

Tredegar Corporation

Net Sales and Operating Profit
By Business Segment (through June 30, 2016)
(In Thousands, Except Per-Share Data)
(restated to break out Flexible Packaging Films and PE Films - unaudited)

	March 31					June 30					September 30				December 31				Year Ended December 31				
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015	
	Net sales:																						
PE Films	\$ 121,538	\$ 122,909	\$ 121,079	\$ 106,357	\$ 88,481	\$ 115,599	\$ 126,718	\$ 118,657	\$ 91,959	\$ 80,813	\$ 120,478	\$ 124,348	\$ 115,155	\$ 93,943	\$ 116,234	\$ 121,411	\$ 109,448	\$ 93,291	\$ 473,849	\$ 495,386	\$ 464,339	\$ 385,550	
Flexible Packaging Films	32,161	31,476	28,081	26,844	26,377	34,627	31,548	27,359	23,340	27,207	34,818	32,839	27,943	27,155	36,422	29,990	30,965	27,993	138,028	125,853	114,348	105,332	
Aluminum Extrusions	57,608	79,939	79,283	93,645	85,474	59,695	77,855	84,548	98,203	93,447	55,222	78,499	89,605	94,812	72,940	73,189	90,910	88,797	245,465	309,482	344,346	375,457	
Total net sales	211,307	234,324	228,443	226,846	200,332	209,921	236,121	230,564	213,502	201,467	210,518	235,686	232,703	215,910	225,596	224,590	231,323	210,081	857,342	930,721	923,033	866,339	
Add back freight	5,336	7,202	6,770	7,325	7,001	5,938	7,409	6,401	7,743	7,066	6,130	7,508	7,726	7,862	7,442	6,506	7,896	6,908	24,846	28,625	28,793	29,838	
Sales as shown in Consolidated Statements of Income	\$ 216,643	\$ 241,526	\$ 235,213	\$ 234,171	\$ 207,333	\$ 215,859	\$ 243,530	\$ 236,965	\$ 221,245	\$ 208,533	\$ 216,648	\$ 243,194	\$ 240,429	\$ 223,772	\$ 233,038	\$ 231,096	\$ 239,219	\$ 216,989	\$ 882,188	\$ 959,346	\$ 951,826	\$ 896,177	
																						0	
Operating profit (loss):																							
PE Films:																							
Ongoing operations	\$ 12,915	\$ 14,764	\$ 16,651	\$ 16,832	\$ 10,235	\$ 9,406	\$ 16,644	\$ 16,052	\$ 9,272	\$ 4,318	\$ 14,909	\$ 16,597	\$ 14,471	\$ 9,745	\$ 13,584	\$ 13,861	\$ 13,797	\$ 12,426	\$ 50,814	\$ 61,866	\$ 60,971	\$ 48,275	
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	-	(102)	(1,245)	-	(1,135)	(882)	(107)	(10,923)	(7)	(1,356)	-	(155)	(113)	(2,044)	1,893	(307)	43	(2,129)	1,011	(671)	(12,236)	(4,180)	
Flexible Packaging Films:																							
Ongoing operations	2,551	2,243	71	785	2,032	4,035	2,083	(1,089)	(3,094)	(942)	6,183	3,020	(1,265)	4,102	6,367	1,754	(634)	3,660	19,136	9,100	(2,917)	5,453	
Goodwill Impairment charge	-	-	-	-	-	-	-	-	-	-	-	-	-	(44,465)	-	-	-	-	-	-	-	(44,465)	
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	(284)	-	-	67	-	(626)	-	-	(252)	-	(87)	-	(297)	-	(123)	-	(292)	-	(1,120)	-	(591)	(185)	
Aluminum Extrusions:																							
Ongoing operations	1,703	4,614	4,761	5,292	7,499	3,800	4,311	8,050	8,299	10,859	1,846	3,426	5,752	7,272	1,688	5,940	7,101	9,569	9,037	18,291	25,664	30,432	
Goodwill Impairment charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	(1,061)	(253)	-	(15)	(7)	(1,086)	(545)	(174)	(18)	(558)	(1,067)	(160)	(126)	(331)	(2,213)	(1,790)	(676)	(344)	(5,427)	(2,748)	(976)	(708)	
Operating profit (loss) from continuing operations	15,824	21,266	20,238	22,961	18,624	14,647	22,386	11,916	14,200	12,321	21,784	22,728	18,422	(25,721)	21,196	19,458	19,339	23,182	73,451	85,838	69,915	34,622	
Interest expense	(1,007)	(690)	(630)	(885)	(1,085)	(1,017)	(715)	(531)	(893)	(947)	(708)	(727)	(590)	(901)	(858)	(738)	(962)	(823)	(3,590)	(2,870)	(2,713)	(3,502)	
Interest income	170	78	195	89	37	83	91	107	82	51	84	138	117	76	81	287	169	47	418	594	588	294	
Gain (loss) from an investment accounted for under the fair value method	3,600	1,100	-	-	800	2,700	2,100	(1,100)	-	300	2,700	(3,100)	4,000	-	7,100	3,300	(900)	(20,500)	16,100	3,400	2,000	(20,500)	
Gains (losses) from sale of assets, investment write-down & other items	(1,131)	-	(233)	-	-	-	(1,018)	861	-	-	-	(236)	(190)	-	-	(213)	-	-	(1,131)	(1,467)	438	-	
Stock option-based compensation expense	(446)	(316)	(241)	(300)	37	(315)	(283)	(345)	(198)	(31)	(386)	(260)	(358)	(73)	(285)	(296)	(328)	88	(1,432)	(1,155)	(1,272)	(483)	
Corporate expenses and misc. other	(5,141)	(8,157)	(6,242)	(7,216)	(7,916)	(6,000)	(7,487)	(4,992)	(11,694)	(6,969)	(4,788)	(8,178)	(5,287)	(6,722)	(6,383)	(7,586)	(7,019)	(8,006)	(22,312)	(31,408)	(23,540)	(33,638)	
Income (loss) from continuing operations before income taxes	11,869	13,281	13,087	14,649	10,497	10,098	15,074	5,916	1,497	4,725	18,686	10,365	16,114	(33,341)	20,851	14,212	10,299	(6,012)	61,504	52,932	45,416	(23,207)	
Income taxes	(4,132)	(3,764)	(4,608)	(4,779)	(3,216)	(2,710)	(5,484)	(2,164)	(903)	(1,317)	(4,476)	(2,937)	(5,369)	(3,382)	(7,001)	(4,810)	2,754	136	(18,319)	(16,995)	(9,387)	(8,928)	
Income (loss) from continuing operations	7,737	9,517	8,479	9,870	7,281	7,388	9,590	3,752	594	3,408	14,210	7,428	10,745	(36,723)	13,850	9,402	13,053	(5,876)	43,185	35,937	36,029	(32,135)	
Income (loss) from discontinued operations:																							
Falling Springs	61	-	-	-	-	(35)	-	-	-	-	317	-	-	-	(1,877)	-	-	-	(1,534)	-	-	-	
Bon L. Canada	(4,800)	(5,240)	-	-	-	-	(8,300)	-	-	-	(7,100)	(450)	850	-	(1,500)	-	-	-	(13,400)	(13,990)	850	-	
Net income (loss)	\$ 2,998	\$ 4,277	\$ 8,479	\$ 9,870	\$ 7,281	\$ 7,353	\$ 1,290	\$ 3,752	\$ 594	\$ 3,408	\$ 7,427	\$ 6,978	\$ 11,595	\$ (36,723)	\$ 10,473	\$ 9,402	\$ 13,053	\$ (5,876)	\$ 28,251	\$ 21,947	\$ 36,879	\$ (32,135)	
Diluted earnings per share information:																							
Income (loss) from continuing operations	\$.24	\$.29	\$.26	\$.30	\$.22	\$.23	\$.29	\$.11	\$.02	\$.10	\$.44	\$.23	\$.33	\$ (1.13)	\$.43	\$.29	\$.40	\$ (.18)	\$ 1.34	\$ 1.10	\$ 1.11	\$ (.99)	
Income (loss) from discontinued operations	(.15)	(.16)	-	-	-	-	(.25)	-	-	-	(.21)	(.02)	.03	-	(.10)	-	-	-	(.46)	(.43)	.02	-	
Net income (loss)	\$.09	\$.13	\$.26	\$.30	\$.22	\$.23	\$.04	\$.11	\$.02	\$.10	\$.23	\$.21	\$.36	\$ (1.13)	\$.33	\$.29	\$.40	\$ (.18)	\$.88	\$.67	\$ 1.13	\$ (.99)	
Shares used to compute diluted earnings per share	32,393	32,480	32,621	32,628	32,654	32,101	32,635	32,641	32,746	32,716	32,101	32,658	32,507	32,605	32,176	32,622	32,449	32,614	32,193	32,599	32,554	32,578	

Tredegar Corporation

Summary of Ongoing Operations (through June 30, 2016)

(In Thousands, Except Per-Share Data)

(restated to break out Flexible Packaging Films and PE Films - unaudited)

	March 31					June 30					September 30				December 31				Year Ended			
																			December 31			
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016	2012	2013	2014	2015	2012	2013	2014	2015	2012	2013	2014	2015
Income (loss) from continuing operations as reported under generally accepted accounting principles (GAAP)	\$ 7,737	\$ 9,517	\$ 8,479	\$ 9,870	\$ 7,281	\$ 7,388	\$ 9,590	\$ 3,752	\$ 594	\$ 3,408	\$ 14,210	\$ 7,428	\$ 10,745	\$ (36,723)	\$ 13,850	\$ 9,402	\$ 13,053	\$ (5,876)	\$ 43,185	\$ 35,937	\$ 36,029	\$ (32,135)
After-tax effects of:																						
(Gains) losses associated with plant shutdowns, asset impairments, and restructurings	657	161	807	(34)	727	1,189	240	613	179	869	460	130	298	1,514	888	363	242	1,387	3,194	894	1,960	3,046
(Gains) losses from sale of assets, investment write-downs or write-ups & other items	(456)	(677)	188	(240)	(481)	(900)	(118)	6,781	2,416	125	(1,456)	2,265	(2,203)	11	(5,042)	(969)	(5,922)	15,488	(7,854)	501	(1,156)	17,675
Goodwill Impairment charge	-	-	-	-	-	-	-	-	-	-	-	-	-	44,465	-	-	-	-	-	-	-	44,465
Income from ongoing operations (c)	\$ 7,938	\$ 9,001	\$ 9,474	\$ 9,596	\$ 7,527	\$ 7,677	\$ 9,712	\$ 11,146	\$ 3,189	\$ 4,402	\$ 13,214	\$ 9,823	\$ 8,840	\$ 9,267	\$ 9,696	\$ 8,796	\$ 7,372	\$ 10,998	\$ 38,525	\$ 37,332	\$ 36,832	\$ 33,050
Diluted earnings (loss) per share from continuing operations as reported under GAAP	\$.24	\$.29	\$.26	\$.30	\$.22	\$.23	\$.29	\$.11	\$.02	\$.10	\$.44	\$.23	\$.33	\$ (1.13)	\$.43	\$.29	\$.40	\$ (.18)	\$ 1.34	\$ 1.10	\$ 1.11	\$ (.99)
After-tax effects per diluted share of:																						
(Gains) losses associated with plant shutdowns, asset impairments, and restructurings	.02	.01	.02	-	.02	.04	.01	.02	.01	.03	.01	-	.01	.05	.03	.01	.01	.04	.10	.03	.06	.09
(Gains) losses from sale of assets, investment write-downs or write-ups & other items	(.01)	(.02)	.01	(.01)	(.01)	(.03)	-	.21	.07	-	(.04)	.07	(.07)	-	(.16)	(.03)	(.18)	.48	(.24)	.02	(.04)	.54
Goodwill Impairment charge	-	-	-	-	-	-	-	-	-	-	-	-	-	1.36	-	-	-	-	-	-	-	1.37
Diluted earnings per share from ongoing operations (c)	\$.25	\$.28	\$.29	\$.29	\$.23	\$.24	\$.30	\$.34	\$.10	\$.13	\$.41	\$.30	\$.27	\$.28	\$.30	\$.27	\$.23	\$.34	\$ 1.20	\$ 1.15	\$ 1.13	\$ 1.01

N/A Not applicable

NM Not meaningful

(a) Net debt is defined as total debt less cash and cash equivalents.

(b) Depreciation and amortization expense for Aluminum Extrusions in 2012 includes accelerated depreciation related to the shutdown of our Kentland facility and in 2015 and 2016 from PE Films related to the consolidation of North American manufacturing facilities. Accelerated depreciation was excluded from operating profit from ongoing operations. We recognized \$701, \$1,168 and \$567 in accelerated depreciation for the three months ended March 31, June 30 and September 30, 2012, respectively, and \$212 and \$144 for the three months ended September 30, 2015 and December 31, 2015, respectively, and \$102 and \$115 for the three months ended March 31, 2016 and June 30, 2016, respectively.

(c) Tredegar's presentation of income (loss) and earnings (loss) per share from ongoing operations are non-GAAP financial measures that exclude the after-tax effects of gains or losses associated with plant shutdowns, asset impairments and restructurings, gains or losses from sale of assets; investment write-downs or write-ups and other items, and a goodwill impairment, which have been presented separately and removed from net income (loss) and earnings (loss) per share as reported under GAAP. Income (loss) and earnings (loss) per share from ongoing operations are used by management to gauge the operating performance of Tredegar's ongoing operations. They are not intended to represent the stand-alone results for Tredegar's ongoing operations under GAAP and should not be considered as an alternative to net income (loss) or earnings (loss) per share as defined by GAAP. They exclude items that we believe do not relate to Tredegar's ongoing operations.