

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

/ X /

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2000

OR

/ /

TRANSITION 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

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

The number of shares of Common Stock, no par value, outstanding as of April 30, 2000: 37,954,136.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

Tredegar Corporation
Consolidated Balance Sheets
(In Thousands)
(Unaudited)

	March 31, 2000	Dec. 31, 1999
	-----	-----
Assets		
Current assets:		
Cash and cash equivalents	\$ 13,709	\$ 25,752
Receivable from securities brokers	17,790	-
Accounts and notes receivable	119,246	121,820
Inventories	53,238	53,129
Deferred income taxes	11,855	11,230
Prepaid expenses and other	1,826	2,657
Total current assets	----- 217,664	----- 214,588
Property, plant and equipment, at cost	481,146	467,565
Less accumulated depreciation and amortization	234,593	224,158
Net property, plant and equipment	----- 246,553	----- 243,407
Venture capital investments	224,980	140,698
Other assets and deferred charges	45,305	41,250
Goodwill and other intangibles	151,268	152,544
	-----	-----

Total assets	\$ 885,770	\$ 792,487
	-----	-----
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 62,783	\$ 61,476
Accrued expenses	43,530	45,030
Income taxes payable	9,879	1,736
	-----	-----
Total current liabilities	116,192	108,242
Long-term debt	270,000	270,000
Deferred income taxes	56,584	33,205
Other noncurrent liabilities	9,264	8,812
	-----	-----
Total liabilities	452,040	420,259
	-----	-----
Shareholders' equity:		
Common stock, no par value	104,886	103,327
Common stock held in trust for savings restoration plan	(1,212)	(1,212)
Unrealized gain on available-for-sale securities	51,784	8,330
Foreign currency translation adjustment	(2,132)	(1,672)
Retained earnings	280,404	263,455
	-----	-----
Total shareholders' equity	433,730	372,228
	-----	-----
Total liabilities and shareholders' equity	\$ 885,770	\$ 792,487
	-----	-----

See accompanying notes to financial statements.

Tredegar Corporation
Consolidated Statements of Income
(In Thousands)
(Unaudited)

First Quarter
Ended March 31

	2000	1999
Revenues:		
Net sales	\$232,228	\$ 179,541
Other income (expense), net	13,232	259
Total	245,460	179,800
Costs and expenses:		
Cost of goods sold	186,394	140,326
Selling, general and administrative	12,602	11,286
Research and development	6,290	4,097
Amortization of intangibles	1,276	87
Interest	4,295	289
Unusual items	5,484	-
Total	216,341	156,085
Income before income taxes	29,119	23,715
Income taxes	10,656	8,417
Net income	\$18,463	\$ 15,298
Earnings per share:		
Basic	\$.49	\$.42
Diluted	.47	.39
Shares used to compute earnings per share:		
Basic	37,718	36,724
Diluted	38,970	38,800
Dividends per share	\$.04	\$.04

See accompanying notes to financial statements.

Tredegar Corporation
Consolidated Statements of Cash Flows
(In Thousands)
(Unaudited)

	First Quarter Ended March 31	
	2000	1999
Cash flows from operating activities:		
Net income	\$18,463	\$15,298
Adjustments for noncash items:		
Depreciation	8,062	5,754
Amortization of intangibles	1,276	87
Deferred income taxes	(1,441)	(156)
Accrued pension income and postretirement benefits	(1,673)	(919)
Gain on sale of venture capital investments	(13,105)	(168)
Loss on plant shutdowns and divestitures	5,293	-
Changes in assets and liabilities, net of effects from acquisitions and divestitures:		
Accounts and notes receivable	2,387	(639)
Inventories	(168)	980
Income taxes recoverable	-	-
Prepaid expenses and other	830	650
Accounts payable	1,409	677
Accrued expenses and income taxes payable	4,957	5,716
Other, net	(2,678)	(766)
Net cash provided by operating activities	23,612	26,514
Cash flows from investing activities:		
Capital expenditures	(15,843)	(10,075)
Investments	(21,603)	(15,410)
Proceeds from the sale of investments	533	2,189
Proceeds from property disposals and divestitures	679	52
Other, net	534	(102)
Net cash used in investing activities	(35,700)	(23,346)
Cash flows from financing activities:		
Dividends paid	(1,514)	(1,456)
Proceeds from exercise of stock options	1,559	870
Net cash provided by (used in) financing activities	45	(586)
(Decrease) increase in cash and cash equivalents	(12,043)	2,582
Cash and cash equivalents at beginning of period	25,752	25,409
Cash and cash equivalents at end of period	\$13,709	\$27,991

See accompanying notes to financial statements.

TREDEGAR CORPORATION
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

1. In the opinion of management, the accompanying consolidated financial statements of Tredegar Corporation and Subsidiaries ("Tredegar") contain all adjustments necessary to present fairly, in all material respects, Tredegar's consolidated financial position as of March 31, 2000, and the consolidated results of operations and cash flows for the three months ended March 31, 2000 and 1999. All such adjustments are deemed to be of a normal recurring nature. These financial statements should be read in conjunction with the consolidated financial statements and related notes included in Tredegar's Annual Report on Form 10-K for the year ended December 31, 1999. The results of operations for the three months ended March 31, 2000, are not necessarily indicative of the results to be expected for the full year.

2. See page 11 for information on unusual items recognized in the first quarter of 2000. There were no unusual items in the first quarter of 1999.

On April 10, 2000, we announced the completion of the sale of Fiberlux, a U.S. producer of rigid vinyl extrusions for windows and patio doors, to Westech Windows, Inc., an affiliate of the Westlake Group based in Houston, Texas. While terms of the sale were not disclosed, we expect to realize a minor gain on the transaction in the second quarter. Fiberlux had sales of \$9.1 million in 1999, operating profit of \$57,000 in 1999 and net assets of \$7.2 million at March 31, 2000.

On September 24, 1999, we announced that our board of directors was evaluating alternative financing and structural options for the Technology Group (Tredegar Investments, Molecumetics and Therics). On April 25, 2000, we announced that our board of directors had decided that no financing or structural changes would be made at this time.

3. A summary of our venture capital activities for the three months ended March 31, 2000 and 1999, is provided below:

	(In Thousands)	
	First Quarter Ended March 31	
	2000	1999
Carrying value of venture capital investments, beginning of period	\$ 140,698	\$ 60,024
Venture capital investment activity for period (pre-tax amounts):		
New investments	21,603	15,410
Proceeds from the sale of investments, including receivable from securities brokers	(18,323)	(2,189)
Realized gains	16,259	1,926
Realized losses, write-offs and write-downs	(3,154)	(1,758)
Increase (decrease) in net unrealized gain on available-for-sale securities	67,897	(102)
Carrying value of venture capital investments, end of period	\$ 224,980	\$ 73,311

Our remaining unfunded commitments to private venture capital funds totaled approximately \$35 million at March 31, 2000, and \$30 million at December 31, 1999.

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

Tredegar Corporation
Schedule of Investments at March 31, 2000 and December 31, 1999
(In Thousands, Except Per-Share Amounts)

Investment	Symbol	Yrs. Held (a)	Description	Web Site (www.)
Securities of Public Companies Held:				
Superconductor Tech, Inc.	SCON	.8	Manufactures filters for wireless networks	suptech.com
Eprise Corporation	EPRS	2.3	Web site maintenance & development tool	eprise.com
Copper Mountain Networks	CMTN	.4	Digital subscriber line communication products	coppermountain.com
Caliper Technologies Corp.	CALP	2.9	Lab on a chip	calipertech.com
Eclipse Surgical Tech., Inc.	ESTI	5.8	Coronary revascularization	eclipsesurg.com
Cisco Systems	CSCO	.8	Networking for the Internet	cisco.com
InterVU, Inc.	ITVU	1.5	Service provider of Internet and audio delivery	sintervu.com

Total securities of public companies held

Securities of Private Companies Held:				
CyroGen		4.5	Micro-cryogenic catheters for medical application	cyrogen-inc.com
Sensitech Inc.		3.1	Perishable product management solutions	sensitech.com
Rosetta Inpharmatics, Inc.		2.8	Gene function/drug screening on a chip	rii.com
Bell Geospace		2.8	Presentation of 3D data to the oil & gas industry	bellgeo.com
Songbird Medical, Inc.		2.7	Disposable hearing aids	
RedCreek Communications		2.6	Internet and intranet security	redcreek.com
Appliant, Inc.		2.5	Software tools for managing executable software	appliant.com
Ellipsys Technologies, Inc.		2.4	Telephone system error detection	ellipsys.tech.com
HemoSense		2.4	Point of care blood coagulation time test device	hemosense.com
Moai Technologies, Inc.		2.3	System for holding auctions on the Internet	moai.com
Vascular Solutions		2.3	Vascular access site closure system	vascularsolutions.com
Babycare, Ltd.		2.1	Direct retailing of baby care products in China	
SignalSoft Corporation		2.1	Wireless caller location detection software	signalsoftcorp.com
EpiCON		2.0	Network software manager	epicon.com
NovaLux, Inc.		1.9	Blue-green light lasers	novalux.com
IRSI		1.8	Optical inspection systems	irsinc.com
Xycte Therapies, Inc.		1.7	Develops drugs to treat cancer & other disorders	xcyctetherapies.com
Illumina, Inc.		1.4	Fiber optic sensor technology for drug screening	illumina.com
Advanced Diagnostics, Inc.		1.4	3-D medical imaging equipment	
Adolor Corporation		1.3	Develops pain-management therapeutic drugs	adolor.com
Praxon, Inc.		1.3	Integrated business communications equipment	praxon.com
AdiCom Wireless, Inc.		1.2	Wireless local loop technology	adicomwireless.com
EndoVasix, Inc.		1.2	Device for treatment of ischemic strokes	endovasix.com
eWireless, inc.		1.2	Technology linking cell phone users & advertising	ewireless.com
Cooking.com, Inc.		1.0	Sales of cooking-related items over the Internet	cooking.com
MediaFlex.com		1.0	Internet-based printing & publishing	mediaflex.com
eBabyCare Ltd.		.8	Sales of baby care products over the Internet in China	
Kodiak Technologies, Inc.		.8	Cooling products for organ & pharma transport	kodiaktech.com
Genesis Medical, Inc.		.7	Medical devices for breast cancer surgery	
CEPTYR, Inc.		.7	Develops small molecule drugs	ceptyr.com
GreaterGood.com		.7	Internet marketing targeted at donors to charities	greatergood.com
Etera Corporation		.6	Sales of branded perennial plants over the Internet	etera.com

Subtotal securities of private companies held

See notes on page 8.

Tredegar Corporation
Schedule of Investments at March 31, 2000 and December 31, 1999
(In Thousands, Except Per-Share Amounts)

Investment	Yrs. Held (a)	Description	Web Site (www.)
Total securities of public companies held (from page 7)			
Subtotal securities of private companies held (from page 7)			
ThinkFree.com	.5	Java-based software complementary to Microsoft Office	thinkfree.com
@mobile.com, Inc. (d)	.4	Server solutions to increase wireless-carrier pro	atmobile.com
PurePacket Communications, Inc.	.4	Next generation packet-based CLEC (phone carrier)	purepacket.com
Quarry Technologies, Inc.	.4	Technology for delivery of differentiated service	quarrytech.com
Norborn Medical, Inc.	.3	Device for treatment of cardiovascular disease	
FastTrack Systems, Inc.	.2	Clinical trial data management information systems	
Querist Technologies, Inc.	.1	Web-based data mining software for business managers	

Total securities of private companies held

Limited partnership interests in private venture capital funds (period held of .1 - 7.5 years) (e)

Total investments
Estimated income taxes on assumed disposal at fair value

Estimated net asset value ("NAV")

Tredegar Corporation
Schedule of Investments at March 31, 2000
and December 31, 1999
(In Thousands, Except Per-Share Amounts)

Public Common Stock or
Equivalents at 3/31/00 3/31/00 12/31/99

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:									
Superconductor Tech, Inc.	1,221	\$ 41.94	20%	\$ 40,953	\$ 40,953	\$ 3,360	\$ 4,613	\$ 3,000	\$ 3,000
Eprise Corporation	1,836	15.75	20%	23,133	23,133	2,900	7,309	2,900	2,900
Copper Mountain Networks	197	81.94	20%	12,906	12,906	1,460	1,460	1,460	1,460
Caliper Technologies Corp.	155	80.88	20%	10,023	10,023	1,000	8,386	8,386	1,000
Eclipse Surgical Tech., Inc.	453	7.44	n/a	3,371	3,371	2,464	3,342	3,342	2,464
Cisco Systems	23	77.31	11%	1,605	1,605	298	6,276	6,276	2,000
InterVU, Inc.	5	90.00	n/a	459	459	57	536	536	57
Total securities of public companies held				92,450	92,450	11,539	31,922	25,900	12,881
Securities of Private Companies Held:									
CyroGen				3,836	2,673	2,673	3,759	2,553	2,553
Sensitech Inc.				2,000	2,000	2,000	2,000	2,000	2,000
Rosetta Inpharmatics, Inc.				9,690	4,688	4,688	4,558	3,000	3,000
Bell Geospace				-	-	3,500	-	-	3,500
Songbird Medical, Inc.				5,842	3,960	3,960	5,922	3,960	3,960
RedCreek Communications				549	549	2,256	2,071	2,071	2,256
Appliant, Inc.				4,968	2,599	2,599	5,036	2,599	2,599
Ellipsys Technologies, Inc.				663	663	2,737	1,987	1,987	2,737
HemoSense				1,711	1,485	1,485	1,735	1,485	1,485
Moai Technologies, Inc.				30,726	2,021	2,021	7,389	2,021	2,021
Vascular Solutions				4,398	2,450	2,450	4,409	2,450	2,450
Babycare, Ltd.				1,009	1,009	1,009	1,009	1,009	1,009
SignalSoft Corporation				5,611	2,996	2,996	5,624	2,996	2,996
EPiCON				2,938	750	750	2,945	750	750
NovaLux, Inc.				5,181	3,183	3,183	5,193	3,183	3,183
IRSI				8,013	3,325	4,200	2,848	2,825	3,700
Xycte Therapies, Inc.				3,000	3,000	3,000	3,000	3,000	3,000
Illumina, Inc.				6,837	3,925	3,925	6,853	3,925	3,925
Advanced Diagnostics, Inc.				705	705	705	705	705	705
Adolor Corporation				3,584	3,000	3,000	2,613	2,000	2,000
Praxon, Inc.				2,654	2,309	2,309	2,661	2,309	2,309
AdiCom Wireless, Inc.				3,254	3,254	3,254	3,000	3,000	3,000
EndoVasix, Inc.				2,500	2,500	2,500	2,500	2,500	2,500
eWireless, inc.				2,205	2,250	2,250	2,250	2,250	2,250
Cooking.com, Inc.				7,005	4,500	4,500	7,021	4,500	4,500
MediaFlex.com				3,856	3,500	3,500	1,500	1,500	1,500
eBabyCare Ltd.				314	314	314	120	120	120
Kodiak Technologies, Inc.				1,194	1,194	1,194	1,194	1,194	1,194
Genesis Medical, Inc.				800	800	800	800	800	800
CEPTYR, Inc.				1,750	1,750	1,750	1,750	1,750	1,750
GreaterGood.com				3,588	3,588	3,588	3,200	3,200	3,200
Etera Corporation				4,000	4,000	4,000	3,000	3,000	3,000
Subtotal securities of private companies held				134,381	74,940	83,096	98,652	70,642	75,952

See notes on page 8.

Tredegar Corporation
Schedule of Investments at March 31,
2000 and December 31, 1999
(In Thousands, Except Per-Share Amounts)

Investment	3/31/00			12/31/99		
	Estimated Fair Value (b)	Carrying Value (b)	Cost Basis	Estimated Fair Value (b)	Carrying Value (b)	Cost Basis
Total securities of public companies held (from page 7)	92,450	92,450	11,539	31,922	25,900	12,881
Subtotal securities of private companies held (from page 7)	134,381	74,940	83,096	98,652	70,642	75,952
ThinkFree.com	1,001	1,001	1,001	1,001	1,001	1,001
@mobile.com, Inc. (d)	10,875	3,000	3,000	2,000	2,000	2,000
PurePacket Communications, Inc.	1,797	1,797	1,797	1,797	1,797	1,797
Quarry Technologies, Inc.	3,000	3,000	3,000	3,000	3,000	3,000
Norborn Medical, Inc.	188	188	188	188	188	188
FastTrack Systems, Inc.	3,000	3,000	3,000	-	-	-
Querist Technologies, Inc.	600	600	600	-	-	-
Total securities of private companies held	154,842	87,526	95,682	106,638	78,628	83,938
Limited partnership interests in private venture capital funds (period held of .1-7.5 years)(e)	97,835	45,004	47,785	66,803	36,170	38,650
Total investments	345,127	\$ 224,980	\$155,006	205,363	\$140,698	\$135,469
Estimated income taxes on assumed disposal at fair value	68,443			25,162		
Estimated net asset value ("NAV")	\$ 276,684			\$180,201		

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) 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.

(d) On April 12, 2000, @Mobile.com, Inc., merged with Software.com, Inc. (symbol: SWCM). We now own approximately 405,000 shares of Software.com common stock. The share are restricted, and we estimate fair value by applying a 20% restricted stock discount to publicly traded price quotes.

(e) At March 31, 2000, Tredegar had ownership interests in 25 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	Indirect Interest in Common Shares	Closing Price	Average Restricted Stock Dis-count	Estimated Fair Value	Indirect Cost Basis
Universal Access, Inc.	593	\$ 33.50	20%	\$ 15,883	\$ 521
Watchguard Tech., Inc.	56	90.00	15%	4,303	111
Loudeye Technologies, Inc.	148	34.88	20%	4,119	373
Digital Island	68	60.94	20%	3,309	138
Telaxis Communications	44	60.11	20%	2,101	207
Cobalt Networks, Inc.	52	47.00	20%	1,962	98
Tut Systems, Inc.	29	59.56	n/a	1,721	145
Apropos Technology, Inc.	55	37.00	20%	1,633	263
Cisco Systems	25	77.31	15%	1,643	-
DSL Net Inc.	92	22.06	20%	1,624	170
Avenue A, Inc.	44	30.50	20%	1,066	104

Total

\$ 39,364

\$ 2,130

4. Comprehensive income, defined as net income and other comprehensive income, was \$61.5 million for the first quarter of 2000 and \$15.3 million for the first quarter of 1999. 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.

5. The components of inventories are as follows:

(In Thousands)

	March 31 2000	Dec. 31 1999
Finished goods	\$11,094	\$9,928
Work-in-process	4,434	4,322
Raw materials	27,954	29,174
Stores, supplies and other	9,756	9,705
Total	\$53,238	\$53,129

6. Basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding. Diluted earnings per share is computed by dividing net income by the weighted average common and potentially dilutive common equivalent shares outstanding, determined as follows:

	(In Thousands) First Quarter Ended March 31	
	2000	1999
Weighted average shares outstanding used to compute basic earnings per share	37,718	36,724
Incremental shares issuable upon the assumed exercise of stock options	1,252	2,076
Shares used to compute diluted earnings per share	38,970	38,800

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

7. 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.

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

Results of Operations

First Quarter 2000 Compared with First Quarter 1999

Net income for the first quarter of 2000 was \$18.5 million, up from \$15.3 million in 1999 (47 cents per share versus 39 cents per share). Results in 2000 include \$7.8 million (20 cents per share) of realized after-tax gains from venture capital investments, compared to a loss of \$250,000 (one cent per share) in the first quarter of 1999. Results in 2000 also include a net after-tax charge of \$3.5 million (nine cents per share) related primarily to the planned shut down of a plastic films plant in Manchester, Iowa.

Pretax realized gains and losses from venture capital investment activities are included in "Other income (expense), net" in the consolidated statements of income on page 3 and "Venture capital investments" in the operating profit table on page 12. Operating expenses (primarily employee compensation and benefits and leased office space and equipment) for our venture capital investment activities are classified in "Selling, general and administrative expenses" ("SG&A") in the consolidated statements of income and "Venture capital investments" in the operating profit table.

After-tax appreciation in the net asset value ("NAV") of the venture capital investment portfolio was \$86.8 million during the quarter. At March 31, 2000, the NAV of the portfolio was \$276.7 million. Since the end of the quarter, the NAV of the public securities held in the portfolio through May 10 had declined by \$26 million. For more information on our venture capital investment activities, see pages 13-14 and Note 3 on page 6.

Net sales in the first quarter of 2000 increased by 29% over 1999 due primarily to:

- o The acquisition of Exxon Chemical Company's plastic film business ("Exxon Films") on May 17, 1999
- o Higher volume in Aluminum Extrusions (up 9%)
- o Higher selling prices driven by higher raw material costs

Pro forma net sales (\$232.2 million in the first quarter of 2000 versus \$209.1 million in 1999) were up 11%. Pro forma net sales assume that the acquisition of Exxon Films occurred at the beginning of 1999. Net sales for existing operations of Film Products were up 2.7% due to higher selling prices resulting from higher plastic resin costs, partially offset by lower volume.

For more information on net sales, see the business segment review on pages 12-14.

The gross profit margin declined to 19.7% from 21.8% due to lower margins at the plastic film plants acquired from the Exxon Chemical Company, and lower margins for the existing operations of Film Products and Aluminum Extrusions. In existing operations, increases in selling prices due to higher raw material costs helped maintain a relatively constant gross profit per unit, but still resulted in a decline in the overall gross profit percentage.

SG&A expenses in the first quarter of 2000 were \$12.6 million, up from \$11.3 million in 1999 due primarily to the acquisition of Exxon Films. As a percentage of sales, SG&A expenses decreased to 5.4% in the first quarter of 2000 compared with 6.3% in 1999, due to higher sales from raw material-driven price increases.

R&D expenses increased to \$6.3 million in the first quarter of 2000 from \$4.1 million in 1999 due to the acquisition of Therics (impact of \$1.8 million), higher spending at Molecumetics in support of collaboration programs (up \$219,000) and higher product development spending at Film Products (up \$158,000).

Unusual charges in the first quarter of 2000 totaled \$5.5 million (\$3.5 million after income taxes) and included:

- o A charge of \$5.3 million for the planned shut down of a plastic films manufacturing facility in Manchester, Iowa, including an impairment loss for building and equipment (\$4.1 million), severance costs (\$700,000), and excess inventory and other items (\$450,000)
- o A pretax charge of \$191,000 for costs associated with the evaluation of financing and structural options for the Technology Group

There were no unusual items in the first quarter of 1999. For more information on costs and expenses, see the business segment review on pages 12-14.

Interest income, which is included in "Other income (expense), net" in the consolidated statements of income, was \$394,000 in the first quarter of 2000 and \$325,000 in 1999. The average tax-equivalent yield earned on cash equivalents was approximately 5.7% in the first quarter of 2000 and 4.9% in the first quarter of last year. 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 \$4.3 million in the first quarter of 2000 from \$289,000 in 1999 due to higher average debt outstanding (up \$245 million) from acquisitions and investments made in 1999. The average rate on variable-rate debt (\$250 million) was 6.8% in the first quarter of 2000. There was no variable-rate debt outstanding in the first quarter of 1999. The average rate on fixed-rate debt (\$20 million in the first quarter of 2000 and \$25 million in the first quarter of 1999) was 7.2% in both periods.

The effective tax rate, excluding unusual items, increased to 36.5% in the first quarter of 2000 from 35.5% in 1999 due to higher taxes accrued on income from foreign operations.

Business Segment Review

The following tables present Tredegar's net sales and operating profit by segment for the first quarter ended March 31, 2000 and 1999.

Net Sales by Segment
(In Thousands)
(Unaudited)

	First Quarter Ended March 31	
	2000	1999
Film Products	\$ 99,486	\$ 67,752
Fiberlux	1,782	2,260
Aluminum Extrusions	129,240	107,684
Technology:		
Molecumetics	1,626	1,845
Other	94	-
Total net sales	\$ 232,228	\$ 179,541

Operating Profit by Segment
(In Thousands)
(Unaudited)

	First Quarter Ended March 31	
	2000	1999
Film Products:		
Ongoing operations	\$ 15,750	\$13,204
Unusual items	(5,293)	-
Total Film Products	10,457	13,204
Fiberlux	(209)	(88)
Aluminum Extrusions	15,714	13,846
Technology:		
Molecumetics	(1,229)	(854)
Therics	(1,799)	-
Venture capital investments	12,143	(391)
Unusual items	(191)	-
Total Technology	8,924	(1,245)
Total operating profit	34,886	25,717
Interest income	394	325
Interest expense	4,295	289
Corporate expenses, net	1,866	2,038
Income before income taxes	29,119	23,715
Income taxes	10,656	8,417
Net income	\$ 18,463	\$15,298

First-quarter sales in Film Products rose 47 percent to \$99.5 million while operating profit (excluding unusual items) was \$15.8 million, up 19 percent versus the year-ago period. The increase in sales and profits was due to the mid-1999 acquisition of Exxon Films. On a pro forma basis (i.e., assuming the acquisition had occurred at the beginning of 1999), first-quarter sales in films were up two percent due to raw material-driven price increases. Operating profit for existing operations declined \$1.9 million (14%) due to lower volume, continued delays in new product introductions, and higher spending on new product development and commercialization.

In Aluminum Extrusions, higher volume (up 9%) and selling prices boosted sales to \$129.2 million for the quarter, an increase of 20 percent versus last year. Operating profit rose 13 percent to \$15.7 million, despite a rapid rise in raw material costs. Demand continues to be strong in all markets.

The first-quarter operating loss from technology operations was \$3 million versus a loss of \$854,000 in the year-ago period. The higher losses were due primarily to the inclusion of results from Therics, which was acquired in April 1999.

The appreciation in NAV related to venture capital investment activities for the first quarter of 2000 and 1999 is summarized below:

	(In Millions)	
	First Quarter Ended March 31	
	2000	1999
Net realized gains, losses, writedowns and related operating expenses for venture capital investments reflected in consolidated statements of income (net of tax)	\$ 7.8	\$ (.3)
Change in unrealized appreciation of venture capital investments (net of tax)	79.0	1.0
Appreciation (depreciation) in net asset value related to venture capital investment activities	\$ 86.8	\$.7

The following companies held directly in the portfolio, or indirectly through our interests in other venture capital funds, accounted for most of the net appreciation in NAV during the current period:

- o Superconductor Technologies, Inc. - public security, higher stock price (\$23 million NAV appreciation)
- o Moai Technologies, Inc. - new round of financing at higher valuation (\$15 million NAV appreciation)
- o Eprise Corporation - IPO (\$10 million NAV appreciation)
- o Copper Mountain Networks - bought Onpre Networks, Inc. (\$7 million NAV appreciation)
- o @mobile.com, Inc. - new round of financing at higher valuation (\$5 million NAV appreciation)
- o IRSI - new round of financing at higher valuation (\$3 million NAV appreciation)
- o Rosetta Inpharmatics - new round of financing at higher valuation (\$2 million NAV appreciation)

- o Indirect ownership of companies through our interest in other venture capital funds (\$21 million NAV appreciation, primarily higher valuations due to IPOs and mergers)
- o Write-down of RedCreek Communications (\$974,000 NAV depreciation)
- o Write-down of Ellipsys Technologies, Inc. (\$847,000 NAV depreciation)

Since March 31, 2000, the NAV of public securities held in the portfolio through May 10 had declined by \$26 million. The cost basis, carrying value and NAV of the venture capital portfolio is reconciled below:

	(In Millions)	
	March 31 2000	Dec. 31 1999
Cost basis of venture capital investments	\$ 155.0	\$ 135.5
Writedowns taken on securities held (charged to earnings)	(10.9)	(7.8)
Unrealized appreciation on public securities held by Tredegar (reflected directly in equity net of deferred income taxes)	80.9	13.0
Carrying value of venture capital investments reflected in the balance sheet	225.0	140.7
Unrealized appreciation in private securities held by Tredegar and in its indirect interest in all securities held by venture capital funds	120.1	64.7
Estimated fair value of venture capital investments	345.1	205.4
Estimated income taxes on assumed disposal at fair value	(68.4)	(25.2)
Estimated NAV of venture capital investments	\$ 276.7	\$ 180.2

Our internal rate of return ("IRR") since inception in 1992 through May 10, 2000, is estimated at 69% (49% after income taxes), but is not necessarily indicative of the IRR that we will generate in the future. 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).

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

Liquidity and Capital Resources

Tredegar's total assets increased to \$885.8 million at March 31, 2000, from \$792.5 million at December 31, 1999, due primarily to:

- o An increase in unrealized gains on available-for-sale securities (up \$68 million)
- o Higher receivable from securities brokers from the sale of securities (up \$17.8 million)

Net cash provided by operating activities in excess of capital expenditures and dividends decreased to \$6.3 million in the first quarter of 2000 from \$15 million in 1999 due primarily to higher capital expenditures. Capital expenditures in the first quarter of 2000 reflect the normal replacement of machinery and equipment and:

- o A new feminine pad topsheet film production line at the plant in Terre Haute, Indiana
- o Machinery and equipment purchased for the manufacture of breathable and elastomeric films (these films are replacing conventional diaper backsheets and other components in order to improve comfort and fit)
- o Continued expansion of capacity at the Hungary facility, which produces disposable films for hygiene products marketed in Europe
- o The second phase of a modernization program at the aluminum extrusion plant in Newnan, Georgia

The reasons for the decrease in cash and cash equivalents to \$13.7 million at March 31, 2000, from \$25.8 million at December 31, 1999, are summarized below:

	(In Thousands)	
	First Quarter Ended March 31	
	2000	1999
Cash and cash equivalents, beginning of period	\$25,752	\$25,409
Cash provided by operating activities in excess of capital expenditures and dividends	6,255	14,983
Proceeds from the exercise of stock options	1,559	870
New venture capital investments, net of proceeds from disposals	(21,070)	(13,221)
Other, net	1,213	(50)
Net (decrease) increase in cash and cash equivalents	(12,043)	2,582
Cash and cash equivalents, end of period	\$13,709	\$27,991

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.

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.

We sell to customers in foreign markets through our foreign operations and through exports from U.S. plants. The percentage of consolidated pretax income earned by geographic area for the first quarter of 2000 and 1999 are presented below:

Estimated % of Consolidated Pretax
Income Earned by Geographic Area*

	First Quarter Ended March 31	
	2000	1999
United States	51 %	63 %
Canada	22	14
Latin America	14	7
Europe	10	10
Asia	3	6
Total	100 %	100 %

* Based on consolidated pretax income from continuing operations excluding venture capital 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 pages 13-14 and Note 3 on page 6 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.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibit No.

3 Amended By-laws

27 Financial Data Schedule

(b) Reports on Form 8-K. No reports on Form 8-K have been filed for the quarter ended March 31, 2000.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Tredegar Corporation
(Registrant)

Date:	May 12, 2000	/s/ N. A. Scher
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		Norman A. Scher Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date:	May 12, 2000	/s/ D. Andrew Edwards
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		D. Andrew Edwards Vice President Treasurer and Controller (Principal Accounting Officer)

EXHIBIT INDEX

Exhibit No. -----	Description -----
3	Amended By-laws
27	Financial Data Schedule

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TREDEGAR CORPORATION

AMENDED BY-LAWS

As amended and in effect on February 22, 2000

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TREDEGAR CORPORATION

AMENDED BY-LAWS

ARTICLE I
Meeting of Shareholders

Section 1. Places of Meetings. All meetings of the shareholders shall be held at such place, either within or without the State of Virginia, as may, from time to time, be fixed by the Board of Directors.

Section 2. Annual Meetings. The annual meeting of the shareholders, for the election of directors and transaction of such other business as may come before the meeting, shall be held in each year on the fourth Wednesday in May, at 2:00 p.m., Richmond, Virginia time, or on such other date and at such other time as the Board of Directors of the Corporation may designate from time to time.

Section 3. Special Meetings. Special meetings of shareholders for any purpose or purposes may be called at any time by the President of the Corporation, or by a majority of the Board of Directors. At a special meeting no business shall be transacted and no corporate action shall be taken other than that stated in the notice of the meeting.

Section 4. Notice of Meetings. Except as otherwise required by law, written or printed notice stating the place, day and hour of every meeting of the shareholders and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed not less than ten nor more than sixty days before the date of the meeting to each shareholder of record entitled to vote at such meeting, at his address which appears in the share transfer books of the Corporation. Meetings may be held without notice if all the shareholders entitled to vote at the meeting are present in person or by proxy or if notice is waived in writing by those not present, either before or after the meeting.

Section 5. Quorum. Except as otherwise required by the Articles of Incorporation, any number of shareholders together holding at least a majority of the outstanding shares of capital stock entitled to vote with respect to the business to be transacted, who shall be present in person or represented by proxy at any meeting duly called, shall constitute a quorum for the transaction of business. If less than a quorum shall be in attendance at the time for which a meeting shall have been called, the meeting may be adjourned from time to time by a majority of the shareholders present or represented by proxy without notice other than by announcement at the meeting.

Section 6. Voting. At any meeting of the shareholders each shareholder of a class entitled to vote on the matters coming before the meeting shall have one vote, in person or by proxy, for each share of capital stock standing in his or her name on the books of the Corporation at the time of such meeting or on any date fixed by the Board of Directors not more than seventy (70) days prior to the meeting. Every proxy shall be in writing, dated and signed by the shareholder entitled to vote or his duly authorized attorney-in-fact.

Section 7. Voting List. The officer or agent having charge of the stock transfer books for shares of the Corporation shall make, at least ten (10) days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting or any adjournment thereof, with the address of and the number of shares held by each. Such list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Corporation or at its principal place of business or at the office of its transfer agent or registrar and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original stock transfer books shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders. If the requirements of this section have not been substantially complied with, the meeting shall, on the demand of any shareholder in person or by proxy, be adjourned until the requirements are complied with.

Section 8. Shareholder Proposals. To be properly brought before an annual meeting of shareholders, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (iii) otherwise properly brought before the meeting by a shareholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a shareholder's notice must be given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation not later than ninety (90) days in advance of the annual meeting. A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting (including the specific proposal to be presented) and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the shareholder proposing such business, (iii) the class and number of shares of the Corporation that are beneficially owned by the shareholder, and (iv) any material interest of the shareholder in such business.

In the event that a shareholder attempts to bring business before an annual meeting without complying with the provisions of this Section 8, the Chairman of the meeting shall declare to the meeting that the business was not properly brought before the meeting in accordance with the foregoing procedures, and such business shall not be transacted.

No business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Section 8, provided, however, that nothing in this Section 8 shall be deemed to preclude discussion by any shareholder of any business properly brought before the annual meeting.

Section 9. Inspectors. An appropriate number of inspectors for any meeting of shareholders may be appointed by the Chairman of such meeting. Inspectors so appointed will open and close the polls, will receive and take charge of proxies and ballots, and will decide all questions as to the qualifications of voters, validity of proxies and ballots, and the number of votes properly cast.

ARTICLE II Directors

Section 1. General Powers. The property, affairs and business of the Corporation shall be managed under the direction of the Board of Directors, and except as otherwise expressly provided by law, the Articles of Incorporation or these By-laws, all of the powers of the Corporation shall be vested in such Board.

Section 2. Number of Directors. The Board of Directors shall be ten (10) in number.

Section 3. Election of Directors.

(a) Directors shall be elected at the annual meeting of shareholders to succeed those Directors whose terms have expired and to fill any vacancies thus existing.

(b) Directors shall hold their offices for terms as set forth in the Articles of Incorporation and until their successors are elected. Any director may be removed from office as set forth in the Articles of Incorporation.

(c) Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of the majority of the remaining directors though less than a quorum of the Board of Directors.

(d) A majority of the number of directors fixed by these By-laws shall constitute a quorum for the transaction of business. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 4. Meetings of Directors. Meetings of the Board of Directors shall be held at places within or without the State of Virginia and at times fixed by resolution of the Board, or upon call of the President, and the Secretary or officer performing the Secretary's duties shall give not less than twenty-four (24) hours' notice by letter, telegraph or telephone (or in person) of all meetings of the directors, provided that notice need not be given of regular meetings held at times and places fixed by resolution of the Board. An annual meeting of the Board of Directors shall be held as soon as practicable after the adjournment of the annual meeting of shareholders. Meetings may be held at any time without notice if all of the Directors are present, or if those not present waive notice in writing either before or after the meeting. Directors may be allowed, by resolution of the Board, a reasonable fee and expenses for attendance at meetings.

Section 5. Nominations. Subject to the rights of holders of any class or series of stock having a preference over the common stock as to dividends or upon liquidation, nominations for the election of Directors shall be made by the Board of Directors or a committee appointed by the Board of Directors or by any shareholder entitled to vote in the election of Directors generally. However, any shareholder entitled to vote in the election of Directors generally may nominate one or more persons for election as Directors at a meeting only if written notice of such shareholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Corporation not later than (i) with respect to an election to be held at an annual meeting of shareholders, ninety (90) days in advance of such meeting, and (ii) with respect to an election to be held at a special meeting of shareholders for the election of Directors, the close of business on the seventh day following the date on which notice of such meeting is first given to shareholders. Each notice shall set forth: (a) the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the shareholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (d) such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission, had the nominee been nominated, or intended to be nominated, by the Board of Directors; and (e) the consent of each nominee to serve as a Director of the Corporation if so elected. The Chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

ARTICLE III
Committees

Section 1. Executive Committee. The Board of Directors shall, by vote of a majority of the number of directors fixed by these By-laws, designate an Executive Committee which shall consist of three or more directors, including the President. The members of the Executive Committee shall serve until their successors are designated by the Board of Directors, until removed or until the Executive Committee is dissolved by the Board of Directors. All vacancies which may occur in the Executive Committee shall be filled by the Board of Directors.

When the Board of Directors is not in session, the Executive Committee shall have all power vested in the Board of Directors by law, the Articles of Incorporation or these By-laws, except as otherwise provided in the Virginia Stock Corporation Act and except that the Executive Committee shall not have the power to elect the President of the Corporation. The Executive Committee shall report at the next regular or special meeting of the Board of Directors all action which the Executive Committee may have taken on behalf of the Board since the last regular or special meeting of the Board of Directors.

Meetings of the Executive Committee shall be held at such places and at such times fixed by resolution of the Committee, or upon call of the President. Not less than twelve (12) hours' notice shall be given by letter, telegraph or telephone (or in person) of all meetings of the Executive Committee, provided that notice need not be given of regular meetings held at times and places fixed by resolution of the Committee and that meetings may be held at any time without notice if all of the members of the Committee are present or if those not present waive notice in writing either before or after the meeting. A majority of the members of the Executive Committee then serving shall constitute a quorum for the transaction of business at any meeting.

Section 2. Executive Compensation Committee. The Board of Directors, at its regular annual meeting, shall designate an Executive Compensation Committee which shall consist of three or more directors who shall not be eligible for bonus, stock option or stock appreciation rights. In addition, the Board at any time may designate one or more alternate members of such Committee who shall be directors not eligible for bonus, stock option or stock appreciation rights who may act in place of any absent regular member upon invitation by the Chairman or Secretary of the Committee.

With respect to bonuses, the Executive Compensation Committee shall have and may exercise the powers to determine the amounts annually available for bonuses pursuant to any bonus plan or formula approved by the Board, to determine bonus awards to executive officers and to exercise such further powers with respect to bonuses as may from time to time be conferred by the Board of Directors.

With respect to salaries, the Executive Compensation Committee shall have and may exercise the power to fix and determine from time to time all salaries of the executive officers of the Corporation, and such further powers with respect to salaries as may from time to time be conferred by the Board of Directors.

The Executive Compensation Committee shall administer the Corporation's Incentive Stock Option Plan (the Plan) and from time to time may grant, consistent with the Plan, stock options and stock appreciation rights.

Vacancies in the Executive Compensation Committee shall be filled by the Board of Directors, and members shall be subject to removal by the Board at any time.

The Executive Compensation Committee shall fix its own rules of procedure. A majority of the number of regular members then serving shall constitute a quorum; and regular and alternate members present shall be counted to determine whether there is a quorum. The Executive Compensation Committee shall keep minutes of its meetings, and all action taken by it shall be reported to the Board of Directors.

Section 3. Audit Committee. The Board of Directors at its regular annual meeting shall designate an Audit Committee which shall consist of three or more directors whose membership on the Committee shall meet the requirements set forth in the rules of the New York Stock Exchange, as amended from time to time. Vacancies in the Committee shall be filled by the Board of Directors with directors meeting the requirements set forth above, giving consideration to continuity of the Committee, and members shall be subject to removal by the Board at any time. The Committee shall fix its own rules of procedure and a majority of the members serving shall constitute a quorum. The Committee shall meet at least twice a year with both the internal and the Corporation's outside auditors present at each meeting and shall keep minutes of its meetings and all action taken shall be reported to the Board of Directors. The Committee shall review the reports and minutes of any audit committees of the Corporation's subsidiaries. The Committee shall review the Corporation's financial reporting process, including accounting policies and procedures. The Committee shall examine the report of the Corporation's outside auditors, consult with them with respect to their report and the standards and procedures employed by them in their audit, report to the Board the results of its study and recommend the selection of auditors for each fiscal year.

Section 4. Nominating Committee. The Board of Directors shall designate a Nominating Committee which shall consist of three or more directors. The Committee shall make recommendations to the Board regarding nominees for election as directors by the shareholders at each Annual Shareholders' Meeting and make such other recommendations regarding tenure, classification and compensation of directors as the Committee may deem advisable from time to time. The Committee shall fix its own rules of procedure and a majority of the members serving shall constitute a quorum.

Section 5. Other Committees of Board. The Board of Directors, by resolution duly adopted, may establish such other committees of the Board having limited authority in the management of the affairs of the Corporation as it may deem advisable and the members, terms and authority of such committees shall be as set forth in the resolutions establishing the same.

Section 6. Advisory Committees to President. The President may establish such advisory committees as he may deem advisable to assist him in the administration and management of the business of the Corporation; such committees shall consist of officers, employees or consultants to be appointed by the President who shall serve for such terms and have such authority as may be designated by the President.

ARTICLE IV Officers

Section 1. Election. The officers of the Corporation shall consist of a President, a Vice Chairman of the Board, one or more Vice Presidents (any one or more of whom may be designated as Executive Vice Presidents or Senior Vice Presidents), a Secretary and a Treasurer. In addition, such other officers as are provided in Section 3 of this Article may from time to time be elected by the Board of Directors. All officers shall hold office until the next annual meeting of the Board of Directors or until their successors are elected. The President shall be chosen from among the directors. Any two officers may be combined in the same person as the Board of Directors may determine, except that the President and Secretary may not be the same person.

Section 2. Removal of Officers; Vacancies. Any officer of the Corporation may be removed summarily with or without cause, at any time by a resolution passed at any meeting by affirmative vote of a majority of the number of directors fixed by these By-laws. Vacancies may be filled at any meeting of the Board of Directors.

Section 3. Other Officers. Other officers may from time to time be elected by the Board, including, without limitation, one or more Assistant Secretaries and Assistant Treasurers, and one or more Divisional Presidents and Divisional Vice Presidents (any one or more of whom may be designated as Divisional Executive Vice Presidents or Divisional Senior Vice Presidents).

Section 4. Duties. The officers of the Corporation shall have such duties as generally pertain to their offices, respectively, as well as such powers and duties as are hereinafter provided and as from time to time shall be conferred by the Board of Directors. The Board of Directors may require any officer to give such bond for the faithful performance of his duties as the Board may see fit.

Section 5. Duties of the President. The President shall be the chief executive and administrative officer of the Corporation, shall serve as the Chairman of the Board of Directors and the Chairman of the Executive Committee and shall have direct supervision over the business of the Corporation and its several officers, subject to the Board of Directors. The President shall preside at all meetings of shareholders and the Board of Directors. The President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts or other instruments, except in cases where the signing and the execution thereof shall be expressly delegated by the Board of Directors or by these By-laws to some other officer or agent of the Corporation or shall be required by law otherwise to be signed or executed. He may appoint advisory committees as provided in Section 6 of Article III. In addition, he shall perform all duties incident to the office of the President and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 6. Duties of Vice Chairman. In the absence or incapacity of the President, the Vice Chairman shall perform the duties of the Chairman of the Board, shall have the same authority, including, but not limited to, presiding at all meetings of the Board of Directors and the Corporation's shareholders, and shall serve as a member of all committees of the Board of which the President is a member. In addition, the Vice Chairman of the Board shall perform all duties as from time to time may be assigned to him by the Board of Directors.

Section 7. Duties of the Vice Presidents. Each Vice President of the Corporation (including any Executive Vice President and Senior Vice President) shall have powers and duties as may from time to time be assigned to him by the Board of Directors or the President. When there shall be more than one Vice President of the Corporation, the Board of Directors may from time to time designate one of them to perform the duties of the President in the absence of the President, except that the Vice Chairman of the Board shall perform the President's duties as Chairman of the Board and as a member of all committees of the Board of which the President is a member. Any Vice President of the Corporation may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments, except in cases where the signing and execution thereof shall be expressly delegated by the Board of

Directors or by these By-laws to some other officer or agent of the Corporation or shall be required by law otherwise to be signed or executed.

Section 8. Duties of the Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation, and shall cause all such funds and securities to be deposited in such banks and depositories as the Board of Directors from time to time may direct. He shall maintain adequate accounts and records of all assets, liabilities and transactions of the Corporation in accordance with generally accepted accounting practices; shall exhibit his accounts and records to any of the directors of the Corporation at any time upon request at the office of the Corporation; shall render such statements of his accounts and records and such other statements to the Board of Directors and officers as often and in such manner as they shall require; and shall make and file (or supervise the making and filing of) all tax returns required by law. He shall in general perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors or the President.

Section 9. Duties of the Secretary. The Secretary shall act as secretary of all meetings of the Board of Directors, the Executive Committee and all other Committees of the Board, and the shareholders of the Corporation, and shall keep the minutes thereof in the proper book or books to be provided for that purpose. He shall see that all notices required to be given by the Corporation are duly given and served; shall have custody of the seal of the Corporation and shall affix the seal or cause it to be affixed to all certificates for stock of the Corporation and to all documents the execution of which on behalf of the Corporation under its corporate seal is duly authorized in accordance with the provisions of these By-laws; shall have custody of all deeds, leases, contracts and other important corporate documents; shall have charge of the books, records and papers of the Corporation relating to its organization and management as a Corporation; shall see that the reports, statements and other documents required by law (except tax returns) are properly filed; and shall, in general, perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors or the President.

Section 10. Other Duties of Officers. Any officer of the Corporation shall have, in addition to the duties prescribed herein or by law, such other duties as from time to time shall be prescribed by the Board of Directors or the President.

Section 11. Duties of Divisional Officers. Divisional Presidents and Divisional Vice Presidents shall be deemed to be officers of the Corporation whose duties and authority shall relate only to the Division by which they are employed, and they may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts and other instruments authorized by the Board that relate only to the business and properties of such Division. Other divisional officers may be designated from time to time by the Board of Directors and shall serve at the pleasure of the Board and have such duties as may be assigned by the Board and such officers shall be officers of the respective divisions but shall not be deemed to be officers of the Corporation.

ARTICLE V
Capital Stock

Section 1. Certificates. The shares of capital stock of the Corporation shall be evidenced by certificates in forms prescribed by the Board of Directors and executed in any manner permitted by law and stating thereon the information required by law. Transfer agents and/or registrars for one or more classes of the stock of the Corporation may be appointed by the Board of Directors and may be required to countersign certificates representing stock of such class or classes. In the event that any officer whose signature or facsimile thereof shall have been used on a stock certificate shall for any reason cease to be an officer of the Corporation and such certificate shall not then have been delivered by the Corporation, the Board of Directors may nevertheless adopt such certificate and it may then be issued and delivered as though such person had not ceased to be an officer of the Corporation.

Section 2. Lost, Destroyed and Mutilated Certificates. Holders of the stock of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of the certificate therefor, and the Board of Directors may, in its discretion, cause one or more new certificates for the same number of shares in the aggregate to be issued to such stockholder upon the surrender of the mutilated certificate or upon satisfactory proof of such loss or destruction, and the deposit of a bond in such form and amount and with such surety as the Board of Directors may require.

Section 3. Transfer of Stock. The stock of the Corporation shall be transferable or assignable only on the books of the Corporation by the holders in person or by attorney on surrender of the certificate for such shares duly endorsed and, if sought to be transferred by attorney, accompanied by a written power of attorney to have the same transferred on the books of the Corporation. The Corporation will recognize the exclusive right of the person registered on its books as the owner of shares to receive dividends and to vote as such owner.

Section 4. Fixing Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of the shareholders or any adjournment thereof, or entitled to receive payment for any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than seventy (70) days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section such determination shall apply to any adjournment thereof.

ARTICLE VI
Miscellaneous Provisions

Section 1. Seal. The seal of the Corporation shall consist of a flat-face circular die, of which there may be any number of counterparts, on which there shall be engraved in the center the words "Tredegar Corporation"

Section 2. Fiscal Year. The fiscal year of the Corporation shall end on December 31st of each year, and shall consist of such accounting periods as may be recommended by the Treasurer and approved by the Executive Committee.

Section 3. Books and Records. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders and Board of Directors; and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar a record of its shareholders, giving the names and addresses of all shareholders, and the number, class and series of the shares being held.

Any person who shall have been a shareholder of record for at least six months immediately preceding his demand or who shall be the holder of record of at least five percent (5%) of all the outstanding shares of the Corporation, upon written demand stating the purpose thereof, shall have the right to examine, in person, or by agent or attorney at any reasonable time or times, for any proper purpose, its books and records of account, minutes and records of shareholders and to make extracts therefrom. Upon the written request of a shareholder, the Corporation shall mail to such shareholder its most recent published financial statements showing in reasonable detail its assets and liabilities and the results of its operations.

The Board of Directors shall, subject to the provisions of the foregoing paragraph of this section, to the provisions of Section 7 of Article I and to the laws of the State of Virginia, have the power to determine from time to time whether and to what extent and under what conditions and limitations the accounts, records and books of the Corporation, or any of them, shall be open to the inspection of the shareholders.

Section 4. Checks, Notes and Drafts. Checks, notes, drafts and other orders for the payment of money shall be signed by such persons as the Board of Directors from time to time may authorize. When the Board of Directors so authorizes, however, the signature of any such person may be a facsimile.

Section 5. Amendment of By-Laws. These By-laws may be amended or altered at any meeting of the Board of Directors by affirmative vote of a majority of the number of directors fixed by these By-laws. The shareholders entitled to vote in respect of the election of directors, however, shall have the power to rescind, alter, amend or repeal any By-laws and to enact By-laws which, if expressly so provided, may not be amended, altered or repealed by the Board of Directors.

Section 6. Voting of Stock Held. Unless otherwise provided by resolution of the Board of Directors or of the Executive Committee, the President or any Executive Vice President shall from time to time appoint an attorney or attorneys or agent or agents of this Corporation, in the name and on behalf of this Corporation, to cast the vote which this Corporation may be entitled to cast as a shareholder or otherwise in any other corporation, any of whose stock or securities may be held in this Corporation, at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing to any action by any of such other corporation, and shall instruct the person or persons so appointed as to the manner of casting such votes or giving such consent and may execute or cause to be executed on behalf of this Corporation and under its corporate seal or otherwise, such written proxies, consents, waivers or other instruments as may be necessary or proper in the premises; or, in lieu of such appointment, the President or any Executive Vice President may attend in person any meetings of the holders of stock or other securities of any such other corporation and there vote or exercise any or all power of this Corporation as the holder of such stock or other securities of such other corporation.

Section 7. Restriction on Transfer. To the extent that any provision of the Rights Agreement between the Corporation and Sovran Bank, N.A., as Rights Agent, dated as of June 15, 1989, is deemed to constitute a restriction on the transfer of any securities of the Corporation, including, without limitation, the Rights, as defined therein, such restriction is hereby authorized by the By-laws of the Corporation.

Section 8. Control Share Acquisition Statute. Article 14.1 of the Virginia Stock Corporation Act ("Control Share Acquisitions") shall not apply to acquisitions of shares of stock of the Corporation.

THE SCHEDULE CONTAINS UNAUDITED SUMMARY FINANCIAL INFORMATION FOR TREDEGAR CORPORATION AND SUBSIDIARIES EXTRACTED FROM THE BALANCE SHEET FOR THE PERIOD ENDED MARCH 31, 2000, AND THE STATEMENT OF INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2000, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

	1,000
	3-MOS
DEC-31-2000	
MAR-31-2000	13,709
	0
	140,475
	3,439
	53,238
217,664	481,146
	234,593
116,192	885,770
	270,000
0	0
	104,887
885,770	328,843
	232,228
245,460	186,394
	186,394
	25,539
	113
4,295	29,119
	10,656
18,463	0
	0
	0
	18,463
	.49
	.47