						
Molecumetics	7,617	5,718	2,583	(3,421)	(3,504)	(4,488)
Therics	161	-	-	(5,235)	-	-
Venture capital investments	-	-	-	(7,079)	615	13,880
Other	-	29	2,378	-	(428)	(267)
Unusual items *	-	-	-	(3,607)	765	-
	7,778	5,747	4,961	(19,342)	(2,552)	9,125
Divested operations - unusual item *	-	-	-	-	-	2,250
Total	$820,411	$ 699,796	$581,004	95,600	99,094	94,740
Interest income				1,419	2,279	4,959
Interest expense				9,088	1,318	1,952
Corp. exp., net *				6,389	4,845	7,581
Income from continuing oper. before income taxes				81,542	95,210	90,166
Income taxes *				28,894	31,054	31,720
Income from continuing oper.				52,648	64,156	58,446
Income from discont. Energy segment oper. *				-	4,713	-
Net income				$52,648	$ 68,869	$ 58,446

* See Note 16 for more information on unusual items, and Note 18 for more information on divested and discontinued operations.

December 31	Identifiable Assets 1999	1998	1997
Film Products	$360,517	$ 132,241	$ 123,613
Fiberlux	7,859	7,811	6,886
Aluminum Extrusions	216,258	201,518	101,855
Technology:			
Molecumetics	4,749	5,196	2,550
Therics	9,905	-	-
Investments and other	145,028	61,098	34,611
Subtotal	744,316	407,864	269,515
General corporate	22,419	23,905	21,357
Cash and cash equivalents	25,752	25,409	120,065
Total	$792,487	$ 457,178	$ 410,937

	Depreciation and Amortization			Capital Expenditures		
	1999	1998	1997	1999	1998	1997
Film Products	$18,751	$ 11,993	$ 10,947	$25,296	$ 18,456	$15,354
Fiberlux	498	544	515	812	1,477	530
Aluminum Extrusions	9,484	8,393	5,508	16,388	10,407	6,372
Technology:						
Molecumetics	1,490	1,260	996	1,362	3,561	366
Therics	1,195	-	-	757	-	-
Investments and other	22	21	135	-	54	5
Subtotal	31,440	22,211	18,101	44,615	33,955	22,627
General corporate	253	254	313	606	115	28
Total	$31,693	$ 22,465	$ 18,414	$45,221	$ 34,070	$22,655

	Net Sales by Geographic Area 1999	1998	1997
United States	$528,243	$460,330	$437,634
Exports from the United States to:			
Canada	25,365	23,393	22,687
Latin America	23,453	19,764	18,423
Europe	8,815	4,116	2,992
Asia	30,156	30,548	41,012
Foreign operations:			
Canada	152,379	104,189	-
Europe	29,588	31,150	29,629
Latin America	18,054	24,785	28,627
Asia	4,358	1,521	-
Total	$820,411	$699,796	$581,004

December 31	Identifiable Assets by Geographic Area 1999	1998	1997
United States	$605,659	$282,332	$240,248
Canada	96,786	92,829	-
Europe	22,349	12,781	8,118
Latin America	14,421	15,084	17,127
Asia	5,101	4,838	4,022
General corporate	22,419	23,905	21,357
Cash and cash equivalents	25,752	25,409	120,065
Total	$792,487	$457,178	$410,937

4 ACCOUNTS AND NOTES RECEIVABLE

Accounts and notes receivable consist of the following:

December 31	1999	1998
Trade, less allowance for doubtful accounts and sales returns of $4,046 in 1999 and $3,699 in 1998	$118,643	$ 90,761
Other	3,177	3,580
Total	$121,820	$ 94,341

5 INVENTORIES

Inventories consist of the following:

December 31	1999	1998
Finished goods	$ 9,928	$ 4,805
Work-in-process	4,322	3,751
Raw materials	29,174	17,690
Stores, supplies and other	9,705	8,030
Total	$ 53,129	$ 34,276

Inventories stated on the LIFO basis amounted to $28,826 at December 31, 1999 and $13,701 at December 31, 1998, which are below replacement costs by approximately $14,857 at December 31, 1999 and $9,678 at December 31, 1998.

6 ALUMINUM FORWARD SALES, PURCHASE AND FUTURES CONTRACTS

In the normal course of business, we enter into fixed-price forward sales contracts with certain customers for the sale of fixed quantities of aluminum extrusions at scheduled intervals. In order to hedge our exposure to aluminum price volatility under these fixed-price arrangements, which generally have a duration of not more than 12 months, we enter into a combination of forward purchase commitments and futures contracts to acquire aluminum, based on the scheduled deliveries. These contracts involve elements of credit and market risk that are not reflected on our balance sheet, including the risk of dealing with counterparties and their ability to meet the terms of the contracts. The counterparties to the company's forward purchase commitments are major aluminum brokers and suppliers, and the counterparties to the company's futures contracts are major financial institutions. Fixed-price forward sales contracts are only made available to our best and most credit-worthy customers.

The off-balance sheet asset or liability at December 31, 1999 and 1998, relating to the forward purchase commitments and futures contracts (which was substantially offset by an unrealized loss or gain on the related fixed-price forward sales contracts) consist of the following:

December 31	1999	1998
Millions of pounds of aluminum under forward purchase commitments and futures contracts	34.6	60.8
Weighted average market price of aluminum (cents per pound):		
At date of contracts	72.3	66.1
At end of year	78.7	59.9
Off-balance sheet asset (liability) on forward purchase commitments and futures contracts (in thousands)	$ 2,214	$ (3,770)

7 INVESTMENTS

A summary of our venture capital investment activities is provided below:

	1999	1998	1997
Carrying value of venture capital investments, beginning of period	$ 60,024	$33,513	$6,048
Venture capital investment activity for period (pre-tax amounts):			
New investments	81,747	35,399	20,801
Proceeds from the sale of investments	(3,936)	(5,462)	(15,060)
Realized gains	3,112	4,582	14,309
Realized losses, write-offs and write-downs	(7,734)	(2,315)	(429)
Transfer of carrying value of Therics out of portfolio (acquired by Tredegar)	(3,380)	-	-
Increase (decrease) in net unrealized gain on available-for-sale securities	10,865	(5,693)	7,844
Carrying value of venture capital investments, end of period	$ 140,698	$60,024	$33,513

Our remaining unfunded commitments to private venture capital funds totaled approximately $30,000 at December 31, 1999, which we expect to fund over the next two years.

A schedule of investments is provided on the next two pages.

Tredegar Corporation

Schedule of Investments at December 31, 1999 and 1998
(In Thousands, Except Per-Share Amounts)

Investment	Symbol	Yrs. Held (a)	Description	Web Site (www.)
Securities of Public Companies Held:				
Cisco Systems (d)	CSCO	.3	Networking for the Internet	cisco.com
Caliper Technologies Corp.(e)	CALP	2.6	Lab on a chip	calipertech.com
Superconductor Tech, Inc.(f)	SCON	.5	Manufactures filters for wireless networks	suptech.com
Eclipse Surgical Tech., Inc.(g)	ESTI	5.6	Coronary revascularization	eclipsesurg.com
InterVU, Inc.	ITVU	1.2	Service provider of Internet and audio delivery solutions	intervu.com
3D Labs, Inc.	TDDD	2.7	2D/3D graphics acceleration hardware and software	
CardioGenesis Corporation (g)			Coronary revascularization	
Total securities of public companies held				
Securities of Private Companies Held:				
CyroGen		4.3	Micro-cryogenic catheters for medical applications	cyrogen-inc.com
Sensitech Inc.		2.8	Perishable product management solutions	sensitech.com
Rosetta Inpharmatics, Inc.		2.6	Gene function/drug screening on a chip	rii.com
Bell Geospace		2.5	Presentation of 3D data to the oil & gas industry	bellgeo.com
Songbird Medical, Inc.		2.4	Disposable hearing aids	
RedCreek Communications		2.4	Internet and intranet security	redcreek.com
Appliant, Inc.		2.2	Software tools for managing executable software	appliant.com
Ellipsys Technologies, Inc.		2.2	Telephone system error detection	ellipsystech.com
HemoSense		2.1	Point of care blood coagulation time test device	hemosense.com
Moai Technologies, Inc.		2.0	System for holding auctions on the Internet	moai.com
Eprise Corporation		2.0	Web site maintenance & development tool	eprise.com
Vascular Solutions		2.0	Vascular access site closure system	vascularsolutions.com
Babycare, Ltd.		1.9	Direct retailing of baby care products in China	
SignalSoft Corporation		1.8	Wireless caller location detection software	signalsoftcorp.com
EPiCON		1.8	Network software manager	epicon.com
NovaLux, Inc.		1.6	Blue-green light lasers	novalux.com
IRSI		1.6	Optical inspection systems	irsinc.com
Xycte Therapies, Inc.		1.4	Develops drugs to treat cancer & other disorders	xcytetherapies.com
Illumina, Inc.		1.1	Fiber optic sensor technology for drug screening	illumina.com
Advanced Diagnostics, Inc.		1.1	3-D medical imaging equipment	
Adolor Corporation		1.1	Develops pain-management therapeutic drugs	adolor.com
Praxon, Inc.		1.0	Integrated business communications equipment	praxon.com
AdiCom Wireless, Inc.		1.0	Wireless local loop technology	adicomwireless.com
EndoVasix, Inc.		.9	Device for treatment of ischemic strokes	endovasix.com
eWireless, inc.		.9	Technology linking cell phone users & advertising	ewireless.com
Cooking.com, Inc.		.8	Sales of cooking-related items over the Internet	cooking.com
MediaFlex.com		.7	Internet-based printing & publishing	mediaflex.com
eBabyCare Ltd.		.6	Sales of babycare products over the Internet in China	
Kodiak Technologies, Inc.		.5	Cooling products for organ & pharma transport	kodiaktech.com
Genesis Medical, Inc.		.5	Medical devices for breast cancer surgery	
CEPTYR, Inc.		.4	Develops small molecule drugs	ceptyr.com
GreaterGood.com		.4	Internet marketing targeted at donors to charities	greatergood.com
Etera Corporation		.3	Sales of branded perennial plants over the Internet	etera.com
Subtotal securities of private companies held				

See notes on page 53.

Tredegar Corporation
Schedule of Investments at December 31, 1999 and 1998
(In Thousands, Except Per-Share Amounts)

	Public Common Stock or Equivalents at 12/31/99			12/31/99 (c)			12/31/98 (c)		
Investment	Shares Held (b)	Closing Price	Estimated Restricted Stock Dis-count (c)	Estimated Fair Value (b)	Carrying Value (b)	Cost Basis	Estimated Fair Value (b)	Carrying Value (b)	Cost Basis
Securities of Public Companies Held:									
Cisco Systems (d)	65	$ 107.13	10%	$ 6,276	$ 6,276	$ 2,000	$ 1,895	$ 1,895	$ 250
Caliper Technologies Corp.(e)	157	66.75	20%	8,386	8,386	1,000	1,500	1,000	1,000
Superconductor Tech, Inc.(f)	1,183	4.88	20%	4,613	3,000	3,000	-	-	-
Eclipse Surgical Tech., Inc.(g)	453	7.38	n/a	3,342	3,342	2,464	-	-	-
InterVU, Inc.	5	105.00	n/a	536	536	57	-	-	-
3D Labs, Inc.				-	-	-	267	267	604
CardioGenesis Corporation (g)				-	-	-	3,187	3,187	2,464
Total securities of public companies held				23,153	21,540	8,521	6,849	6,349	4,318

Securities of Private Companies Held:

CyroGen	3,759	2,553	2,553	2,732	1,804	1,804
Sensitech Inc.	2,000	2,000	2,000	2,000	2,000	2,000
Rosetta Inpharmatics, Inc.	4,558	3,000	3,000	1,250	1,250	1,250
Bell Geospace	-	-	3,500	3,465	3,000	3,000
Songbird Medical, Inc.	5,922	3,960	3,960	2,920	1,960	1,960
RedCreek Communications	2,071	2,071	2,256	3,875	1,820	1,820
Appliant, Inc.	5,036	2,599	2,599	1,900	1,500	1,500
Ellipsys Technologies, Inc.	1,987	1,987	2,737	1,441	1,441	2,091
HemoSense	1,735	1,485	1,485	638	638	638
Moai Technologies, Inc.	7,389	2,021	2,021	2,371	1,521	1,521
Eprise Corporation	7,309	2,900	2,900	2,711	2,400	2,400
Vascular Solutions	4,409	2,450	2,450	4,050	2,450	2,450
Babycare, Ltd.	1,009	1,009	1,009	170	170	170
SignalSoft Corporation	5,624	2,996	2,996	2,000	2,000	2,000
EPiCON	2,945	750	750	750	750	750
NovaLux, Inc.	5,193	3,183	3,183	683	683	683
IRSI	2,848	2,825	3,700	1,750	1,750	1,750
Xycte Therapies, Inc.	3,000	3,000	3,000	3,000	3,000	3,000
Illumina, Inc.	6,853	3,925	3,925	925	925	925
Advanced Diagnostics, Inc.	705	705	705	117	117	117
Adolor Corporation	2,613	2,000	2,000	2,000	2,000	2,000
Praxon, Inc.	2,661	2,309	2,309	2,000	2,000	2,000
AdiCom Wireless, Inc.	3,000	3,000	3,000	-	-	-
EndoVasix, Inc.	2,500	2,500	2,500	-	-	-
eWireless, inc.	2,250	2,250	2,250	-	-	-
Cooking.com, Inc.	7,021	4,500	4,500	-	-	-
MediaFlex.com	1,500	1,500	1,500	-	-	-
eBabyCare Ltd.	120	120	120	-	-	-
Kodiak Technologies, Inc.	1,194	1,194	1,194	-	-	-
Genesis Medical, Inc.	800	800	800	-	-	-
CEPTYR, Inc.	1,750	1,750	1,750	-	-	-
GreaterGood.com	3,200	3,200	3,200	-	-	-
Etera Corporation	3,000	3,000	3,000	-	-	-
Subtotal securities of private companies held	105,961	73,542	78,852	42,748	35,179	35,829

See notes on page 53.

Tredegar Corporation
Schedule of Investments at December 31, 1999 and 1998, Continued
(In Thousands, Except Per-Share Amounts)

Investment	Yrs. Held (a)	Description	Web Site (www.)
Total securities of public companies held (from page 52)			
Subtotal securities of private companies held (from page 52)			
ThinkFree.com	.2	Java-based software complementary to Microsoft Office	thinkfree.com
@mobile.com, Inc.	.1	Server solutions to increase wireless-carrier profitability	atmobile.com
PurePacket Communications, Inc.	.1	Next generation packet-based CLEC (phone carrier)	purepacket.com
Onprem Networks, Inc.	.1	Access products for carriers to provide DSL services	onprem.com
Quarry Technologies, Inc.	.1	Technology for delivery of differentiated service levels	quarrytech.com
Norborn Medical, Inc.	<.1	Device for treatment of cardiovascular disease	
FlowGenix Corporation	3.0	Chemical separation technology	
Therics, Inc.	(h)	Drug delivery & tissue engineering systems	
Total securities of private companies held			
Limited partnership interests in private venture capital funds (period held of .1 - 7.3 years) (i)			
Total investments			
Estimated income taxes on assumed disposal at fair value			
Estimated net asset value ("NAV")			

Tredegar Corporation
Schedule of Investments at December 31, 1999 and 1998, Continued
(In Thousands, Except Per-Share Amounts)

Investment	12/31/99 (c) Estimated Fair Value (b)	12/31/99 (c) Carrying Value (b)	12/31/99 (c) Cost Basis	12/31/98 (c) Estimated Fair Value (b)	12/31/98 (c) Carrying Value (b)	12/31/98 (c) Cost Basis
Total securities of public companies held (from page 52)	23,153	21,540	8,521	6,849	6,349	4,318
Subtotal securities of private companies held (from page 52)	105,961	73,542	78,852	42,748	35,179	35,829
ThinkFree.com	1,001	1,001	1,001	-	-	-
@mobile.com, Inc.	2,000	2,000	2,000	-	-	-
PurePacket Communications, Inc.	1,797	1,797	1,797	-	-	-
Onprem Networks, Inc.	1,460	1,460	1,460	-	-	-
Quarry Technologies, Inc.	3,000	3,000	3,000	-	-	-
Norborn Medical, Inc.	188	188	188	-	-	-
FlowGenix Corporation	-	-	-	109	-	381
Therics, Inc.	-	-	-	3,248	3,248	3,889
Total securities of private companies held	115,407	82,988	88,298	46,105	38,427	40,099
Limited partnership interests in private venture capital funds (period held of .1 - 7.3 years)(i)	66,803	36,170	38,650	17,887	15,248	16,200
Total investments	205,363	$ 140,698	$ 135,469	70,841	$ 60,024	$ 60,617
Estimated income taxes on assumed disposal at fair value	25,162			3,681		
Estimated net asset value ("NAV")	$ 180,201			$ 67,160		

Notes:

(a) The period held for an investment in a company or a venture capital fund is computed using the initial investment date and the current valuation date. If a company has merged with another company, then the initial investment date is the date of the investment in the predecessor company.

(b) Amounts are shown net of carried interest estimated using realized and unrealized net gains to date. Amounts may change due to changes in estimated carried interest, and such changes are not expected to be material. Carried interest is the portion of value payable to portfolio managers based on realized net gains and is a customary incentive in the venture capital industry.

(c) See the investment accounting policy note on page 41.

(d) The Cisco Systems common stock held at 12/31/99 was obtained when it acquired V-Bits, Inc. through merger in 1999. The shares can be sold in accordance with the S-3 registration statement filed by Cisco Systems (except approximately 10% of the shares which are held in escrow until no later than December 6, 2000).

(e) Caliper Technologies Corporation went public in 1999. These shares are restricted due to a lock-up agreement which expires on June 11, 2000, and are unregistered securities to which SEC Rule 144 will apply.

(f) Superconductor Technologies, Inc. is a public company (symbol: SCON). Tredegar owns Superconductor's series D convertible preferred stock and common stock warrants. The shares shown in the table are the common equivalent shares at 12/31/99 (net of estimated carried interest). Fair value was estimated on a common stock equivalent basis, net of an estimated restricted stock discount (unregistered securities to which SEC Rule 144 will apply).

(g) The Eclipse Surgical Technologies, Inc. stock was obtained when it acquired CardioGenesis Corporation through merger in 1999.

(h) The assets of Therics, Inc. were acquired by Tredegar on April 8, 1999 (see Note 2 on page 46).

(i) At December 31, 1999, Tredegar had ownership interests in 20 venture capital funds, including an indirect interest in the following public companies, among others (disposition of shares held by venture funds, including distributions to limited partners, is at the sole discretion of the general partner of the fund):

Indirect Investment	Symbol	Description	Indirect Interest in Common Shares	Closing Price	Average Restricted Stock Discount	Indirect Estimated Fair Value	Indirect Cost Basis
Cisco Systems	CSCO	Networking for the Internet (cisco.com)	83	$ 107.13	14%	$ 7,664	$ 331
Digital Island	ISLD	Web site management (digisle.net)	74	95.13	20%	5,637	166
Cobalt Networks, Inc.	COBT	Network servers (cobalt.com)	53	108.38	20%	4,551	99
Watchguard Tech., Inc.	WGRD	Computer/network perimeter defense system (watchguard.com)	62	30.25	15%	1,598	122
Tut Systems, Inc.	TUTS	Local area network products (tutsys.com)	29	53.63	n/a	1,552	145
DSL Net Inc.	DSLN	High speed data communications technology (dsl.net)	93	14.44	20%	1,075	170
Total						$ 22,077	$ 1,033

8 ACCRUED EXPENSES

Accrued expenses consist of the following:

December 31	1999	1998
Payrolls, related taxes and medical and other benefits	$ 15,547	$ 16,114
Workmen's compensation and disabilities	5,480	5,625
Vacation	7,353	5,855
Contract research revenues received in advance	501	833
Environmental, plant shutdowns and divestitures	205	526
Other	15,944	12,118
Total	$ 45,030	$ 41,071

9 DEBT AND CREDIT AGREEMENTS

On October 20, 1999, Tredegar borrowed $250,000 under a new term loan agreement dated October 13, 1999. A portion of the term loan proceeds ($230,000) was used to repay all of the outstanding borrowings at that time under our revolving credit facility. The balance ($20,000) was invested in cash equivalents and is being used to fund capital expenditures and venture capital investment opportunities. The revolving credit facility permits borrowings of up to $275,000 (no amounts borrowed at December 31, 1999 and 1998) and matures on July 9, 2002, with an annual extension of one year permitted subject to the approval of participating banks. Tredegar also has a note payable with a remaining balance of $20,000. Total debt due and outstanding at December 31, 1999, is summarized below:

Debt Due and Outstanding at 12/31/99

Year Due	Note Payable	Term Loan	Total Debt Due
2000	$ 5,000	$ -	$ 5,000
2001	5,000	-	5,000
2002	5,000	-	5,000
2003	5,000	50,000	55,000
2004	-	75,000	75,000
2005	-	125,000	125,000
Total	$ 20,000	$ 250,000	$ 270,000

The term loan and revolving credit agreements provide for interest to be charged at a base rate (generally the London Interbank Offered Rate ("LIBOR")) plus a spread that is dependent on our quarterly debt-to-total capitalization ratio. The fully-borrowed spread over LIBOR charged at the various debt-to-total capitalization levels are as follows:

Fully-Borrowed Spread Over LIBOR Under Credit Agreements (Basis Points)		
Debt-to-Total Capitalization Ratio	Revolver	Term Loan
> 55% and <= 60%	50.0	100.0
> 50% and <= 55%	50.0	87.5
> 40% and <= 50%	37.5	75.0
> 35% and <= 40%	37.5	62.5
> 30% and <= 35%	30.0	62.5
<= 30%	30.0	50.0

Interest is payable on the note semi-annually at 7.2% per year. The $5,000 principal payment due on the note in June 2000 has been classified as long-term in accordance with our ability to refinance such obligation on a long-term basis. At December 31, 1999, the prepayment value of the note was $20,200.

Our loan agreements contain restrictions, among others, on the minimum shareholders' equity required and the maximum debt-to-total capitalization ratio permitted (60%). At December 31, 1999, shareholders' equity was in excess of the minimum required by $196,501, and $275,000 was available to borrow under the 60% debt-to-total capitalization ratio restriction.

10 SHAREHOLDER RIGHTS AGREEMENT

Pursuant to a Rights Agreement dated as of June 30, 1999, between Tredegar and American Stock Transfer and Trust Company as Rights Agent (the "Rights Agreement"), one Right is attendant to each share of our common stock. Each Right entitles the registered holder to purchase from Tredegar one one-hundredth of a share of Participating Cumulative Preferred Stock, Series A (the "Preferred Stock"), at an exercise price of $150 (the "Purchase Price"). The Rights will become exercisable, if not earlier redeemed, only if a person or group acquires 10% or more of the outstanding shares of our common stock or announces a tender offer which would result in ownership by a person or group of 10% or more of our common stock. Any action by a person or group whose beneficial ownership is reported on Amendment No. 4 to the Schedule 13D filed with respect to Tredegar on May 20, 1997, cannot cause the Rights to become exercisable.

Each holder of a Right, upon the occurrence of certain events, will become entitled to receive, upon exercise and payment of the Purchase Price, Preferred Stock (or in certain circumstances, cash, property or other securities of Tredegar or a potential acquirer) having a value equal to twice the amount of the Purchase Price.

The Rights will expire on June 30, 2009.

11 STOCK OPTION PLANS

We have two stock option plans under which stock options may be granted to purchase a specified number of shares of common stock at a price no lower than the fair market value on the date of grant and for a term not to exceed 10 years. One of those options plans is a directors' stock plan. In addition, we have two other stock option plans under which there are options that remain outstanding, but no future grants can be made under those plans. Employee options ordinarily vest one to two years from the date of grant. The outstanding options granted to directors vest over three years. The option plans also permit the grant of restricted stock. The current option plans do not provide for SARs and no SARs have been granted since 1992. The SARs that remain outstanding were granted in tandem with stock options and the share appreciation that can be realized upon their exercise is limited to the fair market value on the date of grant. As such, it is more likely that related stock options will be exercised rather than SARs when the price of our common stock is in excess of $7.42 per share (our closing price on December 31, 1999 was $20.69).

Had compensation cost for our stock-based compensation plans been determined in 1999, 1998 and 1997 based on the fair value at the grant dates, our income and diluted earnings per share from continuing operations would have been reduced to the pro forma amounts indicated below:

	1999	1998	1997
Income from continuing operations:			
As reported	$ 52,648	$ 64,156	$ 58,446
Pro forma	49,199	62,696	56,412
Diluted earnings per share from continuing operations:			
As reported	1.36	1.66	1.48
Pro forma	1.27	1.62	1.43

The fair value of each option was estimated as of the grant date using the Black-Scholes option-pricing model. The assumptions used in this model for valuing stock options granted during 1999, 1998 and 1997 are provided below:

	1999	1998	1997
Dividend yield	.7%	.6%	.6%
Volatility percentage	40.0%	28.0%	30.0%
Weighted average risk-free interest rate	4.8%	5.5%	6.7%
Holding period (years):			
Officers	7.0	n/a	8.3
Management	5.0	5.0	4.6
Other employees (and directors in 1998)	3.0	3.6	2.4
Weighted average market price at date of grant:			
Officers and management (management only in 1998)	$ 23.36	$ 29.94	$ 16.54
Other employees (and directors in 1998)	23.53	29.82	17.31
Weighted average exercise price for options granted where exercise price exceeds market price:			
Officers	37.89	n/a	21.00
Management	34.90	n/a	n/a

Stock options granted during 1999, 1998 and 1997, and their estimated fair value at the date of grant, are provided below:

	1999	1998	1997
Stock options granted (number of shares):			
Where exercise price equals market price:			
Officers	n/a	n/a	144,000
Management	33,200	59,985	261,750
Other employees (and directors in 1998)	92,400	28,590	64,350
Where exercise price exceeds market price:			
Officers	416,000	n/a	141,000
Management	444,700	n/a	-
Total	986,300	88,575	611,100
Estimated weighted average fair value of options per share at date of grant:			
Where exercise price equals market price:			
Officers	n/a	n/a	$ 8.02
Management	$ 10.25	$ 10.06	5.80
Other employees (and directors in 1998)	7.33	8.16	4.14
Where exercise price exceeds market price:			
Officers	7.79	n/a	6.74
Management	6.58	n/a	n/a
Total estimated fair value of stock options granted	$ 7,186	$ 837	$ 3,889

A summary of our stock options outstanding at December 31, 1999, 1998 and 1997, and changes during those years, is presented below:

	Number of Shares		Exercise Price Per Share				
	Options	SARs	Range			Wgted. Ave.	Aggre- gate
Outstanding at 12/31/96	3,738,960	1,377,960	$ 2.70	to	$ 9.67	$ 4.42	$ 16,514
Granted in 1997	611,100	-	16.54	to	21.00	17.67	10,798
Lapsed in 1997	(5,400)	-	3.36	to	18.75	9.44	(51)
Options exercised in 1997	(566,565)	(287,925)	2.70	to	9.67	4.87	(2,761)
Outstanding at 12/31/97	3,778,095	1,090,035	2.70	to	21.00	6.48	24,500
Granted in 1998	88,575	-	28.61	to	29.94	29.82	2,641
Lapsed in 1998	-	-	-	to	-	-	-
Options exercised in 1998	(833,898)	(494,550)	2.70	to	21.00	4.36	(3,636)
Outstanding at 12/31/98	3,032,772	595,485	2.70	to	29.94	7.75	23,505
Granted in 1999	986,300	-	23.31	to	46.63	34.75	34,274
Lapsed in 1999	(33,960)	-	3.37	to	46.63	28.06	(953)
Options exercised in 1999	(1,000,389)	(430,650)	2.70	to	18.37	4.43	(4,427)
Outstanding at 12/31/99	2,984,723	164,835	$ 2.70	to	$46.63	$17.56	$ 52,399

The following table summarizes additional information about stock options outstanding and exercisable at December 31, 1999:

		Options Outstanding at December 31, 1999			Options Exercisable at December 31, 1999	
			Weighted Average			
Range of Exercise Prices		Shares	Remaining Contract-ual Life (Years)	Exer-cise Price	Shares	Wgted. Ave. Exercise Price
$ 2.70	to $ 3.73	170,835	2.2	$ 2.76	170,835	$ 2.76
3.36	to 5.33	575,800	4.2	4.12	575,800	4.12
3.86	to 4.17	354,640	5.2	4.16	354,640	4.16
7.38	to 9.67	299,828	6.1	8.52	299,828	8.52
16.55	to 21.00	537,545	7.4	17.74	537,545	17.74
28.61	to 29.94	88,575	8.5	29.82	2,700	28.61
23.31	to 46.63	957,500	6.0	34.83	-	-
$ 2.70	to $ 46.63	2,984,723	5.7	$ 17.56	1,941,348	$ 8.49

Stock options exercisable totaled 2,944,197 shares at December 31, 1998 and 3,169,245 shares at December 31, 1997. Stock options available for grant totaled 1,800,825 shares at December 31, 1999, 1,338,825 shares at December 31, 1998 and 1,375,650 shares at December 31, 1997.

12 RENTAL EXPENSE AND CONTRACTUAL COMMITMENTS

Rental expense was $4,408 in 1999, $3,517 in 1998 and $2,746 in 1997. Rental commitments under all noncancelable operating leases as of December 31, 1999, are as follows:

2000	$ 2,870
2001	2,848
2002	2,060
2003	1,177
2004	708
Remainder	-
Total	$ 9,663

Contractual obligations for plant construction and purchases of real property and equipment amounted to $13,975 at December 31, 1999, and $9,512 at December 31, 1998.

13 RETIREMENT PLANS AND OTHER POSTRETIREMENT BENEFITS

We have noncontributory and contributory defined benefit (pension) plans covering most employees. The plans for salaried and hourly employees currently in effect are based on a formula using the participant's years of service and compensation or using the participant's years of service and a dollar amount. Pension plan assets consist principally of domestic and international common stocks and domestic and international government and corporate obligations. In addition to providing pension benefits, we provide postretirement life insurance and health care benefits for certain groups of employees. Tredegar and retirees share in the cost of postretirement health care benefits, with employees retiring after July 1, 1993, receiving a fixed subsidy to cover a portion of their health care premiums.

Assumptions used for financial reporting purposes to compute net benefit income or cost and benefit obligations, and the components of net periodic benefit income or cost, are as follows:

	Pension Benefits			Other Post-Retirement Benefits		
	1999	1998	1997	1999	1998	1997
Weighted-average assumptions:						
Discount rate, end of year	7.50%	6.75%	7.25%	7.50%	6.75%	7.25%
Rate of compensation increases, end of year	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Expected long-term return on plan assets, during the year	9.00%	9.00%	9.00%	n/a	n/a	n/a
Rate of increase in per-capita cost of covered health care benefits:						
Indemnity plans, end of year	n/a	n/a	n/a	8.00%	9.00%	10.00%
Managed care plans, end of year	n/a	n/a	n/a	6.60%	7.40%	8.10%
Components of net periodic benefit income (cost):						
Service cost	$(4,462)	$(2,725)	$(2,235)	$(169)	$(137)	$(113)
Interest cost	(9,868)	(8,960)	(8,002)	(544)	(494)	(467)
Employee contributions	225	-	-	-	-	-
Other	(118)	-	-	-	-	-
Expected return on plan assets	17,513	15,684	13,395	-	-	-
Amortization of:						
Net transition asset	898	899	899	-	-	-
Prior service costs and gains or losses	(642)	(393)	(578)	71	57	76
Net periodic benefit income (cost)	$3,546	$4,505	$3,479	$(642)	$(574)	$(504)

The following tables reconcile the changes in benefit obligations and plan assets in 1999 and 1998, and reconcile the funded status to prepaid or accrued cost at December 31, 1999 and 1998:

	Pension Benefits 1999	Pension Benefits 1998	Other Post-Retirement Benefits 1999	Other Post-Retirement Benefits 1998
Change in benefit obligation:				
Benefit obligation, beginning of year	$142,296	$ 117,864	$ 7,642	$ 6,543
Acquisitions	6,216	8,614	-	355
Service cost	4,462	2,725	169	137
Interest cost	9,868	8,960	544	494
Plan amendments	621	1,245	(37)	-
Effect of discount rate change	(13,993)	9,000	(712)	426
Employee contributions	(293)	295	-	-
Other	566	470	612	71
Benefits paid	(7,150)	(6,877)	(449)	(384)
Benefit obligation, end of year	$142,593	$ 142,296	$ 7,769	$ 7,642
Change in plan assets:				
Plan assets at fair value, beginning of year	$221,818	$ 191,922	$ -	$ -
Acquisition	-	11,908	-	-
Actual return on plan assets	58,617	24,065	-	-
Employee contributions	225	295	-	-
Employer contributions	784	505	449	384
Other	(118)	-	-	-
Benefits paid	(7,150)	(6,877)	(449)	(384)
Plan assets at fair value, end of year	$274,176	$ 221,818	$ -	$ -
Reconciliation of prepaid (accrued) cost:				
Funded status of the plans	$131,583	$ 79,522	$ (7,769)	$ (7,642)
Unrecognized net transition (asset) obligation	(280)	(1,178)	-	-
Unrecognized prior service cost	3,235	3,567	-	-
Unrecognized net (gain) loss	(97,436)	(43,039)	(1,364)	(448)
Prepaid (accrued) cost, end of year	$ 37,102	$ 38,872	$ (9,133)	$ (8,090)

Net benefit income or cost is determined using assumptions at the beginning of each year. Funded status is determined using assumptions at the end of each year.

The rates for the per-capita cost of covered health care benefits were assumed to decrease gradually to 6% for the indemnity plan and 5% for the managed care plan in 2002, and remain at that level thereafter. At December 31, 1999, the effect of a 1% change in the health care cost trend rate assumptions would be immaterial.

Prepaid pension cost of $37,102 at December 31, 1999, and $38,872 at December 31, 1998, is included in "Other assets and deferred charges" in the consolidated balance sheets. Accrued postretirement benefit cost of $9,133 at December 31, 1999 and $8,090 at December 31, 1998, is included in "Other noncurrent liabilities" in the consolidated balance sheets.

We also have a non-qualified supplemental pension plan covering certain employees. The plan is designed to restore all or a part of the pension benefits that would have been payable to designated participants from our principal pension plans if it were not for limitations imposed by income tax regulations. The projected benefit obligation relating to this unfunded plan was $2,044 at December 31, 1999, and $1,931 at December 31, 1998. Pension expense recognized was $478 in 1999, $152 in 1998 and $150 in 1997. This information has been included in the preceding pension benefit tables.

14 SAVINGS PLAN

We have a savings plan that allows eligible employees to voluntarily contribute a percentage (generally 10%) of their compensation. Under the provisions of the plan, we match a portion (generally 50%) of the employee's contribution to the plan with shares of our common stock. We also have a non-qualified plan that restores matching benefits for employees suspended from the savings plan due to certain limitations imposed by income tax regulations. Charges recognized for these plans were $2,514 in 1999, $2,255 in 1998 and $2,564 in 1997. Our liability under the restoration plan was $1,670 at December 31, 1999 (consisting of 80,720 phantom shares of our common stock) and $1,887 at December 31, 1998 (consisting of 83,862 phantom shares of our common stock), valued at the closing market price on that date.

The Tredegar Corporation Benefits Plan Trust (the "Trust") purchased 7,200 shares of our common stock in 1998 for $192 and 46,671 shares of our common stock in 1997 for $1,020, as a partial hedge against the phantom shares held in the restoration plan. There were no shares purchased in 1999. The cost of the shares held by the Trust is shown as a reduction to shareholders' equity in the consolidated balance sheets.

15 INCOME TAXES

Income from continuing operations before income taxes and income taxes are as follows:

	1999	1998	1997
Income from continuing operations before income taxes:			
Domestic	$ 68,865	$ 83,882	$ 84,356
Foreign	12,677	11,328	5,810
Total	$ 81,542	$ 95,210	$ 90,166
Current income taxes:			
Federal	$ 19,612	$ 23,824	$ 22,769
State	1,694	1,803	3,700
Foreign	6,132	4,996	1,910
Total	27,438	30,623	28,379
Deferred income taxes:			
Federal	944	692	2,576
State	497	147	310
Foreign	15	(408)	455
Total	1,456	431	3,341
Total income taxes	$ 28,894	$ 31,054	$ 31,720

The significant differences between the U.S. federal statutory rate and the effective income tax rate for continuing operations are as follows:

	Percent of Income Before Income Taxes		
	1999	1998	1997
Income tax expense at federal statutory rate	35.0	35.0	35.0
State taxes, net of federal income tax benefit	1.8	1.3	2.9
Excess of income tax basis over financial reporting basis for APPX Software (see Note 16)	-	(2.4)	-
Foreign Sales Corporation	(1.1)	(1.1)	(1.1)
Research and development tax credit	(.7)	(.3)	(.3)
Tax-exempt interest income	-	(.2)	(1.1)
Goodwill amortization	.1	.1	-
Other items, net	.3	.2	(.2)
Effective income tax rate	35.4	32.6	35.2

Deferred income taxes result from temporary differences between financial and income tax reporting of various items. The source of these differences and the tax effects for continuing operations are as follows:

	1999	1998	1997
Depreciation	$ 2,583	$ 72	$ 553
Employee benefits	2,195	1,617	1,912
Plant shutdowns, divestitures and environmental accruals	119	497	(459)
Write-downs of venture capital investments	(1,731)	(478)	-
Allowance for doubtful accounts and sales returns	(247)	(130)	868
Tax benefit on NOL carryforwards of certain foreign subsidiaries	(246)	(755)	(310)
Other items, net	(1,217)	(392)	777
Total	$ 1,456	$ 431	$ 3,341

Deferred tax liabilities and deferred tax assets at December 31, 1999 and 1998, are as follows:

December 31	1999	1998
Deferred tax liabilities:		
Depreciation	$ 20,131	$ 17,548
Pensions	13,893	14,556
Unrealized gain on available-for-sale securities	4,686	775
Other	918	265
Total deferred tax liabilities	39,628	33,144
Deferred tax assets:		
Employee benefits	8,727	9,156
Write-downs of venture capital investments	2,209	478
Inventory	1,317	1,233
Tax benefit on NOL carryforwards of certain foreign subsidiaries	1,311	1,065
Foreign currency translation adjustment	900	1,356
Deductible tax goodwill in excess of book goodwill	892	2,073
Allowance for doubtful accounts and sales returns	815	568
Environmental, plant shutdowns and divestitures	75	194
Other	1,407	869
Total deferred tax assets	17,653	16,992
Net deferred tax liability	$ 21,975	$ 16,152
Included in the balance sheet:		
Noncurrent deferred tax liabilities in excess of assets	$ 33,205	$ 24,914
Current deferred tax assets in excess of liabilities	11,230	8,762
Net deferred tax liability	$ 21,975	$ 16,152

16 UNUSUAL ITEMS

In 1999, unusual charges (net) totaling $4,065 ($2,602 after income taxes) included:

- A fourth-quarter charge of $149 ($95 after taxes) for costs associated with the evaluation of financing and structural options for the Technology Group
- A third-quarter gain of $712 ($456 after taxes) on the sale of corporate real estate (included in "Corporate expenses, net" in the operating profit table on page 48)
- A second-quarter charge of $3,458 ($2,213 after taxes) related to the write-off of in-process R&D expenses associated with the Therics acquisition (see page 5 for more information)
- A second-quarter charge of $1,170 ($749 after taxes) for the write-off of excess packaging film capacity

In 1998, unusual income (net) totaling $101 ($2,341 after income tax benefits) included:

- A fourth-quarter charge of $664 ($425 after taxes) related to the shutdown of the powder-coat paint line at the aluminum extrusion facility in Newnan, Georgia
- A first-quarter gain of $765 ($2,766 after tax benefits) on the sale of APPX Software on January 16, 1998

Income taxes for continuing operations includes a tax benefit of $2,001 related to the sale of APPX Software, reflecting a tax benefit for the excess of its income tax basis over its financial reporting basis.

In 1997, unusual income included a gain of $2,250 (net of transaction costs of $250 and $1,440 after income taxes) related to the redemption of preferred stock received in connection with the 1996 divestiture of Tredegar Molded Products Company.

17 CONTINGENCIES

We are involved in various stages of investigation and cleanup relating to environmental matters at certain plant locations. Where we have determined the nature and scope of any required environmental cleanup activity, estimates of cleanup costs have been obtained and accrued. As we continue efforts to assure compliance with environmental laws and regulations, additional contingencies may be identified. If additional contingencies are identified, our practice is to determine the nature and scope of those contingencies, obtain and accrue estimates of the cost of remediation, and perform remediation. We do not believe that additional costs that could arise from those activities will have a material adverse effect on our financial position. However, those costs could have a material adverse effect on quarterly or annual operating results at that time.

We are involved in various other legal actions arising in the normal course of business. After taking into consideration legal counsels' evaluation of these actions, we believe that we have sufficiently accrued for possible losses and that the actions will not have a material adverse effect on our financial position. However, the resolution of the actions in a future period could have a material adverse effect on quarterly or annual operating results at that time.

18 DIVESTED AND DISCONTINUED OPERATIONS

On August 16, 1994, the Elk Horn Coal Corporation ("Elk Horn"), our former 97% owned coal subsidiary, was acquired by Pen Holdings, Inc. In accordance with applicable accounting pronouncements, a $6,194 charge ($3,964 after income tax benefits) was recognized as a reduction to the gain on the disposal of Elk Horn for the estimated present value of the portion of the unfunded obligation under the Coal Industry Retiree Health Benefit Act of 1992 (the "Act") assumed by us in the divestiture transaction. Under the Act, former employers were responsible for a portion of the funding of medical and death benefits of certain retired miners and dependents of the United Mine Workers of America ("UMWA").

We were relieved of any liability under the Act as the result of a 1998 Supreme Court ruling. Accordingly, in 1998 we recognized:

- A third-quarter gain of $5,300 ($3,421 after taxes) for the reversal of the remaining accrued obligation established to cover future payments to the UMWA Combined Benefit Fund (the "UMWA Fund")
- A fourth-quarter gain of $2,019 ($1,292 after taxes) for the reimbursement of payments made by us to the UMWA Fund

These gains were reported net of income taxes in discontinued operations consistent with the treatment of Elk Horn when sold.

During the first quarter of 1998, we sold all of the outstanding capital stock of APPX Software (see Note 16).

SELECTED QUARTERLY FINANCIAL DATA

Tredegar Corporation and Subsidiaries
(In thousands, except per-share amounts)
(Unaudited)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
1999					
Net sales	$179,541	$194,840	$215,911	$230,119	$820,411
Gross profit	39,302	40,854	44,522	47,479	172,157
Net income	15,298	10,190	12,315	14,845	52,648
Earnings per share:					
Basic	.42	.28	.33	.40	1.42
Diluted	.39	.26	.32	.38	1.36
Shares used to compute earnings per share:					
Basic	36,724	36,852	37,098	37,286	36,992
Diluted	38,800	38,798	38,718	38,699	38,739
1998					
Net sales	$156,660	$169,946	$186,638	$186,552	$699,796
Gross profit	33,572	35,497	38,415	39,128	146,612
Income from continuing operations	17,296	15,161	15,960	15,739	64,156
Income from discontinued operations	-	-	3,421	1,292	4,713
Net income	17,296	15,161	19,381	17,031	68,869
Earnings per share:					
Basic:					
Continuing operations	.48	.42	.44	.43	1.77
Discontinued operations	-	-	.09	.04	.13
Net income	.48	.42	.53	.47	1.90
Diluted:					
Continuing operations	.44	.39	.41	.41	1.66
Discontinued operations	-	-	.09	.03	.12
Net income	.44	.39	.50	.44	1.78
Shares used to compute earnings per share:					
Basic	36,396	35,904	36,351	36,528	36,286
Diluted	39,000	38,557	38,582	38,577	38,670

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

TREDEGAR CORPORATION
(Registrant)

Dated: February 22, 2000

By /s/ John D. Gottwald

John D. Gottwald
President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 22, 2000.

Signature	Title
/s/ John D. Gottwald - ----------------------------------- (John D. Gottwald)	President and Director (Principal Executive Officer)
/s/ N. A. Scher - ----------------------------------- (Norman A. Scher)	Executive Vice President and Director (Principal Financial Officer)
/s/ D. Andrew Edwards - ----------------------------------- (D. Andrew Edwards)	Vice President, Treasurer and Controller (Principal Accounting Officer)
/s/ Austin Brockenbrough, III - ----------------------------------- (Austin Brockenbrough, III)	Director
/s/ Phyllis Cothran - ----------------------------------- (Phyllis Cothran)	Director
/s/ R. W. Goodrum - ----------------------------------- (Richard W. Goodrum)	Director
/s/ Floyd D. Gottwald, Jr. - ----------------------------------- (Floyd D. Gottwald, Jr.)	Director

/s/ William M. Gottwald - ------------------------------------ (William M. Gottwald)	Director
/s/ Richard L. Morrill - ------------------------------------ (Richard L. Morrill)	Director
/s/ Emmett J. Rice - ------------------------------------ (Emmett J. Rice)	Director
/s/ Thomas G. Slater, Jr. - ------------------------------------ (Thomas G. Slater, Jr.)	Director

EXHIBIT INDEX

3.1	Amended and Restated Articles of Incorporation of Tredegar (filed as Exhibit 3.1 to Tredegar's Quarterly Report on Form 10-Q for the quarter ended June 30, 1989, and incorporated herein by reference)
3.2	Amended By-laws of Tredegar (filed as Exhibit 3 to Tredegar's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998, and incorporated herein by reference)
3.3	Articles of Amendment (filed herewith)
4.1	Form of Common Stock Certificate (filed as Exhibit 4.3 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)
4.2	Rights Agreement, dated as of June 30, 1999, by and between Tredegar and American Stock Transfer & Trust Company, as Rights Agent (filed as Exhibit 99.1 to the Registration Statement on Form 8-A, filed June 16, 1999, as amended, and incorporated herein by reference)
4.3	Loan Agreement dated June 16, 1993 between Tredegar and Metropolitan Life Insurance Company (filed as Exhibit 4 to Tredegar's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993, and incorporated herein by reference)
4.3.1	Consent and Agreement dated September 26, 1995, between Tredegar Industries, Inc. and Metropolitan Life Insurance Company (filed as Exhibit 4.2 to Tredegar's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995, and incorporated herein by reference)
4.3.2	First Amendment to Loan Agreement dated as of October 31, 1997 between Tredegar and Metropolitan Life Insurance Company (filed as Exhibit 4.3.2 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1998, and incorporated herein by reference)
4.4	Revolving Credit Facility Agreement dated as of July 9, 1997 among Tredegar Industries, Inc., the banks named therein, The Chase Manhattan Bank as Administrative Agent, NationsBank, N.A. as Documentation Agent and Long-Term Credit Bank of Japan, Limited as Co-Agent (filed as Exhibit 4.1 to Tredegar's Quarterly Report on Form 10-Q for the quarter ended June 30, 1997, and incorporated herein by reference)
4.4.1	First Amendment to Revolving Credit Facility Agreement dated as of October 31, 1997 among Tredegar Industries, Inc., the banks named therein, The Chase Manhattan Bank as Administrative Agent, NationsBank, N.A. as Documentation Agent and Long-Term Credit Bank of Japan, Limited as Co-Agent (filed as Exhibit 4.4.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1997, and incorporated herein by reference)
4.5	Credit Agreement, dated October 13, 1999, among Tredegar, the banks named therein, Bank of America, N.A. as Administrative Agent, the Bank of New York and Crestar Bank as Co-Document Agents (filed as Exhibit 4 to Tredegar's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999, and incorporated herein by reference)
10.1	Reorganization and Distribution Agreement dated as of June 1, 1989, between Tredegar and Ethyl (filed as Exhibit 10.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)

*10.2	Employee Benefits Agreement dated as of June 1, 1989, between Tredegar and Ethyl (filed as Exhibit 10.2 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)
10.3	Tax Sharing Agreement dated as of June 1, 1989, between Tredegar and Ethyl (filed as Exhibit 10.3 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)
10.4	Indemnification Agreement dated as of June 1, 1989, between Tredegar and Ethyl (filed as Exhibit 10.5 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)
*10.5	Tredegar 1989 Incentive Stock Option Plan (included as Exhibit A to the Prospectus contained in the Form S-8 Registration Statement No. 33-31047, and incorporated herein by reference)
*10.5.1	Amendment to the Tredegar 1989 Incentive Stock Option Plan (filed as Exhibit 10.5.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1998, and incorporated herein by reference)
*10.6	Tredegar Bonus Plan (filed as Exhibit 10.7 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)
*10.7	Tredegar 1992 Omnibus Stock Incentive Plan (filed as Exhibit 10.12 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference)
*10.7.1	Amendment to the Tredegar 1992 Omnibus Incentive Plan (filed as Exhibit 10.7.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1998, and incorporated herein by reference)
*10.8	Tredegar Industries, Inc. Retirement Benefit Restoration Plan (filed as Exhibit 10.13 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1993, and incorporated herein by reference)
*10.8.1	Amendment to the Tredegar Retirement Benefit Restoration Plan (filed as Exhibit 10.8.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1998, and incorporated herein by reference)
*10.9	Tredegar Industries, Inc. Savings Plan Benefit Restoration Plan (filed as Exhibit 10.14 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1993, and incorporated herein by reference)
10.10	Tredegar Industries, Inc. Amended and Restated Incentive Plan (included as Exhibit 99.2 to the Form S-8 Registration Statement No. 333-88177, and incorporated herein by reference)
*10.11	Consulting Agreement made as of March 31, 1996 between Tredegar and Richard W. Goodrum (filed as Exhibit 10.14 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1997, and incorporated herein by reference)
*10.11.1	First Amendment to Consulting Agreement made as of July 1, 1997 between Tredegar and Richard W. Goodrum (filed as Exhibit 10.14.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1997, and incorporated herein by reference)

*10.12	Tredegar Industries, Inc. Directors' Stock Plan (filed as Exhibit 10.12 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1998, and incorporated herein by reference)
21	Subsidiaries of Tredegar
23.1	Consent of Independent Accountants
27	Financial Data Schedule

* The marked items are management contracts or compensatory plans, contracts or arrangements required to be filed as exhibits to this Form 10-K.

TREDEGAR INDUSTRIES, INC.

ARTICLES OF AMENDMENT

I.

The name of the Corporation is Tredegar Industries, Inc. (the "Corporation").

II.

Article I of the Corporation's Articles of Incorporation is hereby amended to read as follows:

"The name of the Corporation is Tredegar Corporation."

III.

The amendment was proposed by the board of directors and submitted to the shareholders of the Corporation in accordance with Chapter 9 of Article 13.1 of the Code of Virginia. The designation, number of outstanding shares, and number of votes entitled to be cast by each voting group entitled to vote separately on the amendment are as follows:

Designation	Number of Outstanding Shares	Number of Votes
Common	36,441,339	33,693,653

The total number of undisputed votes cast for the amendment by each voting group was as follows:

Designation	Number of Undisputed Votes for the Amendment
Common	33,693,653

The number of votes cast for the amendment by each voting group was sufficient for approval by that voting group.

TREDEGAR INDUSTRIES, INC.

Dated: May 20, 1999

By: /s/ Nancy M. Taylor
Nancy M. Taylor
Vice President and Secretary

Exhibit 21

TREDEGAR CORPORATION
Virginia

Name of Subsidiary	Jurisdiction of Incorporation
BLC G.P., Inc.	Virginia
Bon L Campo Limited Partnership	Texas
Bon L Canada Inc.	Canada
The William L. Bonnell Company, Inc.	Georgia
Capitol Products Corporation	Pennsylvania
Fiberlux, Inc.	Virginia
Guangzhou Tredegar Films Company Limited	China
Idlewood Properties, Inc.	Virginia
Molecumetics Institute, Ltd.	Virginia
Molecumetics, Ltd.	Virginia
TGI Fund I, LC	Virginia
TGI Fund II, LC	Virginia
TGI Fund III, LLC	Virginia
TGI Fund IV, LLC	Virginia
Therics, Inc.	Virginia
Tredegar Brazil Industria De Plasticos Ltda.	Brazil
Tredegar Development Corporation	Virginia
Tredegar Exploration, Inc.	Virginia
Tredegar Film Products Argentina S.A.	Argentina
Tredegar Film Products, B.V.	Netherlands
Tredegar Film Products (Japan) Ltd.	Virginia
Tredegar Film Products Kft	Hungary
Tredegar Film Products - Lake Zurich, Inc.	Virginia
Tredegar Film Products - Pottsville, Inc.	Virginia
Tredegar Films Development, Inc.	Virginia
Tredegar Foreign Sales Corporation	U.S. Virgin Islands
Tredegar Holdings Corporation	Virginia
Tredegar Reserves, Inc.	Virginia
Tredegar Investments, Inc.	Virginia
Virginia Techport, Inc.	Virginia
WLB L.P., Inc.	Virginia

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Tredegar Corporation on Form S-3 (File No. 33-57268) and on Forms S-8 (File No. 33-31047, File No. 33-50276, File No. 33-64647, File No. 333-12985, File No. 333-63487 and File No. 333-88177) of our report dated January 20, 2000, on our audits of the consolidated financial statements of Tredegar Corporation and subsidiaries as of December 31, 1999 and 1998 and for each of the three years in the period ended December 31, 1999, which report is included in the Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP

March 16, 2000
Richmond, Virginia

THE SCHEDULE CONTAINS UNAUDITED SUMMARY FINANCIAL INFORMATION FOR TREDEGAR CORPORATION AND SUBSIDIARIES EXTRACTED FROM THE BALANCE SHEET FOR THE PERIOD ENDED DECEMBER 31, 1999 AND THE STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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DEC-31-1999
DEC-31-1999
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