



Innovation

Leadership

Operational Excellence

FINANCIAL SUMMARY

Years Ended December 31

2009

2008

(In Thousands, Except Per-Share Data)

Net Income and Diluted Earnings Per Share

Income (loss) from continuing operations as reported under generally accepted accounting principles (GAAP)	\$ (1,353)	\$ 29,641
After-tax effects of:		
Goodwill impairment relating to aluminum extrusions business	30,559	—
Losses associated with plant shutdowns, asset impairments and restructurings	2,407	8,869
Net gains from sale of assets and other items	(2,720)	(6,679)
Income from continuing manufacturing operations¹	\$ 28,893	\$ 31,831
Diluted earnings (loss) per share from continuing operations as reported under GAAP	\$ (.04)	\$.87
After-tax effects per diluted share of:		
Goodwill impairment relating to aluminum extrusions business	.90	—
Losses associated with plant shutdowns, asset impairments and restructurings	.07	.26
Net gains from sale of assets and other items	(.08)	(.20)
Diluted earnings per share from continuing manufacturing operations¹	\$.85	\$.93

Ongoing Operations

Film Products:

Net sales ²	\$455,007	\$522,839
Ongoing operating profit	64,379	53,914
Adjusted EBITDA ³	83,888	81,332
Depreciation and amortization	32,360	34,588
Capital expenditures	11,487	11,135

Aluminum Extrusions:

Net sales ²	177,521	340,278
Ongoing operating profit (loss)	(6,494)	10,132
Adjusted EBITDA ³	104	16,680
Depreciation and amortization	7,566	8,018
Capital expenditures	22,530	9,692

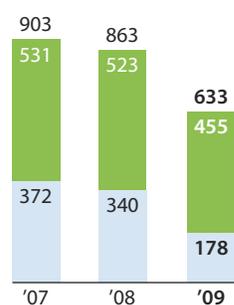
Financial Position and Other Data

Cash and cash equivalents	90,663	45,975
Debt outstanding	1,163	22,702
Shareholders' equity	429,072	420,416
Annualized dividends per share	.16	.16
Shares outstanding at end of period	33,888	33,910
Shares used to compute diluted earnings (loss) per share	33,861	34,194

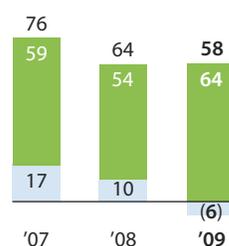
Closing Market Price Per Share

High	\$ 18.68	\$ 20.59
Low	12.79	11.41
End of year	15.82	18.18
Total return to shareholders	(12.1)%	14.1%

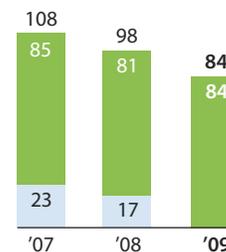
NET SALES²
(\$ Millions)



ONGOING
OPERATING PROFIT
(\$ Millions)



ADJUSTED EBITDA³
(\$ Millions)



■ Films ■ Aluminum

See appendix for footnotes.



Operational Excellence

DEAR SHAREHOLDERS,

I will begin my first letter to you by expressing how honored I am to have been chosen to lead Tredegar as its President and Chief Executive Officer. I have been fortunate enough to have spent most of my professional career at Tredegar and have done so because of Tredegar's remarkable people and strong values. We have the building blocks for success—Operational Excellence, Leadership and Innovation—AND the commitment to realize Tredegar's potential. There is an air of excitement and expectation at Tredegar and it's my responsibility to translate that into results for you, our shareholders.

By any measure, 2009 presented one of the most challenging economic environments of our lifetimes. The bottom fell out of the housing market, the credit crisis brought commercial construction to a screeching halt, and the uncertainty as to how long and deep the crisis would go created a cautionary environment that all but eliminated consumer spending, pushed inventory levels to a new low and curtailed many new market initiatives. It goes without saying that Tredegar's overall financial performance in 2009 was adversely affected by the external environment.

Bonnell, our Aluminum Extrusions business, suffered its first operating loss since 1991. A number of the new product initiatives by Film Products' customers were delayed, which impacted volumes for that business. Tredegar's diluted earnings per share from continuing manufacturing operations were lower for a second straight year.

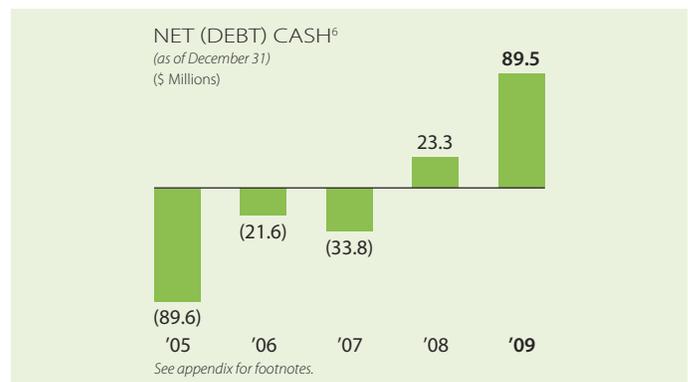
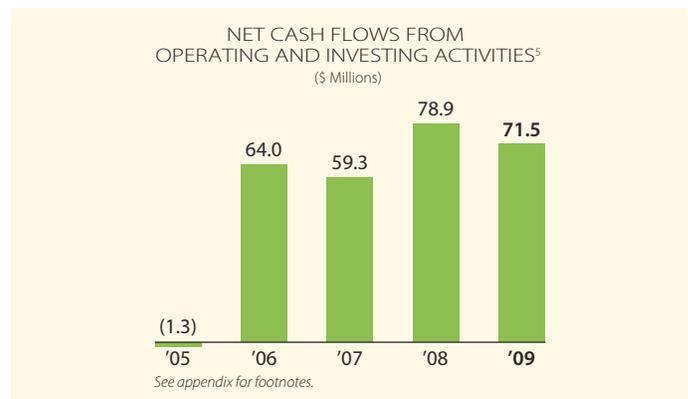
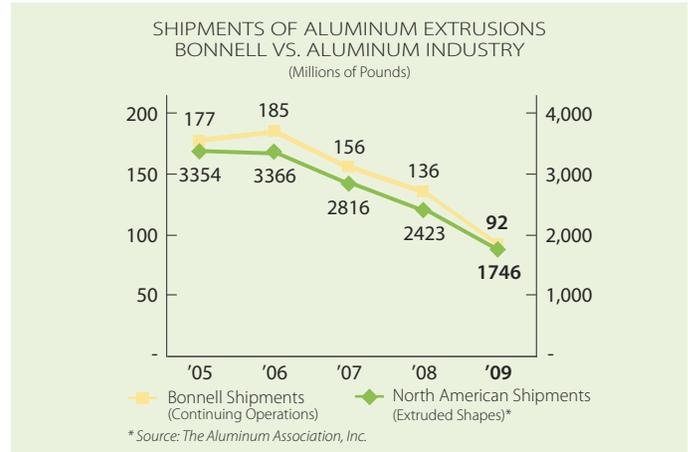
Those aspects of Tredegar's performance were disappointing, but there was more to our story in 2009.

Film Products' operating profit increased by over 19% from 2008 through aggressive productivity improvements and cost reduction initiatives. More importantly, for the first time since 2002, Film Products generated positive economic profit added* (also known as economic value added), Tredegar's key measure of shareholder value creation. Bonnell responded to continued economic pressure and maintained positive EBITDA by continuing to reduce its break even point and setting a new record low in working capital as a percentage of sales. As a result, Tredegar's net cash flow from operating and investing activities was \$71.5 million in 2009. All of these accomplishments are reflected in Tredegar's strong balance sheet and cash position at the end of 2009.

So my message to you is that good things are in the works at Tredegar. Across Tredegar, we are focusing on the building blocks for future growth—Operational Excellence, Leadership and Innovation.

Operational Excellence may be an overused term that means different things to different companies. Yet, I can think of no better term to summarize the variety of improvement initiatives taking hold within Tredegar. Let's start with Safety. Bonnell operates in an industry with a dismal safety record. So by industry standards Bonnell's safety performance has been good. But Bonnell recognized that what may have been good for the industry wasn't good enough for its employees. So it is setting its own

*See appendix for footnote 4.



Leadership

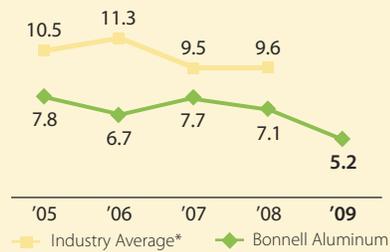
standard for safety and is seeing significant improvements in its safety performance as a result. In 2009, its recordable incident rate improved by 26% and its lost time accident rate was lower compared to 2008. Film Products' safety record slipped in 2009 after achieving a world class performance in 2008, but continued to be significantly better than its industry average. Tredegar is committed to achieving sustainable world class performance in safety and is implementing behavioral-based safety programs across the globe.

Quality (with a capital "Q") is critical to Tredegar's success. Of course we expect to produce a quality product consistently and reliably that meets our customers' needs. That's just one of the benefits derived from a commitment to Quality. Our Quality mission, however, is to bring a process and continuous improvement discipline to all that we do. We know that process and continuous improvement will increase efficiency and productivity, both in manufacturing and in our R&D efforts, and it will drive out waste and cost. We also know that it will eliminate firefighting and provide sustainable solutions to issues.

Operational Excellence has a vitally important cultural aspect to it as well. We are striving to create a culture that lives and breathes Operational Excellence. A true test of that culture is the way Tredegar's employees responded to the significant challenges of the last year. Did we take shortcuts and compromise on our operating principles or did we meet adversity with a calm discipline and an adherence to our demonstrated processes and strengths? Tredegar's employees passed that test with flying colors in 2009. Bonnell's industry has been in a recession since 2007. In 2009, volumes dropped by another 33% (51% from 2006 volumes). Yet, the morale and "can do" attitude of our Bonnell employees never faltered. With each new challenge, they dug deeper and responded with improvements that eliminated more cost. And while the economic crisis did not have as devastating an impact on Film Products' business, our employees managed through a tremendous amount of uncertainty in 2009, attacking costs with a thoughtful and methodical approach and initiating improvement projects that will provide long-term benefits to the business. And while both business units were under tremendous pressure to cut costs, both maintained their commitments to employee training and development and fostering the desired organizational culture, often the first things to go in difficult times.

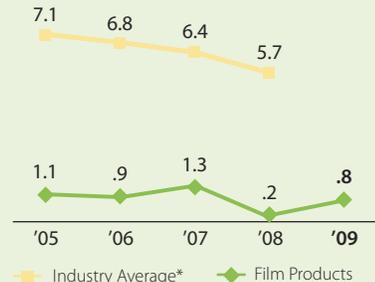
Leadership has never been more important. Tredegar has strong leaders. The Bonnell, Film Products and Corporate management teams are as good as I have seen during my 18 years at Tredegar. And the alignment within and among the teams couldn't be better. This isn't something that happens overnight, and it sure couldn't be in place at a better time. Our leaders made tough decisions swiftly in response to the economic crisis and, as decisions were being made, there was a continual balancing of the urgent need to address near-term challenges against furthering of the business strategies for longer-term growth. Just as important, our leaders led in a way that rallied the whole of their organizations to persevere and sacrifice for the good of the business.

BONNELL ALUMINUM SAFETY PERFORMANCE
TOTAL RECORDABLE INCIDENT RATE ⁷



* Source: Aluminum Extruders Council; year-end 2009 industry information not available. See appendix for footnotes.

FILM PRODUCTS SAFETY PERFORMANCE
TOTAL RECORDABLE INCIDENT RATE ⁷



* Source: Bureau of Labor Statistics (NAICS Code 326); year-end 2009 industry information not available. See appendix for footnotes.

Leadership means industry leadership as well. Film Products and Bonnell have repeatedly demonstrated leadership in their industries. In 2009, Bonnell introduced acid-etched anodizing, a more environmentally friendly anodizing process. Due to Bonnell's efforts to educate its industry, acid-etched anodizing has gained significant traction. Film Products continues to be recognized around the world for product leadership in our markets, as well as for setting the quality standard in protective films for the LCD market.

Innovation is a powerful building block for growth. The words "innovation" and "technology" are closely linked. Technology and product innovation have contributed significantly to Film Products' past success and remain at the center of its strategy. We value innovation beyond its application to technology. Innovation breaks the paradigms of a plant, a business and an industry. It explains Bonnell's ability to differentiate itself in a commodity market. It's the "Aha" in Film Products that triggers a process change that lowers the energy consumption of a line while improving the end product.

We have made great progress in Operational Excellence, Leadership and Innovation, but we still have work to do.

So when do these building blocks produce growth for Tredegar? It's pretty clear that Bonnell's turnaround is tied to a sustained recovery in the non-residential construction market. The timing of that recovery is unclear, but it is not expected to occur during 2010. Bonnell will continue to battle an extremely tough economic environment and, as it does, its Operational Excellence, Leadership and Innovation will improve. In Film Products, we expect spending to increase for a number of new product initiatives that should prove to be meaningful contributors within the next few years. As Film Products continues to improve its Operational Excellence, Leadership and Innovation, productivity improvements and cost reductions should offset a portion of the higher spending.

By focusing on our building blocks, we have also opened up another avenue for growth through business development. We are actively looking for external opportunities where our Operational Excellence, Leadership and Innovation skills and knowledge can create value. Rest assured, our approach to business development is disciplined and centers on leveraging existing Tredegar competencies while maintaining a strong balance sheet.

To Tredegar's employees, thank you for your passion, commitment and many sacrifices—Tredegar's accomplishments are your accomplishments. To Tredegar's Board of Directors, I appreciate the trust you have placed in me. I am so grateful for the time and wisdom you continue to provide to me and the rest of Tredegar's management team on behalf of Tredegar's shareholders. To Tredegar's customers, thank you for your continued business. We strive every day to support your success and create value for you and your customers.

We at Tredegar believe we are building a winning formula based on Operational Excellence, Leadership and Innovation and that you, our shareholders, will see the results as the economy recovers in the markets that we serve. I appreciate your willingness to share that belief.



Nancy M. Taylor
President and Chief Executive Officer

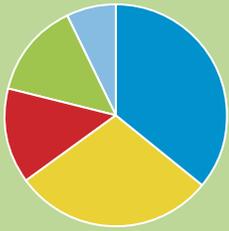
Two Very Special Thank You's

On March 3rd, Tom Slater graciously submitted his resignation from Tredegar's Board of Directors so that I could join the Board. Tom has served on our Board since 1998 with great enthusiasm and attention. Tredegar's Board and management have benefited from his perspective and experience. Tom, we thank you for your service and wise counsel.

John Gottwald retired as President and Chief Executive Officer of Tredegar on January 31st. On that day, he also retired as an employee with over 30 years of service with Tredegar and Ethyl Corporation. It is impossible to summarize in a few words what John has meant to Tredegar. He had been the driving force behind Tredegar since its birth as an independent public company in July, 1989. Under John's leadership, Tredegar created significant shareholder value. He taught many of us at Tredegar the importance of distinguishing tactics from strategy. He honed our critical thinking skills. He amazed us with his ability to zero in on the heart of the matter. He delighted us when we received one of his discerning pats on the back. And, EVERY SINGLE DAY, he challenged us to be better.

Tredegar celebrated its 20th anniversary in 2009. John marked the occasion in a way that only he could, by regaling the employees with a deep and lively history lesson on Tredegar and its heritage. The effort put forth to create this masterpiece was enormous, and the finished product is a treasure that will inspire generations of Tredegar employees to come.

John will remain on Tredegar's Board and no doubt he will continue to challenge us to be better. Still, we will miss our daily nudge and all the wonderful things that came with it.



Film Products

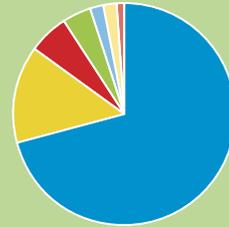
Net Sales by Major Product Category (\$455 Million in 2009)

- Feminine Hygiene 36%
- Baby Diaper 29%
- Packaging & Specialty 14%
- Surface Protection 14%
- Adult Incontinence 7%



Innovative Products

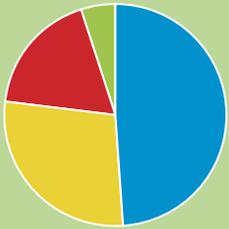
Operational Excellence



Bonnell Aluminum

Volume by End Market (92 Million Pounds in 2009)

- Building & Construction (nonresidential) 71%
- Building & Construction (residential) 14%
- Transportation 6%
- Distribution 4%
- Electrical 2%
- Consumer Durables 2%
- Machinery & Equipment 1%



Film Products

Net Sales by Region (\$455 Million in 2009)

- North America 49%
- Europe 28%
- Asia 18%
- Latin America 5%

Global Leader



TREDEGAR FILM PRODUCTS

Personal Care

Tredegar Film Products is one of the largest global suppliers of apertured, elastomeric, breathable and nonwoven film laminates for personal care markets, including feminine hygiene, baby diapers, training pants, and adult incontinence products. The world's leading consumer and private-label brands rely on the unique experience and technical excellence Tredegar provides.

Surface Protection

Our surface protection products are comprised of high quality single and multi-layer films for high technology applications. These films are designed to protect the surfaces of sensitive materials in order to improve customer yields throughout the manufacturing process for flat panel displays, which include liquid crystal display (LCD) televisions, and other technology-driven products.

Packaging & Specialty and Other Markets

Tredegar Film Products makes a wide variety of packaging films and specialty films for a broad range of end uses, primarily overwrap for bathroom tissue and paper towels, food packaging applications, laminating films for medical and industrial applications including retort sterilization, diaper and fastening tapes and release liners, and films for rubber bale and adhesive wrapping.

Film Products also makes apertured films, breathable barrier films and laminates for use in industrial, medical, agricultural and household markets. These films are used for personal protective suits, facial masks, landscaping fabrics and construction applications.

BONNELL ALUMINUM

Bonnell Aluminum manufactures mill finish, anodized and painted aluminum extrusions for commercial and residential building and construction, distribution, transportation, machinery and equipment, electrical and consumer durables markets. Fabricators and distributors use our extrusions to produce window components, curtain walls and storefronts, tub and shower enclosures, industrial machinery and equipment, automotive parts and other products.

TREDEGAR LOCATIONS

CORPORATE HEADQUARTERS

Richmond, Virginia

BONNELL ALUMINUM

Division Headquarters
Newnan, Georgia

FILM PRODUCTS

Division Headquarters
Richmond, Virginia

Manufacturing Plants *Domestic*

Carthage, Tennessee
Kentland, Indiana
Newnan, Georgia

Technical Centers

Chieti, Italy
Richmond, Virginia
Terre Haute, Indiana

Manufacturing Plants *Domestic*

Lake Zurich, Illinois
Pottsville, Pennsylvania
Red Springs, North Carolina
Terre Haute, Indiana

International

Guangzhou, China
Kerkrade, The Netherlands
Pune, India (under construction)
Rétság, Hungary
Roccamontepiano, Italy
São Paulo, Brazil
Shanghai, China

CORPORATE INFORMATION

CORPORATE OFFICERS AND OPERATING COMPANY MANAGEMENT

Nancy M. Taylor
President and Chief Executive Officer

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

Monica Moretti
President, Tredegar Film Products

Larry J. Scott
Vice President, Audit

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

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

DIRECTORS

Richard L. Morrill^{3, 4, 5, 6}
Chairman of the Board
Tredegar Corporation
Chancellor
University of Richmond
President
The Teagle Foundation

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

William M. Gottwald
Vice Chairman
Tredegar Corporation
Retired
Albemarle Corporation

Nancy M. Taylor¹
President and Chief Executive Officer
Tredegar Corporation

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

John D. Gottwald¹
Retired
Tredegar Corporation

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

R. Gregory Williams^{2, 4, 6}
President
CCA Financial Services, LLC

Norman A. Scher¹
Vice Chairman
Tredegar Corporation

¹ Executive Committee
² Audit Committee
³ Executive Compensation Committee
⁴ Nominating and Governance Committee
⁵ Investment Policy and Related Person Transactions Committee
⁶ Independent Director

SHAREHOLDER INFORMATION

Annual Meeting

The annual meeting of shareholders of Tredegar Corporation will be held on May 18, 2010, beginning at 9:00 AM EDT at Jepson Alumni Center, University of Richmond, in Richmond, Virginia. Formal notices of the annual meeting, proxies and proxy statements will be mailed to shareholders on or about April 6.

Corporate Headquarters

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

Number of Employees

Approximately 2,000

Counsel

Hunton & Williams LLP
Richmond, Virginia

Independent Auditors

PricewaterhouseCoopers LLP
Richmond, Virginia

Stock Listing

New York Stock Exchange
Ticker Symbol: TG

Transfer Agent and Registrar

Computershare Investor Services
Canton, Massachusetts

Inquiries

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

Computershare Investor Services
250 Royall Street
Canton, Massachusetts 02021

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

E-mail:
web.queries@computershare.com

Website:
www.computershare.com/investor

All other inquiries should be directed to:

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

E-mail: invest@tredegar.com

Website: www.tredegar.com



CORPORATE PROFILE

Tredegar Corporation is a global manufacturer of plastic films and aluminum extrusions based in Richmond, Virginia. Tredegar Film Products is dedicated to providing innovation and quality at the right price. The William L. Bonnell Company, our aluminum extrusions subsidiary, is committed to enhancing its value advantage by providing high quality products and superior service. Tredegar employs approximately 2,000 people at more than 15 locations throughout North America, Europe, Asia and Latin America.



Personal Care • Surface Protection • Packaging & Specialty and Other Markets



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