SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
For the fiscal year ended December 31, 1993

OR

[ ] TRANSACTION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
For the transition period from _________ to __________

COMMISSION FILE NUMBER 1-10258

TREDEGAR INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

VIRGINIA	54-1497771
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1100 BOULDERS PARKWAY, RICHMOND, VIRGINIA	23225
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 804-330-1000
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange On Which Registered
COMMON STOCK	NEW YORK STOCK EXCHANGE
PREFERRED STOCK PURCHASE RIGHTS	NEW YORK STOCK EXCHANGE

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act 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 at least the past 90 days. Yes X No ___

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

Aggregate market value of voting stock held by non-affiliates of the registrant as of January 31, 1994:* $126,257,342.50

Number of shares of Common Stock outstanding as of January 31, 1994: 10,895,611

*In determining this figure, an aggregate of 2,616,441 shares of Common Stock, reported in the registrant's proxy statement for the 1994 annual meeting of shareholders as beneficially owned by Floyd D. Gottwald, Jr., Bruce C. Gottwald and the members of their immediate families, including John D. Gottwald, has been excluded because the shares are held by affiliates. The aggregate market value has been computed based on the closing price in the New York Stock Exchange Composite Transactions on January 31, 1994, as reported by The Wall Street Journal.

DOCUMENTS INCORPORATED BY REFERENCE

1. Portions of Tredegar Industries, Inc.'s Annual Report to Shareholders for the year ended December 31, 1993 (the "Annual Report"), are incorporated by reference into Parts I, II, and IV of this Form 10-K.

2. Portions of Tredegar Industries, Inc.'s definitive Proxy Statement for its 1994 Annual Meeting of Shareholders filed with the Securities and Exchange Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934 (the "Proxy Statement") are incorporated by reference into Part III of this Form 10-K.

FORM 10-K TABLE OF CONTENTS/CROSS-REFERENCE

*Items 11, 12 and 13 and portions of Item 10 are incorporated by reference from the Proxy Statement pursuant to instructions G(1) and G(3) of the General Instructions to Form 10-K.

Only those portions of the Annual Report to Shareholders referred to in the foregoing table of contents are to be deemed "filed" as part of this Form 10-K report.

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

PART I

Item 1. BUSINESS

Description of Business

Tredegar Industries, Inc. ("Tredegar") was formed under the laws of the Commonwealth of Virginia as a subsidiary of Ethyl Corporation ("Ethyl") on June 1, 1988. On July 10, 1989, Ethyl distributed all of the outstanding Tredegar common stock, no par value (the "Common Stock"), to the holders of Ethyl common stock at the close of business on that day. Since July 10, 1989, Tredegar has been a publicly held operating company. Tredegar is engaged directly or through subsidiaries in plastics, metal products, energy and other businesses (primarily software and rational drug design research). Tredegar's Energy segment is composed of its coal subsidiary, The Elk Horn Coal Corporation ("Elk Horn"), and oil and gas properties located in Western Canada. On February 4, 1994, Tredegar sold its remaining oil and gas properties. In addition, in November 1993, Tredegar announced that it is pursuing the sale of Elk Horn. Assuming Elk Horn can be sold on terms agreeable to Tredegar, the sale is expected to be completed by mid-1994. Tredegar's Energy segment has been reported as discontinued operations.

The following discussion of Tredegar's businesses should be read in conjunction with the information contained in the "Financial Review" section of the Annual Report referred to in Item 7 below.

Plastics

The Plastics segment is composed of the Film Products division ("Film Products"), Tredegar Molded Products Company ("Molded Products") and Fiberlux, Inc. ("Fiberlux"). Film Products and Molded Products manufacture a wide range of products including specialty films, injection-molded products and custom injection molds. Broad application for these products is found in films for packaging, industrial, agricultural and disposable personal products, including diapers, and in molded products for industrial, household, personal-care, medical and electronics products. Fiberlux produces vinyl extrusions, windows and patio doors. These products are produced at various locations throughout the United States and are sold both directly and through distributors. Tredegar also has films plants located in the Netherlands and Brazil, where it produces films primarily for the European and Latin American markets, respectively. The Plastics segment competes in all of its markets on the basis of the quality and prices of its products and its service.

Film Products

Film Products produces films for two major market categories: disposables and industrial.

Disposables. Film Products is the largest U.S. supplier of embossed and permeable films for disposable personal products. In each of the last three years, this class of products accounted for more than 20% of the consolidated revenues of Tredegar.

Film Products supplies embossed films to domestic and international manufacturers for use as backsheet in such disposable products as baby diapers, adult incontinent products, feminine hygiene pads and hospital underpads. Film Products' primary customer for embossed films for backsheet is The Procter & Gamble Company ("P&G"), the leading disposable diaper manufacturer. Film Products also sells embossed films to several producers of private label products. Film Products competes with several foreign and domestic film products manufacturers in the backsheet market.

In response to environmental concerns, Film Products has been involved in the development of new materials to replace the existing backsheet for disposable diapers with a more environmentally friendly material.

In 1991, Film Products' U.S. disposable diaper backsheet volume declines due to downgauging (i.e., making thinner films) were offset by higher volume from increased P&G market share. In 1992, Film Products' U.S. disposable diaper backsheet volume declined significantly due to lower P&G market share. The economic recession caused many consumers to seek lower priced private label diapers. In 1993, P&G's U.S. diaper market share stabilized resulting in backsheet volumes roughly equal to 1992. On an international basis, 1993 backsheet sales were slightly higher than 1992. Overall, 1993 backsheet volumes were higher than 1992 but below 1990 and 1991 levels.

Film Products supplies permeable films to P&G for use as topsheet in adult incontinent products, feminine hygiene products and hospital underpads. The processes used in manufacturing these films were developed jointly by Film Products and P&G and are covered by applicable patents held by P&G and Tredegar. Film Products also sells significant amounts of permeable films to international affiliates of P&G.

In 1991, permeable film volumes improved over 1990 due to higher international sales, primarily in the Far East. In 1992, volumes improved over 1991 due to higher sales in all geographic areas. In 1993, permeable film volumes declined in the U.S. and Far East, partially offset by increases in Europe and Latin America. Overall, 1993 permeable film volumes were below 1992 and level with 1991.

P&G also purchases molded plastic products from Molded Products. P&G and Tredegar have had a successful long-term relationship based on cooperation, product innovation and continuous process improvement. The loss or significant reduction of business associated with P&G would have a material adverse effect on Tredegar's business.

Industrial. Film Products produces a line of oriented films under the name MONAX(R). These are high strength, high moisture barrier films that allow both cost and source reduction opportunities over current packaging mediums. During 1994, Film Products will concentrate on increasing awareness of MONAX(R) film and the development of heat sealable versions that can be used by end-users in food, industrial, and medical packaging markets.

Film Products also produces coextruded and monolayer permeable formed films under the name of VisPore(R). These films are used to regulate fluid transmission in many industrial, medical, agricultural and packaging markets. Specific examples include rubber bale wrap, filter plies for surgical masks and other medical applications, permeable ground cover and cook-in-bag for rice and pasta.

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

In January 1994, Film Products announced its intention to sell or close its Flemington, New Jersey, plant in order to exit the non-strategic conventional films business (single layer, blown polyethylene film used primarily for general purpose industrial packaging).

Raw Materials. The primary raw materials for films produced by Film Products are low-density and linear low-density polyethylene resins, which Film Products obtains from domestic and foreign suppliers at competitive prices.

Tredegar's management believes that there will be an adequate supply of polyethylene resins in the immediate future. Changes in resin prices, and the timing thereof, could have a significant impact on the profitability of this division.

Research and Development. Film Products has a technical center in Terre Haute, Indiana. Film Products holds 35 U.S. patents and nine U.S. trademarks. Expenditures for research and development have averaged approximately $3.3 million per year during the past three years.

Molded Products

Molded Products manufactures five major categories of products: packaging products, industrial products, parts for medical products, parts for electronics products and injection-mold tools. Packaging products represent more than half of Molded Products' business.

Packaging Products. The packaging group produces deodorant canisters, lip balm sticks, custom jars, plugs, fitments and closures, primarily for toiletries, cosmetics, pharmaceuticals and personal hygiene markets. Molded Products is the leading U.S. producer of lip balm sticks. Molded Products competes with various large producers in the packaging market.

Industrial Products. Molded Products produces molded plastic parts for business machines, media storage products, cameras, appliances and various custom products. In the business machine area, closer tolerances, made possible by computer-aided design and manufacturing (CAD/CAM) and modern resins, have led to expanded high-performance applications. Molded Products works closely with customers in the design of new industrial products and systems. The market for such products is very competitive.

Parts for Medical and Electronics Products. Effective July 31, 1993, Molded Product's subsidiary, Polestar Plastics Manufacturing Company, acquired the assets of a custom molder of precision parts for the medical and electronics markets. Products supplied to the medical market include, among others, disposable plastic parts for laparoscopic surgery instruments, staple guns, needle protector devices and syringe housings. Products supplied to the electronics market include, among others, connectors for computer cables and circuit boards.

Injection-Mold Tools. Molded Products' tooling group produces injection molds for internal use and for sale to other custom and captive molders. Molded Products operates one of the largest independent tool shops in the United States in St. Petersburg, Florida.

Raw Materials. Polypropylene and polyethylene resin are the primary raw materials used by Molded Products. Molded Products also uses polystyrene resins. Molded Products purchases these raw materials from domestic suppliers at competitive prices. Changes in resin prices, and the timing thereof, could have a significant impact on the profitability of this division. Molded Products' management believes that there will be an adequate supply of these resins in the immediate future.

Research and Development. Molded Products owns eight U.S. patents and has spent an average of $.3 million each year for the last three years for research and development. Molded Products maintains a technical center as part of its St. Petersburg, Florida, complex.

Fiberlux

Fiberlux is a leading U.S. producer of rigid vinyl extrusions, windows and patio doors. Fiberlux products are sold to fabricators and directly to end users. The subsidiary's primary raw material, polyvinyl chloride resin, is purchased from producers in open market purchases and under contract. No critical shortages of polyvinyl chloride resins are expected.

Metal Products

The Metal Products segment is composed of The William L. Bonnell Company, Inc. ("Bonnell"), Capitol Products Corporation ("Capitol") and Brudi, Inc. ("Brudi"). Bonnell and Capitol ("Aluminum Extrusions") produce soft alloy aluminum extrusions primarily for the building and construction industry, and for transportation and consumer durables markets. Brudi, acquired by Tredegar in April 1991, primarily produces steel attachments and uprights for the forklift truck market.

Aluminum Extrusions

Aluminum Extrusions manufactures plain, anodized and painted aluminum extrusions for sale directly to fabricators and distributors that use aluminum extrusions in the production of curtain walls, moldings, architectural shapes, running boards, tub and shower doors, boat windshields, window components and furniture, among other products. Sales are made primarily in the United States, principally east of the Rocky Mountains. Sales are substantially affected by the strength of the building and construction industry, which accounts for a majority of product sales.

Raw materials for Aluminum Extrusions, consisting of aluminum ingot, aluminum scrap and various alloys, are purchased from domestic and foreign producers in open market purchases and under short-term contracts. Profit margins for products in Aluminum Extrusions are sensitive to significant fluctuations in aluminum ingot and scrap prices, which account for more than 40 percent of product cost. Tredegar does not expect critical shortages of aluminum or other required raw materials and supplies.

Aluminum Extrusions competes primarily based on the quality and prices of its products and its service with a number of national and regional manufacturers in the industry.

Brudi

Headquartered in Ridgefield, Washington, Brudi is the second largest supplier of uprights and attachments for the forklift truck segment of the domestic materials handling industry. Brudi markets its products and services, which include in-house engineering and design capabilities, primarily to dealers and original equipment manufacturers of forklift trucks. Markets served include warehousing and distribution, food, fiber, primary metals, pharmaceuticals, beverage and paper. Brudi products are made primarily from steel, which is purchased on the open market and under contract from domestic producers. Tredegar does not foresee critical shortages of steel or other required raw materials and supplies.

During 1992, Brudi acquired the assets of a materials handling company in Halifax, United Kingdom to serve the European market.

Energy

The Energy segment is composed of Elk Horn and oil and gas properties located in Western Canada. On February 4, 1994, Tredegar sold its remaining oil and gas properties. In addition, in November 1993, Tredegar announced that it is pursuing the sale of Elk Horn. Assuming Elk Horn can be sold on terms agreeable to Tredegar, the sale is expected to be completed by mid-1994. Tredegar's Energy segment has been reported as discontinued operations.

Coal

Elk Horn, an approximately 97 percent owned subsidiary, obtains income from royalties by leasing part of its Eastern Kentucky mineral rights (approximately 142,000 acres) for mining coal. The coal is generally characterized as high-volatility, bituminous A-rank with low sulphur content. Based on recent changes to the methodology used in classifying coal reserves, Elk Horn estimates that, as of January 1, 1993, its proven and probable raw recoverable reserves (reserves before any losses due to beneficiation) approximate 124 million tons and 86 million tons, respectively. During the last five years, Elk Horn's reserves have been mined at volumes ranging from 4 million to 6.2 million tons per year. Elk Horn leases its mineral rights to coal operators, who mine the coal and pay royalties based on their sales revenues. Elk Horn also uses independent contractors to mine coal. Elk Horn sells coal on the open market on the basis of price and quality.

In January 1991, Elk Horn entered the coal trading business through a new subsidiary. The Elk Horn Coal Sales Corporation facilitates the sale of coal to customers from Elk Horn's production and from independent operators mining non-Elk Horn reserves throughout Central Appalachia. Tredegar is negotiating the sale of Elk Horn's coal trading business independently from its other coal operations.

Oil and Gas

Tredegar sold its remaining oil and gas properties on February 4, 1994 for approximately $8 million. This transaction resulted in a gain of approximately $6.1 million ($3.9 million after income taxes), which will be recognized in 1994.

Other Businesses

The Other segment is composed primarily of investments in high-technology businesses and related research.

In December 1992, Tredegar acquired APPX Software, Inc. (formerly Kennedy & Company, Inc.) ("APPX Software"), a supplier of flexible software development environments and business applications software. Headquartered in Richmond, Virginia, APPX Software's leading product is a proprietary application software development tool called APPX(R). APPX enables software designers and programmers to develop and modify business applications software much faster than customary programming techniques. APPX can run on a variety of computers and is designed to adapt to changing hardware environments. The market for software products is very competitive and characterized by short product life cycles.

During 1992, Molecumetics, Ltd., a subsidiary of Tredegar ("Molecumetics"), commenced operation of its rational drug design research laboratory in Seattle, Washington. Molecumetics provides proprietary chemistry for the synthesis of small molecule therapeutics and vaccines. Using synthetic chemistry techniques, researchers can fashion small molecules that imitate the bioactive portion of larger and more complex molecules. For customers in the pharmaceutical and biotechnology industries, these synthetically-produced compounds offer significant advantages over naturally occurring proteins in fighting diseases because they are smaller and more easily absorbed in the human body, less subject to attack by enzymes, more specific in their therapeutic activity, and faster and less expensive to produce.

APPX Software owns four U.S. copyrights. Molecumetics has filed a number of patent applications with respect to its technology. Businesses included in the Other segment spent $5.6 million in 1993 and $1.9 million in 1992 for research and development.

Miscellaneous

Patents, Licenses and Trademarks. Tredegar considers patents, licenses and trademarks to be of significance to its Plastics segment and its APPX Software and Molecumetics subsidiaries. Tredegar routinely applies for patents on significant patentable developments with respect to all of its businesses. Tredegar and its subsidiaries now own numerous patents with remaining terms ranging from 1 to 16 years. In addition, the Plastics segment and certain of Tredegar's other subsidiaries have licenses under patents owned by third parties.

Research and Development. During 1993, 1992 and 1991, approximately $9.1 million, $5.0 million and $4.5 million, respectively, was spent on company-sponsored research and development activities in connection with the businesses of Tredegar and its subsidiaries. See "Business of Tredegar - Plastics and Other Businesses."

Backlog. Backlogs are not material to Tredegar.

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

Municipal, state and federal governments continue to consider restrictions on the disposal of plastic products. Several states have enacted such restrictions. The Plastics segment is conducting research into source reduction through improved product quality and reduced plastic product content and into the development of degradable films at its Terre Haute, Indiana, research and development facility. At present, Tredegar cannot determine the likely impact of proposed restrictions on the Plastics segment.

From time to time the Environmental Protection Agency (the "EPA") may identify Tredegar or one of its subsidiaries as a potentially responsible party with respect to a Superfund site under CERCLA. To date, Tredegar, indirectly, is potentially responsible with respect to four Superfund sites. As a result, Tredegar may be required to expend amounts on remedial investigations and actions at such Superfund sites. Responsible parties under CERCLA may be jointly and severally liable for costs at a site, although typically costs are allocated among the responsible parties.

In addition, Tredegar, indirectly, is potentially responsible for one New Jersey Spill Site Act location. Another New Jersey site is being investigated pursuant to the New Jersey Environmental Cleanup Responsibility Act.

Capital expenditures for pollution abatement and OSHA projects were about $.4 million, $.8 million and $3.6 million in 1993, 1992 and 1991, respectively. In 1991, approximately $2.3 million in capital expenditures was related to the finishing operations in Aluminum Extrusions. Future capital expenditures for pollution abatement and OSHA projects are expected to approximate 1993 and 1992 levels.

Employees. Tredegar and its subsidiaries employ approximately 3,500 people. Tredegar considers its relations with its employees to be good.

Item 2. PROPERTIES

General

Most of the improved real property and the other assets of Tredegar and its subsidiaries are owned, and none of the owned property is subject to an encumbrance material to the consolidated operations of Tredegar and its subsidiaries. Tredegar considers the condition of the plants, warehouses and other properties and assets owned or leased by Tredegar and its subsidiaries to be generally good. Additionally, Tredegar considers the geographical distribution of its plants to be well-suited to satisfying the needs of its customers.

Tredegar believes that the capacity of its plants to be adequate for immediate needs of its businesses. Tredegar's plants generally have operated at 70-85 percent of capacity. Tredegar's corporate headquarters offices are located at 1100 Boulders Parkway, Richmond, Virginia 23225.

Plastics

The Plastics segment has the following principal plants and facilities:

Location	Principal Operations
Carbondale, Pennsylvania	Production of plastic films
Flemington, New Jersey*	
Fremont, California*	
LaGrange, Georgia	
Manchester, Iowa	
New Bern, North Carolina	
Tacoma, Washington	
Terre Haute, Indiana (2) (technical center and production facility)	
Kerkrade, the Netherlands	
Sao Paulo, Brazil	
Alsip, Illinois	Production of molds and molded plastic products
Excelsior Springs, Missouri	
South Grafton, Massachusetts	
St. Petersburg, Florida (3) (technical center and two production facilities)	
Phillipsburg, Pennsylvania	
State College, Pennsylvania	
Pawling, New York	Production of vinyl extrusions, windows and patio doors
Purchase, New York (headquarters)	
South Bend, Indiana	

*Tredegar has announced the closing or other disposition of these plants during 1994.

Metal Products

The Metal Products segment has the following principal plants and facilities:

Location	Principal Operations
Carthage, Tennessee	Production of aluminum
Kentland, Indiana	extrusions, finishing
Newnan, Georgia	
Ridgefield, Washington	Production of uprights
Kelso, Washington	and attachments
Adelaide, Australia	
Halifax, United Kingdom	

Energy

See page 5

Other Businesses

APPX Software leases office space in Richmond, Virginia. Molecumetics leases its laboratory space in Bellevue, Washington.

Item 3. LEGAL PROCEEDINGS

None

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

None

Executive Officers of Tredegar

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

Name	Age	Title
John D. Gottwald	39	President and Chief Executive Officer
Richard W. Goodrum	65	Executive Vice President and Chief Operating Officer
Norman A. Scher	56	Executive Vice President, Chief Financial Officer and Treasurer
Michael W. Giancaspro	39	Vice President, Corporate Planning
Steven M. Johnson	43	Vice President, Corporate Development
Anthony J. Rinaldi	56	Vice President and General Manager, Film Products
Frederick P. Woods	49	Vice President, Personnel

Except as described below, each of these officers has served in such capacity since July 10, 1989. Each will hold office until his successor is elected or until his earlier removal or resignation. The business experience during the past five years of the executive officers is set forth below.

John D. Gottwald. Mr. Gottwald was Corporate Vice President-Aluminum, Plastics and Energy of Ethyl from January 1, 1989, until July 10, 1989.

Richard W. Goodrum. Mr. Goodrum was the Divisional Vice President-Aluminum, Plastics, and Energy of Ethyl from January 1, 1989, until July 10, 1989.

Norman A. Scher. Until July 10, 1989, Mr. Scher was a partner in the law firm of Hunton & Williams, where he was a member of the firm's corporate and securities team. He was an assistant managing partner in the firm for many years, and since 1982 had primary responsibility for financial and planning activities.

Michael W. Giancaspro. Mr. Giancaspro served as Director of Corporate Planning from March 31, 1989, until February 27, 1992, when he was elected Vice President, Corporate Planning. Mr. Giancaspro was Plant Manager of Ethyl Film Products' Carbondale plant from April 1988 until March 1989.

Steven M. Johnson. Mr. Johnson served as Secretary of the Corporation until February, 1994. Mr. Johnson served as Vice President, General Counsel and Secretary from July 10, 1989, until July, 1992, when his position was changed to Vice President, Corporate Development and Secretary. Mr. Johnson served as counsel to the law firm of Hunton & Williams in Richmond, Virginia, from March, 1989, until July 10, 1989.

Anthony J. Rinaldi. Mr. Rinaldi was elected Vice President on February 27, 1992. Mr. Rinaldi has served as General Manager of Tredegar Film Products since July 1, 1991. During 1991, he also served as Managing Director of European operations. Mr. Rinaldi served as Director of Sales and Marketing for Tredegar Film Products from July 10, 1989 to June, 1991. In 1985, Mr.

Rinaldi became Director of Sales & Marketing for Ethyl Film Products.

Frederick P. Woods. Mr. Woods served as Vice President, Employee Relations until December, 1993, when his position was changed to Vice President, Personnel. Mr. Woods served as Director of Employee Relations for Ethyl from February 1, 1988, until July 10, 1989.

PART II

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

The information contained on page 40 of the Annual Report under the captions "Dividend Information," "Stock Listing" and "Market Prices of Common Stock and Shareholder Data" is incorporated herein by reference.

Item 6. SELECTED FINANCIAL DATA

The information for the five years ended December 31, 1993, contained in the "Five-Year Summary" on page 14 of the Annual Report is incorporated herein by reference.

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

The textual and tabular information concerning the years 1993, 1992 and 1991 contained on pages 16 through 24 and page 26 of the Annual Report is incorporated herein by reference.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements contained on pages 28 through 31, the notes to financial statements contained on pages 32 through 39, the report of independent accountants on page 27, and the information under the caption "Selected Quarterly Financial Data (Unaudited)" on pages 25 and 26 of the Annual Report are incorporated herein by reference.

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

None.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information contained on pages 2 through 4 of the Proxy Statement under the caption "Election of Directors" concerning directors and persons nominated to become directors of Tredegar is incorporated herein by reference. See "Executive Officers of Tredegar" at the end of Part I above for information about the executive officers of Tredegar.

The information contained on page 6 of the Proxy Statement under the caption "Stock Ownership" is incorporated herein by reference.

Item 11. EXECUTIVE COMPENSATION

The information contained on pages 9 through 15 of the Proxy Statement under the caption "Compensation of Executive Officers and Directors" concerning executive compensation is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information contained on pages 5 through 8 of the Proxy Statement under the caption "Stock Ownership" is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Documents:

(1) Financial statements - the following consolidated financial statements of the registrant are included on pages 27 to 39 in the Annual Report and are incorporated herein by reference in Item 8.

Report of independent accountants.

Consolidated balance sheets as of December 31, 1993 and 1992.

Consolidated statements of income, shareholders' equity and cash flows for the years ended December 31, 1993, 1992 and 1991.

Notes to financial statements.

(2) See Index to Financial Statement Schedules on page S-1.

(3) Exhibits

3.1 Amended and Restated Articles of Incorporation of Tredegar (filed as Exhibit 3.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)

3.2 Amended By-laws of Tredegar

4.1 Form of Common Stock Certificate (filed as Exhibit 4.3 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)

4.2 Rights Agreement dated as of June 15, 1989, between Tredegar and NationsBank of Virginia, N.A. (formerly Sovran Bank, N.A.), as Rights Agent (filed as Exhibit 4.4 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)

4.2.1 Amendment and Substitution Agreement (Rights Agreement) dated as of July 1, 1992, by and among Tredegar, NationsBank of Virginia, N.A. (formerly Sovran Bank, N.A.) and American Stock Transfer & Trust Company

4.3 Competitive Advance and Revolving Credit Agreement dated as of June 16, 1989, among Tredegar, the Banks named therein and Chemical Bank, as Agent (filed as Exhibit 4.2 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)

4.3.1 First Amendment to the Competitive Advance and Revolving Credit Agreement dated as of September 15, 1990, among Tredegar, the Banks named therein and Chemical Bank, as Agent (filed as Exhibit 4.2.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1990, and incorporated herein by reference)

4.3.2 Second Amendment to the Competitive Advance and Revolving Credit Agreement, dated as of December 6, 1991, among Tredegar, the Banks named therein and Chemical Bank, as Agent (filed as Exhibit 4.4.2 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference)

4.3.3 Third Amendment to the Competitive Advance and Revolving Credit Agreement, dated as of June 8, 1992, among Tredegar, the Banks named therein and Chemical Bank, as Agent (filed as Exhibit 4.4.3 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1992, and incorporated herein by reference)

4.3.4 Fourth Amendment, dated as of August 20, 1993, to the Competitive Advance and Revolving Credit Agreement among Tredegar, the Banks named therein and Chemical Bank, as Agent (filed as Exhibit 4 to Tredegar's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993, and incorporated herein by reference)

4.4 Loan Agreement dated as of June 8, 1992, among Tredegar, the Banks named therein and LTCB Trust Company, as Agent (filed as Exhibit 4 to Tredegar's Quarterly Report on Form 10-Q for the quarter ended June 30, 1992, and incorporated herein by reference)

4.4.1 Accession Agreement dated August 3, 1992, among Tredegar, the Banks named in the Loan Agreement dated as of June 8, 1992 and LTCB Trust Company, as Agent (filed as Exhibit 4.5.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1992, and incorporated herein by reference)

4.5 Loan Agreement dated June 16, 1993 between Tredegar and Metropolitan Life Insurance Company (filed as Exhibit 4 to Tredegar's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993, and incorporated herein by reference)

10.1 Reorganization and Distribution Agreement dated as of June 1, 1989, between Tredegar and Ethyl (filed as Exhibit 10.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)

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*10.7 Tredegar Bonus Plan (filed as Exhibit 10.7 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)

*10.8 Savings Plan for the Employees of Tredegar (filed as Exhibit 4 to the Form S-8 Registration Statement No. 33-29582, and incorporated herein by reference)

*10.9 Tredegar Retirement Income Plan (filed as Exhibit 10.9 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1990, and incorporated herein by reference)

*10.10 Agreement dated as of June 1, 1989, between Tredegar and Norman A. Scher (filed as Exhibit 10.10 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)

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10.11.1 Agreement dated as of October 23, 1992, by and among

	Tredegar Investments, Inc., Emisphere Technologies, Inc., Michael M. Goldberg, M.D. and Sam J. Milstein, Ph.D. (filed as Exhibit 10.11.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference)
10.11.2	Letter Agreement dated December 30, 1992, by and between Tredegar Investments, Inc. and Emisphere Technologies, Inc. (filed as Exhibit 10.11.2 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference)
*10.12	Tredegar 1992 Omnibus Stock Incentive Plan (filed as Exhibit 10.12 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference)
*10.13	Tredegar Industries, Inc. Retirement Benefit Restoration Plan
*10.14	Tredegar Industries, Inc. Savings Plan Benefit Restoration Plan
11	Computations of earnings per share
13	Tredegar Annual Report to Shareholders for the year ended December 31, 1993 (See Note 1)
21	Subsidiaries of Tredegar
23.1	Consent of Independent Accountants

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

(b) Reports on Form 8-K
None

(c) Exhibits

The response to this portion of Item 14 is submitted as a separate section of this report.

(d) Financial Statement Schedules

The response to this portion of Item 14 is submitted as a separate section of this report.

Note 1. With the exception of the information incorporated in this Form 10-K by reference thereto, the Annual Report shall not be deemed "filed" as a part of Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TREDEGAR INDUSTRIES, INC.
(Registrant)

Dated: February 25, 1994

By /s/ John D. Gottwald
John D. Gottwald
President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 25, 1994.

Signature	Title
/s/ John D. Gottwald (John D. Gottwald)	President (Principal Executive Officer and Director)
/s/ N. A. Scher (Norman A. Scher)	Executive Vice President, Treasurer and Director (Principal Financial Officer)
/s/ D. Andrew Edwards (D. Andrew Edwards)	Corporate Controller (Principal Accounting Officer)
/s/ R. W. Goodrum (Richard W. Goodrum)	Executive Vice President and Director
/s/ Phyllis Cothran (Phyllis Cothran)	Director
/s/ Bruce C. Gottwald (Bruce C. Gottwald)	Director
/s/ Floyd D. Gottwald, Jr. (Floyd D. Gottwald)	Director
/s/ Andre B. Lacy (Andre B. Lacy)	Director
/s/ James F. Miller (James F. Miller)	Director
/s/ Emmett J. Rice (Emmett J. Rice)	Director
/s/ W. Thomas Rice (W. Thomas Rice)	Director

TREDEGAR INDUSTRIES, INC.

INDEX TO FINANCIAL STATEMENT SCHEDULES

Report of Independent Accountants on Financial Statement Schedules

To the Board of Directors and
Shareholders of Tredegar
Industries, Inc.:

Our report on the consolidated financial statements of Tredegar Industries, Inc. and Subsidiaries has been incorporated by reference in this Form 10-K from page 27 of the 1993 Annual Report to Shareholders of Tredegar Industries, Inc. In connection with our audits of such financial statements, we have also audited the related financial statement schedules listed in the index on page S-1 of this Form 10-K.

In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information required to be included therein.

Coopers & Lybrand

Richmond, Virginia
January 17, 1994

Schedule V -- Property, Plant and Equipment(1)
Tredegar Industries, Inc. and Subsidiaries
For years ended December 31, 1993, 1992 and 1991
(In thousands)

1993	Beginning Balance	Additions	Retirements	Other	Ending Balance
Land and land improvements	$ 5,368	$ 2,290	$ 182	$ (282)(2)	$ 7,194
Buildings	46,839	758	727	(381)(2) 119 (3)	46,608
Machinery and equipment	259,151	13,432	12,886	5,234 (2) 4,648 (3) 552 (4)	270,131
Total	$311,358	$16,480	$13,795	$ 9,890	$323,933
1992					
Land and land improvements	$ 4,165	$ 141	$ 5	$ 823 (2) 244 (3)	$ 5,368
Buildings	41,575	1,968	324	1,949 (2) 1,671 (3)	46,839
Machinery and equipment	248,435	18,596	14,537	2,578 (2) 4,079 (3)	259,151
Total	$294,175	$20,705	$14,866	$ 11,344	$311,358
1991					
Land and land improvements	$ 3,866	$ 111	$ 15	$ (607)(2) 981 (3) (171)(5)	$ 4,165
Buildings	41,098	1,616	895	(3,687)(2) 4,709 (3) (1,266)(5)	41,575
Machinery and equipment	226,230	19,633	9,145	(2,221)(2) 4,467 (3) (13,165)(5) 22,636 (6)	248,435
Total	$271,194	$21,360	$10,055	$ 11,676	$294,175

Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets, resulting in annual depreciation rates of:

Land improvements: 5% - 10%
Buildings: 2.5% - 5%
Machinery and equipment: 5% - 33.3%

(1) Continuing operations.
(2) Reclassifications.
(3) Acquisitions of businesses.
(4) Write-up of assets to their pre-tax amounts in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes."
(5) Sales of businesses and assets.
(6) Adjustment for fully-depreciated divested assets.

Schedule VI -- Accumulated Depreciation and Amortization of Property, Plant and Equipment (1)
Tredegar Industries, Inc. and Subsidiaries
For years ended December 31, 1993, 1992 and 1991

(In thousands)

1993	Beginning Balance	Additions	Retirements	Other	Ending Balance
Land and land improvements	$ 710	$ 105	$ 5	$ 5 (2)	$ 815
Buildings	18,622	1,996	671	63 (2)	20,010
Machinery and equipment	152,263	21,016	10,331	4,758 (2)	167,706
Total	$171,595	$23,117	$11,007	$ 4,826	$188,531
1992					
Land and land improvements	$ 448	$ 92	$ 1	$ 171 (2)	$ 710
Buildings	15,954	2,051	356	973 (2)	18,622
Machinery and equipment	143,910	19,820	12,474	1,007 (2)	152,263
Total	$160,312	$21,963	$12,831	$ 2,151	$171,595
1991					
Land and land improvements	$ 564	$ 91	$ 4	$ (159)(2) (44)(3)	$ 448
Buildings	15,644	1,932	104	(1,438)(2) (860)(3) 780 (4)	15,954
Machinery and equipment	117,872	22,066	9,147	(4,209)(2) (7,062)(3) 1,754 (4) 22,636 (5)	143,910
Total	$134,080	$24,089	$ 9,255	$ 11,398	$160,312

(1) Continuing operations.
(2) Reclassifications.
(3) Sales of businesses and assets.
(4) Acquisitions of businesses.
(5) Adjustment for fully-depreciated divested assets.

EXHIBIT INDEX

		Page
3.1	Amended and Restated Articles of Incorporation of Tredegar (filed as Exhibit 3.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)	
3.2	Amended By-laws of Tredegar	
4.1	Form of Common Stock Certificate (filed as Exhibit 4.3 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)	
4.2	Rights Agreement dated as of June 15, 1989, between Tredegar and NationsBank of Virginia, N.A. (formerly Sovran Bank, N.A.), as Rights Agent (filed as Exhibit 4.4 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)	
4.2.1	Amendment and Substitution Agreement (Rights Agreement) dated as of July 1, 1992, by and among Tredegar, NationsBank of Virginia, N.A. (formerly Sovran Bank, N.A.) and American Stock Transfer & Trust Company (filed as Exhibit 4.2.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1992, and incorporated herein by reference)	
4.3	Competitive Advance and Revolving Credit Agreement dated as of June 16, 1989, among Tredegar, the Banks named therein and Chemical Bank, as Agent (filed as Exhibit 4.2 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference)	
4.3.1	First Amendment to the Competitive Advance and Revolving Credit Agreement dated as of September 15, 1990, among Tredegar, the Banks named therein and Chemical Bank, as Agent (filed as Exhibit 4.2.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1990, and incorporated herein by reference)	
4.3.2	Second Amendment to the Competitive Advance and Revolving Credit Agreement, dated as of December 6, 1991, among Tredegar, the Banks named therein and Chemical Bank, as Agent (filed as Exhibit 4.4.2 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference)	
4.3.3	Third Amendment to the Competitive Advance and Revolving Credit Agreement, dated as of June 8, 1992, among Tredegar, the Banks named therein and Chemical Bank, as Agent (filed as Exhibit 4.4.3 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference)	
4.3.4	Fourth Amendment to the Competitive Advance and Revolving Credit Agreement, dated as of August 20, 1993, among Tredegar, the Banks named therein and Chemical Bank, as Agent (filed as Exhibit 4 to Tredegar's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993, and incorporated herein by reference)	
4.4	Loan Agreement dated as of June 8, 1992, among Tredegar, the Banks named therein and LTCB Trust Company, as Agent (filed as Exhibit 4 to Tredegar's Quarterly Report on Form 10-Q for the quarter ended June 30, 1992, and incorporated herein by reference)	
4.4.1	Accession Agreement dated August 3, 1992, among Tredegar, the Banks named in the Loan Agreement dated as of June 8, 1992 and LTCB Trust Company, as Agent (filed as Exhibit 4.5.1 to Tredegar's Annual Report on Form 10-K for the year ended December 31, 1992, and incorporated herein by reference)	
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Exhibit 3.2

TREDEGAR INDUSTRIES, INC.

AMENDED BY-LAWS

As amended and in effect on April 23, 1993

TREDEGAR INDUSTRIES, INC.

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 eleven (11) 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 Industries, Inc."

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.

Exhibit 10.13

TREDEGAR INDUSTRIES, INC.

RETIREMENT BENEFIT RESTORATION PLAN

INTRODUCTION

The Board of Directors of Tredegar Industries, Inc. (the "Company") determined that the adoption of the Retirement Benefit Restoration Plan will assist the Company in attracting and retaining those employees whose judgment, abilities and experience will contribute to the Company's continued progress. The Plan is intended to be an "excess benefit plan" within the meaning of Section 3(36) of the Employee Retirement Income Security Act of 1974, as amended, and the Plan must be administered and construed in a manner that is consistent with that intent.

ARTICLE I

DEFINITIONS

As defined herein, the following phrases or terms shall have the indicated meanings:

1.01. Affiliate means any entity that is (i) a member of a controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code of 1986, as amended (the "Code"), determined without regard to Code sections 1563(a)(4) and 1563(e)(3)(c), of which the Company is a member according to Code section 414(b); (ii) an unincorporated trade or business that is under common control with the Company, as determined according to Code section 414(c); or (iii) a member of an affiliated service group of which the Company is a member according to Code section 414(m).

1.02. Beneficiary means the person, persons, entity, entities or the estate of a Participant which, in accordance with the provisions of the Retirement Plan, is entitled to receive a benefit under the Retirement Plan on account of the Participant's death.

1.03. Change in Control means the occurrence of any of the following events:

(A) any Person or group (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) (other than a Person who is not an Acquiring Person), at any time becomes the Beneficial Owner of 50% or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Voting Securities"), other than (i) through an acquisition of Voting Securities directly from the Company (ii) as a result of the Company's repurchase of Voting Securities if, thereafter, such Beneficial Owner purchases no additional Voting Securities, or (iii) pursuant to a Business Combination (as defined below) that does not constitute a Change in Control pursuant to subparagraph (c) hereof;

(B) Continuing Directors cease to constitute a majority of the members of the Board other than pursuant to a Business Combination that does not constitute a Change in Control pursuant to subparagraph (c) hereof;

(C) the shareholders of the Company approve a reorganization, merger, share exchange or consolidation (a "Business Combination"), in each case, unless immediately following such Business Combination, (i) all or substantially all of the Persons who were the Beneficial Owners, respectively, of the Common Stock and Voting Securities outstanding immediately prior to such Business Combination Beneficially Own more than 80% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Common Stock and Voting Securities, as the case may be, (ii) no Person (other than a Person who is not an Acquiring Person) Beneficially Owns 50% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business combination or the combined voting power of the then outstanding voting securities of such corporation and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination are Continuing Directors; or

(D) the shareholders of the Company approve a complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company, in each case, unless immediately following such liquidation, dissolution, sale or other disposition,

(i) more than 80% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then Beneficially Owned by all or substantially all of the Persons who were the Beneficial Owners, respectively, of the Common Stock and Voting Securities outstanding immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of such Common Stock and Voting Securities, as the case may be, (ii) less than 20% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then Beneficially Owned by any Person (other than any Person who is not an Acquiring Person), and (iii) at least a majority of the members of the board of directors of such corporation are Continuing Directors immediately following such sale or disposition.

For purposes of the foregoing definition, the terms Acquiring Person, Beneficial Owner, Company, Continuing Director, and Person shall have the same definitions as set forth in the Rights Agreement between Tredegar Industries, Inc. and NationsBank of Virginia, N.A. (formerly Sovran Bank, N.A.), dated as of June 15, 1989, as amended by that certain Amendment and Substitution Agreement by and among Tredegar Industries, Inc., NationsBank of Virginia, N.A. (formerly Sovran Bank, N.A.) and American Stock Transfer & Trust Company, dated as of July 1, 1992.

1.04. Code means the Internal Revenue Code of 1986, as amended.

1.05. Committee means the Executive Compensation Committee of the Board of Directors of the Company.

1.06. Company means Tredegar Industries, Inc.

1.07. Control Change Date means the date on which a Change in Control event occurs. If a Change in Control occurs on account of a series of transactions, the Control Change Date is the date of the last of such transactions.

1.08. Eligible Employee means an individual (i) who is employed by the Company or an Affiliate, (ii) who is a member of a "select group of management or highly compensated employees" (as such phrase is used in the Employee Retirement Income Security Act of 1974, as amended), and (iii) whose Retirement Plan benefit is reduced or limited by Code section 415.

1.09. Participant means an Eligible Employee who is selected by the Committee to participate in the Plan. An individual shall remain a Participant only so long as the individual remains an Eligible Employee and his designation as a Participant has not been revoked or rescinded.

1.10. Plan means the Tredegar Industries, Inc. Retirement Benefit Restoration Plan.

1.11. Retirement and Retire mean severance from employment with the Company on or after attaining a vested or nonforfeitable interest in the portion of his Retirement Plan benefit attributable to Company contributions.

1.12. Retirement Plan means the Tredegar Industries, Inc. Retirement Income Plan.

1.13. Totally and Permanently Disabled means a condition, determined on the basis of medical evidence satisfactory to a physician designated by the Administrator, rendering a Participant, due to bodily injury or disease, unable to perform services as follows: (i) during the first two years of such disability (measured from the commencement of such disability rather than the commencement of benefit payments) such Participant is unable to perform any and every duty pertaining to his employment with the Company; and (ii) thereafter, such Participant is unable to engage in any occupation or perform any work for compensation or profit for which he is or may become reasonably fitted by education, training or experience. In no event shall such condition be deemed to exist during any period that the Participant is not under the regular care and attendance of a legally qualified physician during any period that he engages in any occupation or performs any work for compensation or profit.

ARTICLE II

PARTICIPATION

An Eligible Employee who is designated to participate in the Plan by the Committee shall become a Participant in the Plan as of the date specified by the Committee. A Participant shall continue to participate in the Plan until such date as the Committee may declare that he is no longer a Participant or until the date that he is no longer an Eligible Employee.

ARTICLE III

BENEFITS FOR PARTICIPANTS LISTED ON EXHIBIT I

Subject to the limitations set forth in Articles VI and VII, the benefits payable to or on behalf of a Participant who the Committee, in its discretion, determines will be listed on Exhibit I, shall be as provided in this Article III. A Participant who is not listed on either Exhibit I or Exhibit II shall be deemed to be listed on Exhibit I. The Committee, in its discretion, may remove a Participant from Exhibit I and include the Participant's name on Exhibit II or rescind or revoke his designation as a Participant, subject to the limitations set forth in Articles VI and VII.

3.01. Retirement Benefit

Upon Retirement a Participant shall be entitled to a monthly Retirement benefit equal to the difference between (a) and (b) below where:

(a) = the monthly benefit that would have been payable to the Participant under the Retirement Plan but for the application of the limits set forth in Code section 415; and

(b) = the monthly benefit that the Participant is entitled to receive under the Retirement Plan.

The payment of the benefit under this Section 3.01 shall begin as of the same date that the Participant's retirement benefit under the Retirement Plan is scheduled to commence. The benefit payable under this Section 3.01 also shall be determined as of the date that the Participant's retirement benefit under the Retirement Plan is scheduled to commence. The benefit payable under this Section 3.01 shall be computed and paid in the same form as the Participant's retirement benefit under the Retirement Plan; provided, however, that upon the Participant's death no further benefit shall be payable under this Plan except as provided in Section 3.03.

3.02. Disability Benefit

If a Participant becomes Totally and Permanently Disabled prior to his Retirement and during his employment with the Company or an Affiliate, he shall be entitled to receive a benefit calculated and paid in the manner set forth in Section 3.01.

3.03. Beneficiary's Benefit

If a Beneficiary is entitled to a Retirement Plan benefit on account of the Participant's death (regardless of whether the Participant's death occurs before Retirement or the commencement of his Retirement Plan benefit), the Beneficiary shall be entitled to a monthly benefit under this Plan equal to the difference between (a) and (b) where:

(a) = the monthly benefit that would have been payable to the Beneficiary but for the application of Code section 415 in the calculation of the Participant's accrued benefit under the Retirement Plan; and

(b) = the monthly benefit that the Beneficiary is entitled to receive under the Retirement Plan.

The payment of the benefit under this Section 3.03 shall begin as of the same date that the Beneficiary's benefit under the Retirement Plan is scheduled to commence. The amount payable under this Section 3.03 also shall be determined as of the date that the Beneficiary's benefit under the Retirement Plan is scheduled to commence. The benefit payable under this Section 3.03 shall be computed and paid in the same form as the benefit payable to the Beneficiary under the Retirement Plan.

ARTICLE IV

BENEFITS FOR PARTICIPANTS LISTED ON EXHIBIT II

Subject to the limitations set forth in Articles VI and VII, the benefits payable to or on behalf of a Participant who the Committee, in its discretion, determines will be listed on Exhibit II to the Plan shall be as provided in this Article IV. The Committee, in its discretion may remove a Participant from Exhibit II and include the Participant on Exhibit I or rescind or revoke his designation as a Participant, subject to the limitations set forth in Articles VI and VII.

4.01. Retirement Benefit

Upon Retirement a Participant shall be entitled to a monthly Retirement benefit equal to the difference between (a) and (b) below where:

(a) = the monthly benefit that would have been payable to the Participant under the Retirement Plan but for the application of the limits set forth in Code sections 401(a)(17) and 415; and

(b) = the monthly benefit that the Participant is entitled to receive under the Retirement Plan.

The payment of the benefit under this Section 4.01 shall begin as of the same date that the Participant's retirement benefit under the Retirement Plan is scheduled to commence. The benefit payable under this Section 4.01 also shall be determined as of the date that the Participant's retirement benefit under the Retirement Plan is scheduled to commence. The benefit payable under this Section 4.01 shall be computed and paid in the same form as the Participant's retirement benefit under the Retirement Plan; provided, however, that upon the Participant's death no further benefit shall be payable under this Plan except as provided in Section 4.03.

4.02. Disability Benefit

If a Participant becomes Totally and Permanently Disabled prior to his Retirement and during his employment with the Company or an Affiliate, he shall be entitled to receive a benefit calculated and paid in the manner set forth in Section 4.01.

4.03. Beneficiary's Benefit

If a Beneficiary is entitled to a Retirement Plan benefit on account of the Participant's death (regardless of whether the Participant's death occurs before Retirement or the commencement of his Retirement plan benefit), the Beneficiary shall be entitled to a monthly benefit under this Plan equal to the difference between (a) and (b) where:

(a) = the monthly benefit that would have been payable to the Beneficiary but for the application of Code sections 401(a)(17) and 415 in the calculation of the Participant's accrued benefit under the Retirement Plan; and

(b) = the monthly benefit that the Beneficiary is entitled to receive under the Retirement Plan.

The payment of the benefit under this Section 4.03 shall begin as of the same date that the Beneficiary's benefit under the Retirement plan is scheduled to commence. The amount payable under this Section 4.03 also shall be determined as of the date that the Beneficiary's benefit under the Retirement Plan is scheduled to commence. The benefit payable under this Section 4.03 shall be computed and paid in the same form as the benefit payable to the Beneficiary under the Retirement Plan.

ARTICLE V

GUARANTEES

The Company has only a contractual obligation to make payments of the benefits described in Articles III and IV. All benefits are to be satisfied solely out of the general corporate assets of the Company which shall remain subject to the claims of its creditors. No assets of the Company will be segregated or committed to the satisfaction of its obligations to any Participant or Beneficiary under this Plan.

ARTICLE VI

TERMINATION OF EMPLOYMENT

6.01. No Right To Employment

The Plan does not in any way limit the right of the Company or an Affiliate at any time and for any reason to terminate the Participant's employment or such Participant's status as an Eligible Employee. In no event shall the Plan, by its terms or by implication, constitute an employment contract of any nature whatsoever between the Company or an Affiliate and a Participant.

6.02. Termination Of Employment

A Participant who ceases to be an Eligible Employee or whose employment with the Company and its Affiliates is terminated either with or without cause, for reasons other than death, Retirement or Total and Permanent Disability shall immediately cease to be a Participant under this Plan and shall forfeit all rights under this Plan. Further, in no event shall an individual who was a Participant but who is not a Participant at the time of such individual's death, Retirement or Total and Permanent Disability, be entitled to any benefit under the Plan. A Participant on authorized leave of absence from the Company or an Affiliate shall not be deemed to have terminated employment or lost his status as an Eligible Employee for the duration of such leave of absence.

6.03. Change In Control

Notwithstanding any contrary Plan provision, in the event the employment of a Participant who is in the employ of the Company or an Affiliate on a Control Change Date is thereafter terminated (for reasons other than as a result of acts of theft, embezzlement, fraud, or moral turpitude), whether or not he is a Participant at the time of his termination, he shall be fully vested in a benefit payable under Article III and IV, as applicable, as of the date his employment is terminated. A Participant who following a Control Change Date voluntarily terminates employment within sixty (60) days after (i) he does not receive salary increases, bonuses, and incentive awards comparable to the increases, bonuses and awards that he received in prior years or that other executives in comparable positions receive in the current year; or (ii) his compensation or employment-related benefits are reduced; or (iii) his status, title(s), offices, places of employment, working conditions, or management responsibilities are diminished (other than changes in reporting or management responsibilities to reflect sound practices commonly followed by enterprises comparable to the Company employing Participant or required by applicable federal or state law) or within sixty days after the last in a series of such events will be deemed to have terminated under circumstances requiring full vesting under this Section 6.03.

6.04. Reemployment

A Participant who ceases to be an employee of the Company and who is subsequently reemployed by the Company shall not accrue any additional benefits on account of such later service for periods in which he is not a Participant.

ARTICLE VII

TERMINATION, AMENDMENT OR MODIFICATION OF PLAN

7.01. Plan Amendment Or Termination

Except as otherwise specifically provided, the Company reserves the right to terminate, amend or modify this Plan, wholly or partially, at any time and from time to time. Such right to terminate, amend or modify the Plan shall be exercised for the Company by its Board of Directors.

7.02. Notice Requirements

(a) Section 7.01 notwithstanding, no action to terminate the Plan shall be taken except upon written notice to each Participant to be affected thereby, which notice shall be given not less than thirty (30) days prior to such action.

(b) Any notice which shall be or may be given under the Plan shall be in writing and shall be mailed by United States mail, postage prepaid. If notice is to be given to the Company, such notice shall be addressed to it at its principal executive office in Richmond, Virginia; addressed to the attention of the Corporate Secretary. If notice is to be given to a Participant, such notice shall be addressed to the Participant at his last known address.

7.03. Limitation On Amendment, Termination, Etc.

The rights of the Company set forth in Section 7.01 are subject to the condition that neither its Board of Directors nor the Committee shall take any action to terminate the Plan, decrease the benefit that would become payable or is payable, as the case may be, with respect to or on behalf of a Participant, or to revoke or rescind an individual's designation as a Participant after a Control Change Date or after the Participant's death, Retirement or Total and Permanent Disability.

7.04. Effect Of Termination

Except as provided in Sections 6.03, 7.01 and 7.03, upon the termination of this Plan by the Board of Directors, the Plan shall no longer be of any further force or effect, and neither the Company nor any Participant shall have any further obligation or right under this Plan. Subject to the limitations in Sections 6.03, 7.01 and 7.03, the rights of any individual who was a Participant and whose designation as a Participant is revoked or rescinded by the Committee shall cease upon such action.

ARTICLE VIII

OTHER BENEFITS AND AGREEMENTS

The benefits provided for a Participant and his Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program of the Company for its employees, and, except as may otherwise be expressly provided for, the Plan shall supplement and shall not supersede, modify or amend any other plan or program of the Company in which a Participant is participating.

ARTICLE IX

RESTRICTIONS ON TRANSFER OF BENEFITS

No right or benefit under the Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge, and any attempt to do so shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the person entitled to such benefit. If any Participant or Beneficiary under the Plan should become bankrupt or attempt to anticipate, alienate, sell, assign, pledge, encumber or charge any right to a benefit hereunder, then such right or benefit, in the discretion of the Committee, shall cease and terminate, and, in such event, the Committee may hold or apply the same or any part thereof for the benefit of such Participant or Beneficiary, his or her spouse, children, or other dependents, or any of them, in such manner and in such portion as the Committee may deem proper.

ARTICLE X

ADMINISTRATION OF THE PLAN

10.01. The Committee

The Plan shall be administered by the Committee. Subject to the provisions of the Plan, the Committee may adopt such rules and regulations as may be necessary to carry out the purposes hereof. The Committee's interpretation and construction of any provision of the Plan shall be final and conclusive.

10.02. Indemnification

The Company shall indemnify and save harmless each member of the Committee against any and all expenses and liabilities arising out of his membership on the Committee, excepting only expenses and liabilities arising out of his own willful misconduct. Expenses against which a member of the Committee shall be indemnified hereunder shall include without limitation, the amount of any settlement or judgment, costs, counsel fees, and related charges reasonably incurred in connection with a claim asserted, or a proceeding brought or settlement thereof. The foregoing right of indemnification shall be in addition to any other rights to which any such member may be entitled.

10.03. Power of the Committee

In addition to the powers hereinabove specified, the Committee shall have the power to compute and certify the amount and kind of benefits from time to time payable to Participants and their Beneficiaries under the Plan, to authorize all disbursements for such purposes, and to determine whether a Participant is entitled to a benefit under Section 3.02 or 4.02.

10.04. Information

To enable the Committee to perform its functions, the Company shall supply full and timely information to the Committee on all matters relating to the compensation of all Participants, their Retirement, death or other cause for termination of employment, and such other pertinent facts as the Committee may require.

ARTICLE XI

MISCELLANEOUS

11.01. Binding Effect

The Plan shall be binding upon the Company and its successors and assigns; subject to the powers set forth in Article VII, and upon a Participant, his Beneficiary, and either of their assigns, heirs, executors and administrators.

11.02. Governing Law

To the extent not preempted by federal law, the Plan shall be governed and construed under the laws of the Commonwealth of Virginia as in effect at the time of their adoption and execution, respectively.

11.03. Gender; Singular and Plural

Masculine pronouns wherever used shall include feminine pronouns and the use of the singular shall include the plural.

Exhibit 10.14

SAVINGS PLAN BENEFIT RESTORATION PLAN FOR EMPLOYEES

OF

TREDEGAR INDUSTRIES, INC.

Effective October 1, 1993

INTRODUCTION

The Savings Plan Benefit Restoration Plan for Employees of Tredegar Industries, Inc. was adopted effective October 1, 1993. The purpose of the Plan is to supplement the benefits payable to certain employees under the Savings Plan for the Employees of Tredegar Industries, Inc. by restoring benefits that would be available to such employees but for the application of certain Internal Revenue Code limitations. The Company has determined that the adoption of the Benefit Restoration Plan will assist it in attracting and retaining those employees whose abilities and experience will contribute to its continued success.

The Company intends for the Benefit Restoration Plan to be an individual account plan within the meaning of section 3(34) of the Employee Retirement Income Security Act of 1974, as amended. The Company further intends for the Plan to be funded through a trust to which Company contributions are deductible. All questions arising in the construction and administration of the Plan must be resolved in a manner that is consistent with that intent.

ARTICLE I

DEFINITIONS

1.01. Account means the account or bookkeeping record reflecting a Member's interest in the Plan. A Member may have several Accounts in the Plan.

SEE ALSO Bookkeeping Account and Distribution Account.

1.02. Affiliate means any corporation which, when considered with Tredegar Industries, Inc., would constitute a controlled group of corporations within the meaning of Code section 1563(a), determined without regard to Code sections 1563(a)(4) and 1563(e)(3)(C) or any entity, whether or not incorporated which, when considered with the Tredegar Industries, Inc., would constitute a controlled group in accordance with Code section 414(c) and regulations promulgated thereunder.

1.03. Alternate Payee, for purposes of Plan sections 1.22 and 6.03, means a Member's spouse, former spouse, child, or other dependent who is recognized by a domestic relations order as having a right to receive all or a portion of the benefits payable under the Plan with respect to such Member.

1.04. Beneficiary means the Member's Surviving Spouse unless such spouse has consented or does consent in writing to the Member's election of a different Beneficiary. The spouse's consent must be in writing, must acknowledge the effect of the Member's designation or change in designation, and must be witnessed by a notary public. If spousal consent is not obtained, such Member's Beneficiary shall be his spouse. If the Company is satisfied that spousal consent may not be obtained because the Member has no spouse, because the spouse cannot be located, or because of such other circumstances as applicable regulations may prescribe, the Member may name any Beneficiary he desires and from time to time change his designated Beneficiary without such Beneficiary's consent. With the Member's Surviving Spouse's consent, Beneficiary means the person or entity specified by a Member on forms prescribed by the Company for that purpose. If a Member does not designate a Beneficiary or if the designated Beneficiary should predecease the Member or is not in existence on the date of the Member's death, then Beneficiary shall mean the first surviving class of the following successive preference Beneficiaries: The Member's (a) widow or widower; (b) surviving children equally; (c) surviving parents equally; (d) surviving brothers and sisters equally; or (e) the executor(s) or administrator(s) of the Member's estate. The preceding sentences to the contrary notwithstanding, Beneficiary means an Alternate Payee to the extent that a Qualified Domestic Relations Order recognizes the Alternate Payee as having a right to receive all or a portion of any benefits payable under the Plan.

1.05. Board of Directors means the Board of Directors of Tredegar Industries, Inc.

1.06. Code means the Internal Revenue Code of 1986, as amended. References to specific sections of the Code shall include those sections and any comparable sections of future legislation that modify, amend, supplement, supersede or recodify such sections.

1.07. Committee means the Employee Savings Plan Committee appointed under the Savings Plan as described in Plan section 7.03.

1.08. Company means Tredegar Industries, Inc., and all of its Affiliates, subsidiaries and divisions except for those Affiliates, subsidiaries and divisions whose employees or segments thereof have not been designated to be included in this Plan. Where only a segment of an Affiliate's, subsidiary's or division's employees has been designated for coverage hereunder, "Company" shall apply to such Affiliate, subsidiary or division only as it relates to such entity's employees eligible for coverage. Any action required to be taken by a Company may be taken by the Board of Directors or by the Executive Committee of the Board of Directors.

1.9. Company Contribution means the Company's contribution to a Member's Distribution Account as provided in Plan section 4.01.

1.10. Earnings means for purposes of Plan section 1.14, for any relevant period, an individual's wages, salaries for personal services (such as professional services), and other amounts received from the Company for personal services actually rendered. Earnings include, but are not limited to, commissions paid to salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, and other amounts permissibly included according to Treasury regulations. Earnings do not include deferred compensation, gain from the exercise of stock options, and distributions that receive special tax benefits and are excluded from the base for computing those statutory limits.

1.11. Employee means any individual who is paid from the Company's payroll and eligible to participate in the Savings Plan, excluding any individual retained by the Company as an independent contractor or consultant or any individual described in Code section 414 (leased employees) and any individual employed by the Company on a temporary or casual basis.

1.12. ERISA means the Employee Retirement Income Security Act of 1974, as amended. References to specific sections of ERISA shall include those sections and any comparable sections of future legislation that modify, amend, supplement, supersede or recodify such sections.

1.13. Family Member means a member of the family of a five-percent owner or of a Highly Compensated Employee in the group consisting of the ten Highly Compensated Employees paid the greatest Earnings from the Company during the Plan Year. For purposes of this section, the term "family" means, with respect to any Employee, such Employee's spouse and lineal ascendants or descendants and the spouse of such lineal ascendants or descendants. Except as otherwise specified in regulations, a Family Member is not considered to be an Employee separate from the Employee whose status under this Plan cause the individual to be a Family Member.

1.14. Highly Compensated refers to an Employee who during the current or immediately preceding Plan Year

(a) was at any time a five-percent owner;

(b) received Earnings from the Company in excess of $75,000 (or such higher dollar limit as the Secretary of the Treasury announces at the same time and in the same manner as the cost-of-living adjustments applicable to the limitations under Code section 415(d)) during that Plan Year;

(c) received Earnings from the Company in excess of $50,000 (or such higher dollar limit as the Secretary of the Treasury announces at the same time and in the same manner as the cost-of-living adjustments applicable to the limitations under Code section 415(d)) during that Plan Year and was in the top 20% of the Employees in Earnings during that Plan Year; or

(d) was at any time an officer of the Company and received during that Plan Year Earnings that exceeded 150% of the dollar amount in effect under Code section 415(c)(1)(A).

For purposes of this section, at least one officer of the Company must be treated as a Highly Compensated Employee, regardless of Earnings. If at least three officers meet the Earnings figure, no more than ten percent of the Employees may be treated as such an officer. In no event may the Plan treat more than fifty Employees as such officers. For purposes of this section, Earnings will be determined without regard to Code sections 125, 402(e)(3), 402(h)(1)(B), and in the case of employer contributions made pursuant to a salary reduction agreement, without regard to Code section 403(b). The determinations made under this section must be made in conformity with the rules in Code section 414(q) and the related Treasury regulations. According to Code section 414(q)(6)(A)(ii), any Earnings paid to a Family Member (and any applicable contribution or benefits on behalf of such individual) must be treated as if it were paid to (or on behalf of) the relevant Highly Compensated Employee for that Plan Year. If an employee is not described in (b), (c) or (d) for the preceding year, he shall not be treated as described in (b), (c), or (d) for the current year unless he is a member of the group consisting of the 100 employees of the Company paid the greatest Earnings during the current year.

1.15. Matching Contribution means the Company's Contribution to the Savings Plan on behalf of a Member as described in sections 3.08 and 3.11(d) of the Savings Plan.

1.16. Matching Contribution Account means the portion of a Member's account attributable to Matching Contributions under the Savings Plan as described in section 3.01 of the Savings Plan.

1.17. Member means an eligible Employee who satisfies the requirements of Article II.

1.18. Payroll Period means the interval of employment for which a Member's periodic pay checks are normally issued.

1.19. Permanent and Total Disability means the incapacity of an Employee as described in section 1.36 of the Savings Plan.

1.20. Plan means the Savings Plan Benefit Restoration Plan for Employees of Tredegar Industries, Inc.

1.21. Plan Year means the annual period beginning on January 1st and ending on the following December 31st.

1.22. Qualified Domestic Relations Order means a judgment, decree, order or approval of a property settlement agreement, that

(a) relates to the provision of child support, alimony payments, or marital property rights to an Alternate Payee;

(b) is made pursuant to a state domestic relations or community property law;

(c) creates or recognizes the right of an Alternate Payee to receive all or a portion of the benefit payable with respect to the Member under this Plan or that assigns to an Alternate Payee the right to receive all or a portion of the benefits payable to the Member under the Plan;

(d) clearly specifies (i) the name and last known mailing address (if available) of the Member and the name and mailing address of each Alternate Payee, unless the Company has reason to know the address independently of the order; (ii) the amount or percentage of the Member's benefits to be paid by the Plan to each Alternate Payee or the manner in which such amount or percentage is to be determined; (iii) the number of payments or period to which the order applies; and (iv) the name of the Plan to which the order applies;

(e) does not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan;

(f) does not require the Plan to provide increased benefits; and

(g) does not require the payment of benefits to an Alternate Payee that are required to be paid to another Alternate Payee under another order determined previously to be a Qualified Domestic Relations Order.

A Qualified Domestic Relations Order may provide for payments to begin as soon as practicable after the date of entry of the order regardless of whether the Member has terminated employment as of that date. If the Member dies before that date, the Alternate Payee is entitled to benefits only if the order requires survivor benefits to be paid. In the case of such order, the amount to be paid to the Alternate Payee is computed using the benefit that would be payable to the Member if he had terminated employment immediately prior to the date such payment is to be made. The payment of benefits with respect to a Member who has not yet terminated employment is not considered to violate the prohibition against providing increased benefits.

1.23. Savings Plan means the Savings Plan for the Employees of Tredegar Industries, Inc., effective July 1, 1989, as now and hereafter amended.

1.24. Surviving Spouse means the person to whom a Member was married on his death.

1.25. Trust Agreement means the Trust Agreement entered into between the Company and a Trustee in conjunction with the Plan.

1.26. Trust Fund means the assets of the Plan held by the Trustee.

1.27. Trustee means a bank or trust company designated by the Board of Directors.

1.28. Valuation Date means the last business day of a calendar month.

ARTICLE II

ELIGIBILITY AND MEMBERSHIP

2.01. Eligibility Requirements

(a) Each individual who is a Highly Compensated Employee and a participant in the Savings Plan on October 1, 1993, shall, without further requirement, be a Member of the Plan.

(b) Each individual who is or becomes a Highly Compensated Employee shall become a Member of the Plan on the date that he becomes a participant in the Savings Plan.

2.02. Membership in the Plan

(a) An application to enroll in the Plan is not required, but each Employee and Member must correctly disclose to the Administrator all requested information necessary for the administration of the Plan.

(b) A Member shall continue to be a Member of the Plan until the date that (i) he is no longer a Highly Compensated Employee, (ii) he is no longer eligible to participate in the Savings Plan and (iii) he is no longer entitled to benefits under the Plan.

2.03. Reemployment

A Member who terminates his employment with the Company and its Affiliates and is reemployed as an Employee may become a Member in the Plan immediately upon his reemployment, subject to the provisions of Plan section 2.02.

ARTICLE III

ALLOCATION

3.01. Establishment of Accounts

The Administrator shall establish and maintain a separate Bookkeeping Account and Distribution Account for each Member of the Plan. As required for appropriate record-keeping, the Administrator may establish and name additional Accounts or sub-accounts for each Member.

3.02. Crediting of Company Contributions

As soon as practicable after the end of each Payroll Period, the Company shall credit to the Member's Bookkeeping Account an amount equal to the difference between (a) and (b) below:

(a) The Matching Contribution that would have been allocated to the Member's account under the Savings Plan for the Payroll Period based on the Member's actual Pre-Tax and After-Tax Elections under the Savings Plan for that Payroll Period without regard to the following limitations:

(1) The limitations imposed by Code section 401(a)(17) on the amount of the Member's Base Pay that may be taken into account under the Savings Plan as provided in section 1.09 of the Savings Plan.

(2) The limitations imposed by Code sections 401(k) and 401(m) on the Member's Actual Deferral Percentages and Contribution Percentages, respectively, under the Savings Plan as described in sections 3.07 and 3.11 of the Savings Plan.

(3) The limitations imposed by Code section 415 on the amount of Annual Additions that may be allocated to the Member's account under the Savings Plan as provided in Article VIII of the Savings Plan.

(b) The Matching Contributions that are actually allocated to the Member's account under the Savings Plan for the Payroll Period based on his After-Tax and Pre-Tax Contributions made to the Plan for that Payroll Period.

For purposes of this subsection, the terms "Base Pay," "After-Tax Contributions," "Pre-Tax Contributions" "Actual Deferral Percentages," "Contribution Percentages" and "Annual Additions" shall have the meanings set forth in Article I of the Savings Plan.

3.03. Allocation of Company Contributions

Company Contributions made on behalf of a Member shall be allocated to the Member's Distribution Account as soon as practicable after such contributions are made as provided in Article IV.

ARTICLE IV

CONTRIBUTIONS

4.01. Company Contributions

(a) As soon as practicable after a Member's account balance under the Savings Plan is distributed pursuant to section 7.02, 7.03 or 7.04 of the Savings Plan, the Company shall contribute to the Plan on behalf of the Member an amount equal to the balance of his vested Bookkeeping Account, valued as of the Valuation Date coincident with or immediately preceding the date of distribution to the Member or his Beneficiary, as the case may be, under the Savings Plan.

(b) In the event that the Plan is required to make payments to an Alternate Payee pursuant to a Qualified Domestic Relations Order prior to the date that the Member terminates employment, the Company shall contribute to the Plan an amount equal to the value of the Member's vested Bookkeeping Account awarded to the Alternate Payee under the Qualified Domestic Relations Order as of the Valuation Date immediately preceding the date of payment specified in the order. The value of the Member's vested Bookkeeping Account as of the applicable Valuation Date shall be reduced by any amounts contributed by the Company on behalf of the Alternate Payee.

(c) In the event that the Plan is terminated, the Company shall contribute on behalf of each Member an amount equal to the balance of his Bookkeeping Account valued as of the Valuation Date coincident with or immediately preceding the date the Plan termination becomes effective.

4.02. Member Contributions

Members shall not be required or permitted to make contributions to the Plan.

ARTICLE V

VALUATION AND ACCOUNTING

5.01. Credits to Bookkeeping Accounts

Amounts shall be credited to a Member's Bookkeeping Account in whole and fractional shares of Tredegar Industries, Inc. common stock based on the shares that would have been purchased with such amounts and allocated to the Member's Matching Contribution Account under the Savings Plan. Additional amounts shall be credited to the Member's Bookkeeping Account to the extent that cash dividends paid on such shares of stock would have been reinvested in Tredegar Common Stock Fund under the Savings Plan.

5.02. Valuation of Bookkeeping Accounts

(a) Each Member's Bookkeeping Account shall be valued, pursuant to the provisions of Plan section 5.01 as of each Valuation Date, using the fair market value of the investment funds under the Savings Plan as reported in writing by the trustee for the Savings Plan.

(b) As of each Valuation Date, the value of a Member's Bookkeeping Account shall be adjusted to reflect what would have been its share of income, gains and losses under the Savings Plan based on the investment of Matching Contributions allocated to the Member's account under the Savings Plan. The value of the Member's Bookkeeping Account shall be adjusted to reflect cash dividends that would have been accrued or paid on shares of Tredegar Industries, Inc. common stock credited to such Bookkeeping Account as if held in the Member's Matching Contribution Account under the Savings Plan as well as charges, expenses and realized gains or losses that would have been allocated to such shares of stock under the Savings Plan.

ARTICLE VI

DISTRIBUTION

6.01. Plan Termination, Death, Permanent and Total Disability

In the event of termination of the Savings Plan or a Member's termination of employment by reason of death, Permanent and Total Disability, or retirement, the Plan shall pay the Member or his Beneficiary, as the case may be, the total value of the Member's Distribution Account as of the Valuation Date next following the date that the Member's account balance under the Savings Plan is distributed pursuant to section 7.02, 7.03 or 7.04 of the Savings Plan.

6.02. Other Separation

(a) In the event a Member terminates employment for reasons other than death, retirement, or Permanent and Total Disability, the Plan shall pay the Member the value of his Distribution Account that represents the value of his vested Bookkeeping Account as of the Valuation Date next following the date that such Member receives his vested account balance under the Savings Plan pursuant to Savings Plan section 7.03.

(b) A Member shall become vested in his Bookkeeping Account at the same time and in the same manner as he becomes vested in his Matching Contribution Account under the terms of the Savings Plan.

(c) A distribution cannot be made pursuant to this section, if, at the time of the distribution, the Member is again employed by the Company, unless the distribution is by reason of Plan termination.

6.03. Qualified Domestic Relations Order Distributions

Despite any other Plan provisions to the contrary, the Administrator must comply with the terms of a Qualified Domestic Relations Order. Payment will be made to the Alternate Payee in the manner specified by the Qualified Domestic Relations Order and as soon as practicable after the payment date specified in the Qualified Domestic Relations Order; provided, however, that in no event shall a distribution pursuant to this section exceed the value of the Member's vested Distribution Account as of the Valuation Date coincident with or immediately preceding the date of distribution. Unless a contrary result is specified by the Qualified Domestic Relations Order, if the amount awarded to the Alternate Payee pursuant to a Qualified Domestic Relations Order does not exceed $3,500 as of the Valuation Date coincident with or immediately preceding the date such amount becomes payable, that amount will be paid to the Alternate Payee from the Member's Distribution Account as soon as practicable following the date the Administrator determines that the domestic relations order is a Qualified Domestic Relations Order.

6.04. Form of Distribution

Payment shall be made from the Plan to a Member, Beneficiary or Alternate Payee in single cash sums.

6.05. Federal Income Tax Withholding

Members and, if applicable, Beneficiaries shall be provided with proper notice and election forms for the purpose of withholding Federal income tax from distributions from the Plan in accordance with Code section 3405.

6.06. Discharge of Obligation

Payment of all or a portion of the value of the Member's Distribution Account under this Article shall discharge the Company's obligation to the Member, his Beneficiary or Alternate Payee with respect to the corresponding value of the Member's vested Bookkeeping Account under the Plan.

ARTICLE VII

ADMINISTRATION

7.01. Appointment of Named Fiduciary and Plan Administrator

Tredegar Industries, Inc., shall be the Administrator and Named Fiduciary of the Plan and shall be responsible for the operation and administration of the Plan except to the extent its duties are allocated to and assumed by persons or entities hereunder.

7.02. Plan Administrator

(a) To the extent required by law, the Administrator shall establish a funding policy and method to carry out the objectives of the Plan.

(b) The Administrator shall prepare such reports at such times and file such reports at such places as may be required by Federal statutes and regulations.

(c) Upon written request of any Member or Beneficiary eligible to receive benefits under the Plan, the Administrator shall furnish him a copy of the latest updated summary plan description, latest annual report and a copy of the Plan. The Administrator may make a reasonable charge for the costs of furnishing such copies.

(d) The Administrator shall maintain, on a plan or calendar year basis, employee and other such records as are necessary for the successful operation of the Plan and shall supply such full and timely information for all matters relating to the Plan as the Committee or Trustee may require for the effective discharge of their respective duties.

(e) The Administrator shall receive all applications for benefits and shall establish rules and procedures to be followed by Members and Beneficiaries in filing such applications and for furnishing and verifying all data which may be required in order to establish their rights to benefits in accordance with the Plan. Upon receipt of an application for benefits, the Administrator shall determine all facts which are necessary to establish the right of an applicant to benefits and the amount thereof. All approved benefits shall be paid at the direction of the Administrator. Such payments shall be made in accordance with the Administrator's written directions setting forth the amount of such payments and the specific manner in which such payments are to be made. In carrying out its duties hereunder, the Administrator shall at all times rely on the construction and specific interpretations of the Plan as determined by the Committee.

7.03. Employee Savings Plan Committee

(a) The Employee Savings Plan Committee appointed by, and serving at the pleasure of, the Board of Directors of Tredegar Industries, Inc., pursuant to section 9.03 of the Savings Plan shall have the powers and duties with respect to the Plan as described in this Plan section.

(b) The Committee shall make such rules and regulations as it deems necessary for operation of the Plan, shall determine all questions arising in the administration, interpretation and application of the Plan, review claims for benefits which have been denied, and shall perform all other functions which may be assigned to it by the Plan or the Administrator. Notwithstanding the powers granted hereunder, the Committee shall have no power to modify in any way any provision of the Plan.

(c) A member of the Committee who is also a Member of the Plan shall abstain from any action which specifically affects him as a Member of the Plan other than an action which affects all Members of the Plan. In the event of abstention, matters shall be decided by the remaining members of the Committee. Nothing herein shall prevent any member of the Committee who is also a Member of the Plan from receiving any benefit to which he may be entitled, so long as the benefit is computed and paid on a basis that is consistently applied to all other Members. The Committee may engage agents to assist it in its duties, and may consult with counsel, who may be counsel for the Company, with respect to the meaning or construction of this document and its obligations hereunder, or with respect to any action, proceeding, or question of law related thereto.

7.04. Trustee

The Board of Directors shall have the power to appoint one or more Trustees, to remove a Trustee at its discretion upon sixty (60) days' written notice unless a shorter period is agreed to, to appoint a successor to any Trustee who has resigned, has been removed, or has ceased to serve for any other reason, and to appoint a co-Trustee with the consent of the Trustee then serving. The Trustee may resign at any time upon sixty (60) days' written notice to the Company unless a shorter period is agreed to. The appointment of any Trustee or co-Trustee shall become effective upon the Trustee's or co-Trustee's acceptance of the appointment in writing. Each Trustee shall hold and invest the assets of the Plan under a Trust established pursuant to a Trust Agreement between the Company and the Trustee. Each Trustee shall further carry out all duties assigned to it by the Plan or the applicable Trust Agreement.

7.05. Benefit Claims Review Procedure

(a) Claims for benefits under the Plan may be submitted to the Administrator or such person as the Administrator may designate in writing who shall have the initial responsibility for determining the eligibility of any Member or Beneficiary for benefits. Such claims for benefits shall be made in writing and shall set forth the facts which such Member or Beneficiary believes to be sufficient to entitle him to the benefit claimed. The Administrator may adopt forms for the submission of claims for benefits in which case all claims for benefits shall be filed on such forms.

(b) Upon receipt of a claim, the Administrator must respond in writing within ninety (90) days. If necessary, the Administrator's first notice must indicate any special circumstances requiring an extension of time for the Administrator's decision. The extension notice must indicate the date by which the Administrator expects to give a decision. An extension of time for processing may not exceed ninety (90) days after the end of the initial ninety (90) day period.

(c) If the written claim for a Plan benefit is wholly or partially denied or the claimant has had no response, the claimant or his duly authorized representative, at the sole expense of the claimant, may appeal the denial within sixty (60) days of the date of the denial or the expiration of the time period provided in subsection (b) to the:

Manager of Employee Benefits
Tredegar Industries, Inc.
1100 Boulders Parkway
Richmond, Virginia 23225

An adverse notice must be written in a manner calculated to be understood by the claimant and must include (i) each reason for denial; (ii) specific references to the pertinent provisions of the Plan or related documents on which the denial is based; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why that material or information is needed; and (iv) appropriate information about the steps to be taken if the claimant wishes to submit the claim for review.

(d) In pursuing his appeal the claimant or his representative:

(1) may request in writing that the Employee Savings Plan Committee review the denial;

(2) may review pertinent documents; and

(3) may submit issues and comments in writing.

(e) The decision on review shall be made within sixty (60) days; provided that the sixty (60) day period may be extended for an additional sixty (60) days by written notice to the claimant setting forth the reasons for the extension. The decision on review shall be made in writing, shall include specific reasons for the decision, shall be written in a manner calculated to be understood by the claimant and shall contain specific references to the pertinent Plan provisions on which the decision is based.

7.06. Administrative Costs

All reasonable costs incurred in the administration of the Plan, excluding legal fees and recordkeeping charges, shall be paid from the Trust Fund. No Employee of the Company or an Affiliate shall be entitled to compensation for his services with respect to the Plan other than his normal compensation received as an employee of the Company or an Affiliate, but he shall be entitled to reimbursement for his reasonable expenses incurred in the administration of the Plan.

7.07. Fiduciary Discretion

In discharging the duties assigned to it under the Plan, the Committee and each other fiduciary with respect to the Plan has the discretion to interpret the Plan; adopt, amend and rescind rules and regulations pertaining to its duties under the Plan; and to make all other determinations necessary or advisable for the discharge of its duties under the Plan. Each fiduciary's discretionary authority is absolute and exclusive if exercised in a uniform and nondiscriminatory manner with respect to similarly situated individuals. The express grant in the Plan of any specific power to a fiduciary with respect to any duty assigned to it under the Plan must not be construed as limiting any power or authority of the fiduciary to discharge its duties. A fiduciary's decision is final and conclusive unless it is established that the fiduciary's decision constituted an abuse of its discretion.

ARTICLE VIII

AMENDMENT AND TERMINATION OF THE PLAN

8.01. Amendment of the Plan

The Company shall have the right by action of the Board of Directors to modify, alter or amend the Plan in whole or in part to the extent allowed by law; provided that the duties, powers and liabilities of the Trustee shall not be increased without its written consent; provided further that any such action shall not, in any way, adversely affect the benefits of individuals who have terminated their employment under the Plan prior to the effective date of such action, or of their Beneficiaries, nor shall it adversely affect amounts credited to Members prior to the effective date of such action. No amendment, modification or alteration shall have the effect of revesting in the Company any part of the principal or income of the Trust Fund.

8.02. Termination of the Plan

The Company expects to continue this Plan indefinitely, but continuance is not assumed as a contractual obligation and the Company reserves the right to terminate the Plan at any time. Upon termination of the Plan, the rights of the then Members in their Bookkeeping Accounts shall be nonforfeitable and as soon as practicable thereafter the Company shall contribute on behalf of each Member an amount equal to the value of his Bookkeeping Account. Each Member shall be entitled to receive the value of his Distribution Account in the manner described in Plan section 6.01.

ARTICLE IX

MERGER AND CONSOLIDATION OF THE PLAN

In the event of a merger or consolidation of the Plan with another plan or the transfer of assets or liabilities from the Plan to another plan, the balance in each Member's Account immediately after such event shall be equal to the balance in his Account immediately prior to such event.

ARTICLE X

GENERAL PROVISIONS

10.01. Return of Company Contributions

This Plan has been created for, where applicable, the exclusive purpose of providing benefits to the Members and their Beneficiaries. The Plan shall be interpreted in a manner consistent with applicable provisions of ERISA. Company contributions to the Plan may be returned to the Company (1) within one year of the date such funds are contributed if the contribution is made by reason of a mistake of fact or (2) to the extent of the disallowance of a tax deduction for such contribution and within one year of such disallowance, if the contribution is conditioned on its deductibility.

10.02. No Guaranty of Employment

The Plan shall not be deemed to constitute a contract between the Company and any Member or to be consideration or an inducement for the employment of any Member of the Company. Nothing contained in the Plan shall be deemed to give any Member the right to be retained in the service of the Company or to interfere with the rights of the Company to discharge or to terminate the service of any Member at any time without regard to the effect such discharge or termination may have on any rights under the Plan.

10.03. Payments to Minors and Incompetents

If a Member or Beneficiary entitled to receive any benefits hereunder is a minor or is deemed so by the Administrator or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, benefits will be paid to such person as the Administrator might designate. Such payments shall, to the extent made, be deemed a complete discharge of any liability for such payment under the Plan.

10.04. Non-Alienation of Benefits

(a) To the extent permitted by law, no benefit payable under the Plan will be subject in any manner to anticipation, assignment, garnishment, or pledge; and any attempt to anticipate, assign, garnish or pledge the same will be void and no such benefits will be made in any manner liable for or subject to the debts, liabilities, engagements or torts of any Members.

(b) Despite any other Plan provisions to the contrary, the Administrator must comply with the terms of a Qualified Domestic Relations Order. The Plan is not liable for any payments pursuant to a domestic relations order until the Administrator has received the order and determined that it is a Qualified Domestic Relations Order. The Administrator must establish reasonable written procedures for determining the qualified status of a domestic relations order and for administering distributions under a Qualified Domestic Relations Order. The Administrator must promptly notify the Member and each Alternate Payee of the receipt of a domestic relations order and of the procedures for determining its qualified status.

10.05. Headings and Subheadings

The headings and subheadings in this Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

10.06. Use of Masculine and Feminine; Singular and Plural

In the construction of the Plan the masculine shall include the feminine and the singular the plural in all cases where such meanings are indicated by the context.

10.07. Unclaimed Benefits

If the Administrator, or the Trustee with the assistance of the Administrator, cannot make payment of any amount to a Member or Beneficiary within five (5) years after such amount becomes payable because the identity or whereabouts of such individual cannot be ascertained, the Administrator, at the end of such five (5) year period, will direct that the amounts which would have been payable to such Member or Beneficiary be segregated by the Trustee and thereafter dealt with according to the laws of the Commonwealth of Virginia relating to abandoned intangible personal property held in a fiduciary capacity.

10.08. Beneficiary Designation

At the time of enrollment in the Plan, each Member, with the consent of his spouse pursuant to Plan section 1.04, if applicable, must designate a Beneficiary to receive settlement of his Plan account in the event of his death during employment. A Member, with the consent of his spouse pursuant to Plan section 1.04, if applicable, may, from time to time, change a Beneficiary or Beneficiaries under the Plan. In the event that no designated Beneficiary is surviving at the time of the Member's death, settlement under the Plan will be made as provided in Plan section 1.04.

10.09. Errors and Omissions

It shall be the responsibility of those individuals and entities charged with the administration of the Plan to see that it is administered in accordance with its terms so long as it is not in conflict with ERISA. In the event an innocent error or omission is discovered in the operation or administration of the Plan, which in the judgment of the Committee would cost more to correct than is warranted by the error or omission and which in such Committee's judgment did not result in discrimination in operation, in favor of the prohibited group of officers, shareholders, and highly compensated employees, then, to the extent such adjustment will not in such Committee's judgment result in such prohibited group, the Committee deems necessary or desirable to correct the error or omission, including but not limited to the authorization of additional Company contributions designed, in a manner consistent with the goodwill intended to be engendered by the Plan, to put Members in the same relative position they would have been in but for such error or omission.

ARTICLE XI

ADOPTION OF PLAN

As evidence of its adoption of the Plan herein constituted, Tredegar Industries, Inc., has caused this instrument to be signed by its duly authorized officer this _____ day of __________, 1993.

TREDEGAR INDUSTRIES, INC.

By ____________________________

EXHIBIT 11 - COMPUTATIONS OF EARNINGS PER SHARE

Tredegar Industries, Inc. and Subsidiaries
(In thousands, except per-share amounts)

For years ended December 31	1993	1992	1991
Income from continuing operations	$ 3,723	$ 9,517	$2,519
Income from discontinued operations	6,784	5,795	3,104
Net income before extraordinary item and cumulative effect of changes in accounting principles	10,507	15,312	5,623
Extraordinary item -- loan prepayment premium	(1,115)	--	--
Changes in accounting principles	150	--	--
Net income	$ 9,542	$15,312	$5,623
Earnings per share as reported:			
Income from continuing operations	$ .34	$ .88	$ .24
Income from discontinued operations	.63	.53	.28
Net income before extraordinary item and cumulative effect of changes in accounting principles	.97	1.41	.52
Extraordinary item	(.10)	--	--
Changes in accounting principles	.01	--	--
Net income	$ .88	$ 1.41	$ .52
PRIMARY EARNINGS PER SHARE:			
Shares issuable upon the assumed exercise of outstanding stock options (1)	34	34	--
Weighted average common shares outstanding during period	10,895	10,894	10,894
Weighted average common shares and common stock equivalents	10,929	10,928	10,894
Primary earnings per share (2)	$ .87	$ 1.40	$ .52
FULLY DILUTED EARNINGS PER SHARE:			
Shares issuable upon the assumed exercise of outstanding stock options (3)	38	35	--
Weighted average common shares outstanding during period	10,895	10,894	10,894
Weighted average common shares and common stock equivalents	10,933	10,929	10,894
Fully diluted earnings per share (2)	$ .87	$ 1.40	$ .52

(1) Computed using the average market price during the period.
(2) Common stock equivalents had an immaterial dilutive effect.
(3) Computed using the market price at the end of the related period since such price was higher than the average market price during the related period.

DIRECTORS

John D. Gottwald*
President
Tredegar Industries, Inc.
Richmond, Virginia

Richard W. Goodrum*
Executive Vice President
Tredegar Industries, Inc.
Richmond, Virginia

Norman A. Scher*
Executive Vice President
Tredegar Industries, Inc.
Richmond, Virginia

Austin Brockenbrough, III
Founding Partner and
Managing Director
Lowe, Brockenbrough,
Tierney & Tatterstall,
Inc.
Richmond, Virginia

Phyllis Cothran
President and Chief
Operating Officer
Blue Cross & Blue Shield
of Virginia
Richmond, Virginia

Bruce C. Gottwald
President and Chief
Executive Officer
Ethyl Corporation
Richmond, Virginia

Floyd D. Gottwald, Jr.
Chairman of the Board of
Directors
Ethyl Corporation
Richmond, Virginia

Andre B. Lacy
President
LDI Management, Inc.
Indianapolis, Indiana

James F. Miller
Investment Banker
Paine Webber, Inc.
New York, New York

Emmett J. Rice
Retired Member
Board of Governors
Federal Reserve System
Washington, D.C.

W. Thomas Rice
Former Chairman of the Board
Seaboard Coast Line
Industries, Inc.
Richmond, Virginia

*Member of the Executive Committee

OFFICERS AND CORPORATE STAFF

John D. Gottwald
President
Chief Executive Officer
Chairman, Executive
Committee

Richard W. Goodrun
Executive Vice President
Chief Operating Officer

Norman A. Scher
Executive Vice President
Chief Financial Officer
Treasurer

Michael W. Giancaspro
Vice President,
Corporate Planning

Steven M. Johnson
Vice President,
Corporate Developement

Frederick P. Woods
Vice President,
Personnel

Edward A. Cunningham
Director, Corporate
Communications and
Investor Relations

D. Andrew Edwards
Controller

Lawrence J. Scott
Director, Audit

Nancy M. Taylor
Corporate Counsel
Secretary

F. Case Whittemore
Director,
Risk Management

OPERATING MANAGEMENT

Plastics

Tredegar
Film Products
Anthony J. Rinaldi
President

Tredegar Molded
Products
William L. Driggers
President

Fiberlux, Inc.
Ralph J. Vasami
President

Metal Products

Aluminum Extrusions
Douglas R. Monk
President

Brudi, Inc.
Wayne W. Bostad
President

Energy

The Elk Horn Coal
Corporation and
Tredegar Oil & Gas
David D. Reed
President

Other

APPX Software, Inc.
Stephen A. Andersen
President

Five-Year Summary
Tredegar Industries, Inc., and Subsidiaries

Years Ended December 31	1993	1992	1991	1990	1989
(In thousands, except per-share data)					
Results of Operations [(a) & (b)]:					
Net sales	$449,208	$445,229	$439,186	$505,884	$594,919
Other (expense) income, net	(387)	226	745	861	152
	448,821	445,455	439,931	506,745	595,071
Cost of goods sold	379,286	370,652	373,429	450,843	522,020
Selling, general and administrative expenses	47,973	48,130	49,764	54,457	49,388
Research and development expenses	9,141	5,026	4,541	4,850	4,129
Interest expense (c)	5,044	5,615	7,489	7,101	3,777
Unusual items	452(d)	90(e)	721(f)	32,915(g)	-
	441,896	429,513	435,944	550,166	579,314

Income (loss) from continuing operations before income taxes	6,925	15,942	3,987	(43,421)	15,757
Income taxes	3,202	6,425	1,468	(14,734)	6,335
Income (loss) from continuing operations	3,723	9,517	2,519	(28,687)	9,422
Income from discontinued operations (h)	6,784	5,795	3,104	4,001	7,852
Net income (loss) before extraordinary item and cumulative effect of changes in accounting principles	10,507	15,312	5,623	(24,686)	17,274
Extraordinary item-prepayment premium on extinguishment of debt (net of tax)	(1,115)	-	-	-	-
Cumulative effect of changes in accounting for postretirement benefits other than pensions (net of tax) and income taxes	150	-	-	-	-
Net income (loss)	$ 9,542	$ 15,312	$ 5,623	($ 24,686)	$ 17,274
Share Data:					
Earnings (loss) per share (b):					
Continuing operations	$ .34	$ .88	$ .24	($ 2.54)	$ .79
Discontinued operations (h)	.63	.53	.28	.35	.65
Before extraordinary item and cumulative effect of changes in accounting principles	.97	1.41	.52	(2.19)	1.44
Net income (loss)	.88	1.41	.52	(2.19)	1.44
Equity per share	15.52	14.91	13.79	13.52	15.69
Return on average equity (i)	6%	10%	4%	(15)%	7%
Cash dividends declared per share	.24	.24	.24	.24	.12
Weighted average shares outstanding	10,895	10,894	10,894	11,296	11,993
Closing market price per share:					
High	18.00	18.63	10.75	15.75	17.63
Low	12.50	10.00	6.38	7.00	12.88
End of year	15.00	15.50	10.00	7.38	15.88
Total return to shareholders (j)	(2)%	57%	39%	(52)%	37%
Financial Position and Other Data:					
Total assets	$353,383	$354,910	$335,415	$339,114	$361,046
Working capital	62,064	56,365	60,841	73,180	77,646
Current ratio	2.1:1	2.0:1	2.1:1	2.2:1	2.7:1
Unleveraged after-tax earnings (loss) (k)	14,132	19,203	10,753	(19,639)	20,059
Capital employed:					
Debt	97,000	101,500	100,000	100,000	100,000
Shareholders' equity	169,088	162,397	150,223	147,261	185,061
Total	266,088	263,897	250,223	247,261	285,061
Average	264,993	257,060	248,742	266,161	281,687
Return on average capital employed (l)	5.3%	7.5%	4.3%	(7.4)%	7.1%
Debt as % of total capitalization	36%	38%	40%	40%	35%
Depreciation (continuing operations)	23,117	21,963	24,089	23,641	21,822
Amortization of intangibles (continuing operations)	2,706	914	1,113	764	762
Capital expenditures (continuing operations)	16,480	20,705	21,360	34,799	40,212
Acquisitions and other investments	5,699	17,622	25,654	-	2,997
Gross margin as % of net sales (continuing operations)	15.6%	16.8%	15.0%	10.9%	12.3%
Effective income tax rate (continuing operations)	46%	40%	37%	34%	40%

Refer to Notes to Financial Tables on page 26.

RESULTS OF OPERATIONS

Summary

Net income for 1993 declined 38% to $9.5 million, or $.88 per share, compared with $15.3 million, or $1.41 per share, in 1992. As described in Note (b) to Notes to Financial Tables on page 26, results for 1993 and 1992 include several special items that affect the comparability of operating results between years. Excluding these items, net income for 1993 declined 35% to $10.3 million, or $.95 per share, compared with $15.8 million, or $1.46 per share, in 1992. The lower operating results are due primarily to losses from new business development activities included in the Other segment (primarily investments in high-technology businesses, including APPX Software, Inc., Molecumetics, Ltd. and Emisphere Technologies, Inc.), and lower volume and higher operating costs related to unused capacity in Film Products and Molded Products, partially offset by improved results in the Metal Products segment. Ongoing operations from the Other segment contributed net losses of $6.6 million ($.60 per share) and $1.4 million ($.12 per share) in 1993 and 1992, respectively.

Net income for 1992 increased to $15.3 million, or $1.41 per share, compared with $5.6 million, or $.52 per share, in 1991. Excluding special items (see Note (b) to Notes to Financial Tables on page 26), net income for 1992 increased by $9.7 million to $15.8 million, or $1.46 per share, compared with $6.1 million, or $.56 per share in 1991. The improvement in operating results in 1992 was led by turnarounds in Aluminum Extrusions and Molded Products.

In July 1993, Film Products announced the closing of its Fremont, California, plant and the consolidation of capacity at its new plant in Tacoma, Washington. The Fremont plant is expected to close by May 1994. No provision for the shutdown was recorded in 1993 since the estimated net realizable value of the facility exceeds the total of its carrying value and expected shutdown and disposal costs. In January 1994, Film Products announced its intention to sell or close its Flemington, New Jersey, plant in order to exit the non-strategic, conventional films business (single layer, blown polyethylene film used primarily for general purpose industrial packaging). A pretax loss of $1.8 million was accrued at the end of 1993 to cover the expected loss on the disposal of this facility.

During the third quarter of 1993, Molded Products acquired the assets of Polestar Plastics, Inc., thereby gaining access to growing medical and electronics markets for its products.

In the fourth quarter of 1993, Tredegar recorded a provision of $.9 million for the decentralization and downsizing of certain corporate functions.

In November 1993, Tredegar announced that it is pursuing the sale of its coal subsidiary, The Elk Horn Coal Corporation ("Elk Horn"). Assuming Elk Horn can be sold on terms agreeable to Tredegar, the sale is expected to be completed by mid-1994, and a gain is expected to be recognized. In addition, in February 1994, Tredegar sold its remaining oil and gas properties for approximately $8 million. This transaction resulted in a gain of approximately $6.1 million ($3.9 million after taxes), which will be recognized in 1994. As a result of the potential sale of Elk Horn and the sale of Tredegar's remaining oil and gas properties, the Energy segment is reported as discontinued operations. Accordingly, information about results of operations, financial condition, cash flows and industry segments has been reclassified where appropriate. Combined financial statements for the Energy segment are presented in Note 2 of Notes to Financial Statements on page 33.

Results from continuing operations are not indicative of future performance because they exclude income that would be generated from reinvestment of divestiture proceeds. Tredegar expects to use these proceeds to repay outstanding borrowings under its revolving credit agreement, with remaining proceeds invested until other opportunities, in existing businesses or elsewhere, are identified.

1993 Compared with 1992

Revenues
Net sales from continuing operations increased 1% in 1993, compared with 1992. Metal Products sales improved significantly due primarily to higher volume in Aluminum Extrusions. Plastics revenues declined, particularly in Molded Products. For more information, see Net Sales by Industry Segment on page 19.

Operating Costs and Expenses
Tredegar's gross profit margin for continuing operations decreased to 15.6% in 1993 from 16.8% in 1992 due to lower volume and higher costs related to unused capacity in Film Products and Molded Products, and the inclusion of APPX Software in 1993 results. The unfavorable effect of these items on gross margin was partially offset by the impact of higher volumes and manufacturing efficiencies, including lower scrap rates and customer returns, in Aluminum Extrusions.

Selling, general and administrative expenses for continuing operations decreased slightly in 1993 due to cost-reduction efforts, partially offset by the inclusion in 1993 of APPX Software.

Research and development expenses increased to $9.1 million in 1993 from $5 million in 1992 due to higher spending at Molecumetics (Tredegar's research subsidiary involved in the synthesis of peptide mimetics used in rational drug design); software development costs at APPX Software; and ongoing product development efforts in Film Products.

Unusual items in 1993 of $.5 million include estimated costs related to the closing of the Film Products plant in Flemington, New Jersey ($1.8 million), and the reorganization of corporate functions ($.9 million), partially offset by a gain on the sale of Tredegar's remaining investment in Emisphere ($2.3 million).

Interest Expense
Interest expense has been allocated between continuing operations and discontinued operations based on relative capital employed (see Note 2 of Notes to Financial Statements on page 33). Interest expense for continuing operations declined 10% in 1993 due to lower interest rates and lower average consolidated debt outstanding. The weighted average interest rate on consolidated debt outstanding was 5.6% for the year, compared with 6.1% in 1992. Average consolidated debt outstanding during these periods totaled $95.8 million and $101.3 million, respectively.

Income Taxes
The effective tax rate for continuing operations in 1993 was 46%, compared with 40% in 1992. The increase was primarily due to an adjustment of deferred income taxes for the 1% increase in the federal income tax rate in 1993, a higher effective state income tax rate, and an increase in non-deductible goodwill amortization, partially offset by the research and development tax credit. See Note 16 of Notes to Financial Statements on page 38 for details on effective tax rates.

Discontinued Operations
Energy segment net sales increased 2% to $33.4 million in 1993 from $32.9 million in 1992. The increase was driven by higher coal trading and gas revenues, partially offset by lower coal royalties and slightly lower coal sales volume.

Operating profit increased 8% to $11 million from $10.2 million due primarily to gains totaling $1.4 million on the sale of certain oil and gas properties, partially offset by a $.4 million charge for Elk Horn's required annual contribution to fund medical and death benefits for assigned miners and dependents under the Coal Industry Retiree Health Benefit Act of 1992 (see Note 2 of Notes to Financial Statements on page 33) .

Interest expense allocated to the Energy segment was approximately $.7 million in 1993 and 1992 as a result of higher average capital employed, offset by lower interest rates. The effective tax rate declined to 34.7% in 1993 from 39.6% in 1992 due to relatively higher percentage depletion.

Extraordinary Item

On June 16, 1993, Tredegar paid a prepayment premium to an institutional lender in the amount of $1.8 million ($1.1 million after taxes) to refinance its $35 million, 8.6% fixed-rate debt that was due in September 1994. The new note carries a fixed rate of 7.2% and matures in June 2003. Annual principal payments of $5 million will begin in 1997.

Accounting Changes

Tredegar provides postretirement life insurance and health care benefits for certain groups of employees. Tredegar and retirees share in the cost of postretirement health care benefits, with employees retiring after July 1, 1993, receiving a fixed subsidy from Tredegar to cover a portion of their health care premiums. Effective January 1, 1993, Tredegar adopted Statement of Financial Accounting Standards ("SFAS") No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." SFAS No. 106 requires recognition of the cost of postretirement benefits during the employees' service periods. Previously, such expenses were accounted for on a cash basis. Tredegar elected to immediately recognize the liability for prior years' service as the cumulative effect of a change in accounting principle. Accordingly, in the first quarter of 1993, Tredegar recorded an unfunded, accumulated postretirement benefit obligation of $6.7 million and a noncurrent, deferred income tax benefit of $2.5 million, resulting in an after-tax charge of $4.2 million.

Effective January 1, 1993, Tredegar adopted SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 requires the asset and liability method of accounting for deferred income taxes, whereby enacted statutory tax rates are applied to the differences between the financial reporting and tax bases of assets and liabilities. The cumulative effect of this change in accounting principle was a reduction in deferred income taxes and a corresponding increase in net income of $4.3 million in the first quarter of 1993.

1992 Compared With 1991

Revenues

Net sales from continuing operations in 1992 increased 1% over 1991. Sales increases in Metal Products were partially offset by sales declines in Plastics. Metal Products benefited from higher sales in Aluminum Extrusions and the inclusion of a full year of Brudi, Inc., sales in 1992 (Brudi was acquired in April 1991). The sales decline in Plastics was primarily due to the divestiture, in the fourth quarter of 1991, of Molded Products' beverage closure business. See Net Sales by Industry Segment on page 19 for more information.

Operating Costs and Expenses

Tredegar's gross profit margin from continuing operations increased to 16.8% in 1992 from 15% in 1991 due to higher profits in Aluminum Extrusions and Molded Products, partially offset by lower profits in Film Products. Aluminum Extrusions' profits improved due to lower unit conversion costs, reflecting higher sales and production volumes and internal improvements. The increase in Molded Products' profits resulted primarily from restructuring efforts. The decline in Film Products' profits was due to higher domestic unit conversion costs, reflecting lower sales and production volume, partially offset by higher profits from foreign operations.

Selling, general and administrative expenses for continuing operations decreased 3% in 1992 due to divestitures, restructuring-related cost reductions and a continued focus on internal improvements.

Research and development expense increased to $5 million in 1992 from $4.5 million in 1991 due to product development projects in the Plastics segment and research and development of certain new technologies.

Unusual items in 1992 include the accelerated write-off of certain goodwill associated with the restructuring of Molded Products ($1.2 million), partially offset by the gain on the sale of a portion of Tredegar's investment in Emisphere ($1.1 million).

Interest Expense

Interest expense allocated to continuing operations declined 25%, or $1.9 million, in 1992 due to lower average interest rates and lower average debt levels. Weighted average interest rates on consolidated debt outstanding during 1992 and 1991 were 6.1% and 7.2%, respectively. Average consolidated debt outstanding during these periods totaled $101.3 million and $117.7 million, respectively.

Income Taxes

The effective tax rate for continuing operations in 1992 was 40%, compared with 37% in 1991. The increase was primarily due to lower tax benefits attributable to the foreign sales corporation partially offset by a lower effective state income tax rate. See Note 16 of Notes to Financial Statements on page 38 for details regarding effective tax rates.

Discontinued Operations

Energy segment net sales declined 4%, to $32.9 million in 1992 from $34.3 million in 1991, due primarily to lower coal volume and lower oil and gas revenues resulting from the termination of the horizontal drilling partnership in 1991. Lower coal volume was partially offset by improved royalty rates, improved prices in the coal sales business and higher minimum royalty income. Mild weather and industry over-capacity relative to demand contributed to coal volume declines.

Operating profit increased by $4.6 million or 81%, to $10.2 million from $5.6 million, due primarily to the termination in 1991 of the horizontal drilling partnership and the elimination of related operating losses as well as improved coal trading income.

Interest expense allocated to the Energy segment declined to $.7 million in 1992 from $.8 million in 1991 due to lower average interest rates, partially offset by higher average capital employed.

The effective tax rate in 1992 increased to 39.6% from 36.4% in 1991 due primarily to lower percentage depletion.

FINANCIAL CONDITION

Assets

Total assets at December 31, 1993, were $353.4 million, a decrease of $1.5 million from December 31, 1992. Net assets of discontinued operations increased to $31 million from $29.8 million in 1992 due to higher coal trading inventories. Total assets of continuing operations decreased $2.7 million. The current ratio remained strong at 2.1 to 1 and 2.0 to 1 as of December 31, 1993 and 1992, respectively.

Liabilities

Total liabilities decreased 4% to $184.3 million at December 31, 1993, due primarily to lower deferred income taxes caused by the adoption of SFAS No. 109 and reductions in consolidated long-term debt and accrued costs related to divestitures, partially offset by an increase in other noncurrent liabilities due to the adoption of SFAS No. 106 and the acquisition of Polestar. Consolidated debt decreased to $97 million in 1993 from $101.5 million in 1992. Consolidated debt at December 31, 1993, consisted of $35 million maturing in 2003 with annual principal payments of $5 million beginning in 1997 and a fixed annual interest rate of 7.2%, and $62 million borrowed under variable-rate agreements with various maturities and an average interest rate of 4.2%. The weighted average interest rate on debt as of December 31, 1993 and 1992 was 5.3% and 6.1%, respectively. This overall decline is due to lower rates on both fixed-rate and variable-rate credit arrangements. Debt as a percentage of total capitalization was 36% at December 31, 1993, compared with 38% at December 31, 1992. See Note 10 of Notes to Financial Statements on page 35 for details of credit agreements.

Shareholders' Equity

Shareholders' equity increased to $169.1 million at December 31, 1993, reflecting consolidated net income of $9.5 million and dividends declared of $2.6 million. The total market capitalization of Tredegar's 10.9 million common shares decreased to $163.4 million at December 31, 1993, from $168.9 million at December 31, 1992, due to a lower stock price at year end.

Tredegar has not purchased shares of its capital stock since 1990. In 1989 and 1990, Tredegar purchased an aggregate of 1.1 million shares of its capital stock in the open market and in privately negotiated transactions at an average price of $12.76 per share. Tredegar may make stock purchases, up to an aggregate of 3.2 million shares, under a standing authorization from the Board of Directors at prices management deems appropriate.

Cash Flows

Net cash provided by continuing operating activities decreased to $17.6 million in 1993 from $30.9 million in 1992 due to lower operating results and additional working capital investment to support higher sales at the end of the year. Net cash used in 1993 for the prepayment premium on extinguishment of debt was $1.1 million. Net cash provided by discontinued operating activities increased to $4.3 million in 1993 from $.5 million in 1992 due to lower incremental working capital investment in the coal trading business.

Net cash used in investing activities of continuing operations declined to $14.2 million in 1993 from $29.8 million in 1992 as a result of lower capital expenditures and lower spending for acquisitions. Proceeds from asset disposals totaled $8.6 million in 1993 and $9.2 million in 1992. Lower capital expenditures for continuing operations in 1993 were primarily due to unused capacity in Film Products and Molded Products as a result of unfavorable market conditions and higher spending for capacity expansions in Film Products from 1989 through 1992. Net cash was provided by investing activities of discontinued operations in 1993 due to the sale for $1.7 million of certain oil and gas properties, partially offset by capital expenditures.

In 1993, overall net cash provided by consolidated operating activities exceeded net cash used in consolidated investing activities by $7.9 million, which was sufficient to pay dividends of $3.3 million and to repay $4.5 million of debt.

Net cash provided by continuing operating activities declined to $30.9 million in 1992 from $34.9 million in 1991 due primarily to divestiture-related working capital liquidations in 1991. Net cash provided by discontinued operating activities declined to $.5 million in 1992 from $6.6 million in 1991 due to additional investment in coal working capital in 1992 to support expansion of the coal trading business.

Net cash used in investing activities of continuing operations declined to $29.8 million in 1992 from $35.7 million in 1991 due to lower spending on acquisitions. In 1991, the net cash used in investing activities of discontinued operations totaling $5 million was primarily due to the purchase of coal reserves. During 1992, capital expenditures returned to a normal level for supporting existing Energy segment operations.

In 1992, overall net cash provided by consolidated operating activities exceeded capital expenditures and dividends by $7.8 million. This excess cash flow, combined with proceeds from asset disposals, net borrowings and cash available from 1991, funded acquisitions and other investments of $17.6 million.

In 1991, overall cash flows from operations were $41.5 million, up from $34.6 million in 1990. Cash flows from operations in 1991 exceeded capital expenditures and dividends by $12.3 million, permitting Tredegar to pay down debt incurred to finance the Brudi acquisition. Proceeds from the sale of businesses and other property disposals allowed Tredegar to liquidate all additional debt incurred in 1991, and end the year with $100 million in long-term debt.

Normal operating cash requirements over the next 3-5 years are expected to be met from continuing operations. Tredegar expects that proceeds from the possible sale of its energy businesses will be used to repay outstanding borrowings under its revolving credit agreement, with remaining proceeds invested until other opportunities, in existing businesses or elsewhere, are identified. The amount and timing of any additions to capital will depend on Tredegar's specific cash requirements and the cost of such capital.

Net Sales by Industry Segment

1993 Compared With 1992

Plastics net sales decreased 7% in 1993 due to lower sales in Film Products and significantly lower revenues in Molded Products. Film Products 1993 sales were down due primarily to lower volume in industrial films, domestic disposable permeable films, domestic disposable backsheet film supplied to private-label manufacturers, and the discontinuance of certain unprofitable agricultural product lines, partially offset by higher sales volume from foreign operations and domestic disposable backsheet film supplied to The Procter & Gamble Company ("P&G").

Film Products is the largest U.S. supplier of embossed and permeable films for disposable personal products. In each of the last three years, this class of products accounted for more than 20% of the consolidated revenues of Tredegar.

Film Products supplies embossed films for use as backsheet in such disposable products as baby diapers and adult incontinent products, feminine hygiene products and hospital underpads. Film Products' primary customer for embossed films for backsheet is P&G, the leading disposable diaper manufacturer.

Film Products also supplies permeable films to P&G for use as liners in adult incontinent products, feminine hygiene products and hospital underpads. In addition, P&G purchases molded plastic products from Molded Products. P&G and Tredegar have had a successful, long-term relationship based on cooperation, product innovation and continuous process improvement. The loss or significant reduction of business associated with P&G would have a material adverse effect on Tredegar's business.

Molded Products sales declined due primarily to significantly lower technical services revenues and lower volume in tooling and packaging and industrial products, partially offset by the inclusion of Polestar since its acquisition effective July 31, 1993.

Net Sales By Industry Segment

Tredegar Industries, Inc., and Subsidiaries

Industry Segment (a)	1993	1992	1991	1990	1989
(In thousands)					
Plastics:					
Ongoing operations (m)	$255,524	$274,606	$281,613	$273,983	$271,514
Plants closed and businesses sold	-	-	-	10,717(n)	25,535
	255,524	274,606	281,613	284,700	297,049
Metal Products:					
Ongoing operations	190,690	170,623	157,573	193,347	228,563
Plants closed and businesses sold	-	-	-	27,837(n)	69,307
	190,690	170,623	157,573	221,184	297,870
Other (o)	2,994	-	-	-	-

Total continuing operations (p)	449,208	445,229	439,186	505,884	594,919
Discontinued operations (h)	33,431	32,859	34,283	40,702	41,787
Total	$482,639	$478,088	$473,469	$546,586	$636,706

Refer to Notes to Financial Tables on page 26.

Metal Products sales increased 12% in 1993 due primarily to higher volume in Aluminum Extrusions. Improved economic conditions and efforts to increase volume with new and existing customers contributed to the improvement.

Net sales reported under the Other segment are primarily APPX Software revenues.

1992 Compared With 1991
Plastics net sales declined 2% in 1992 due primarily to the divestiture of Molded Products' beverage closure business in the fourth quarter of 1991. Film Products sales in 1992 declined slightly compared with record sales in 1991. Domestic disposable volume declined due to reduced customer market share. For Film Products overall, lower domestic volumes were partially offset by higher average selling prices and higher sales volume from foreign operations.

Excluding beverage closure sales for 1991, Molded Products showed a slight improvement in sales for 1992, reflecting higher sales volume and average prices.

Metal Products sales increased 8% in 1992 due primarily to significantly higher volume in Aluminum Extrusions and a full year of Brudi sales (acquired in April 1991). Higher sales volume in Aluminum Extrusions resulted from increased capacity and orders for wood-clad window and automobile after-market products, improved economic conditions, increased focus on targeted customers and customer response to lower average prices. The decline in average selling prices reflected lower aluminum costs.

OPERATING PROFIT BY INDUSTRY SEGMENT
Tredegar Industries, Inc., and Subsidiaries

Industry Segment (a)	1993	1992	1991	1990	1989
(In thousands)					
Plastics:					
Ongoing operations	$22,649	$27,749	$23,638	$13,202	$23,484
Plants closed and businesses sold	-	-	-	(1,799)(n)	953
Unusual items	(1,815)(d)	(1,182)(e)	(721)(f)	(2,831)(g)	-
	20,834	26,567	22,917	8,572	24,437
Metal Products:					
Ongoing operations	8,141	4,693	(2,377)	(1,713)	2,880
Plants closed and businesses sold	-	-	-	(3,304)(n)	(2,021)
Unusual items	-	-	-	(30,084)(g)	-
	8,141	4,693	(2,377)	(35,101)	859
Other (o):					
Ongoing operations	(9,704)	(1,865)	-	-	-
Unusual items	2,263(d)	1,092(e)	-	-	-
	(7,441)	(773)	-	-	-
Operating profit (loss)	21,534	30,487	20,540	(26,529)	25,296
Interest expense (c)	5,044	5,615	7,489	7,101	3,777
Corporate expenses, net	9,565(d)	8,930	9,064	9,791	5,762
Income (loss) from continuing operations before income taxes	6,925	15,942	3,987	(43,421)	15,757
Income taxes	3,202	6,425	1,468	(14,734)	6,335
Income (loss) from continuing operations	3,723	9,517	2,519	(28,687)	9,422
Income from discontinued operations (h)	6,784	5,795	3,104	4,001	7,852
Net income (loss) before extraordinary item and cumulative effect of changes in accounting principles (b)	$10,507	$15,312	$ 5,623	($24,686)	$17,274

Refer to Notes to Financial Tables on page 26.

Operating Profit By Industry Segment
Segment operating profit includes certain charges for general and administrative expenses incurred at the corporate level. These charges are readily identifiable with each industry segment. However, segment operating profit excludes corporate charges that, by their nature, cannot be identified with or assigned to an

industry segment.

1993 Compared With 1992

Plastics segment operating profit declined $5.7 million, or 22%, from 1992 due to unusual items (see applicable references to Notes to Financial Tables) and lower profits from ongoing operations in both Film Products and Molded Products. A major cause of the decline in operating results in Film Products was lower-than-expected demand for industrial films, disposable permeable films for domestic markets and disposable backsheet film for private-label diaper manufacturers. In recent years, Film Products has invested in new capacity and printing capabilities aimed at meeting anticipated customer needs. These expected sales have not materialized and, as such, the costs associated with these investments have reduced profitability. Also, the commercialization of Monax Plus packaging films is taking longer than expected. In response to the changing competitive environment, Tredegar is exiting the conventional films business through the planned divestiture of its Flemington, New Jersey, plant; consolidating manufacturing capacity with the planned disposal of its Fremont, California, facility; and cutting costs and seeking new avenues to sales growth.

Reduced demand from manufacturers of branded consumer products has also affected results in Molded Products. Molded Products operating profit declined due to lower volume, especially lower tooling and technical sales, and higher conversion costs. The decline was partially offset by the inclusion of Polestar results since July 31, 1993, the effective date of acquisition.

Metal Products operating profit increased significantly in 1993, driven by a 11% increase in volume in Aluminum Extrusions. Operating profits were also up as a result of Aluminum Extrusions' successful efforts to improve manufacturing efficiency, including lower scrap rates and customer returns, and lower selling, general and administrative costs.

Tredegar's overall results continue to be adversely affected by operating losses at APPX Software and spending at Molecumetics. Expenses in these areas have been higher than expected. In addition, software revenues are not developing as quickly as anticipated. The resulting losses were partially offset by pretax gains of $2.3 million realized on the sale of Tredegar's remaining investment in Emisphere common stock. Ongoing activities resulted in an operating loss of $9.7 million in 1993. Looking forward, it is anticipated that these activities will continue to generate losses in the near term.

1992 Compared With 1991

Plastics segment operating profit increased $3.7 million in 1992 due to higher profits in Molded Products, partially offset by lower profits in Film Products and the $1.2 million accelerated write-off of certain goodwill associated with the Molded Products restructuring. The significant increase in Molded Products operating profit is primarily due to restructuring efforts. Film Products operating profit declined as a result of lower domestic sales in disposables and related higher unit conversion costs, partially offset by higher sales from foreign operations.

Metal Products operating profit in 1992 increased by $7.1 million over 1991, reflecting significantly higher sales volume and lower unit conversion costs in Aluminum Extrusions. Internal improvements, including lower administrative costs, also contributed to higher profits.

The Other segment reflects research and development efforts at Molecumetics and other new technologies, partially offset by a pretax gain of $1.1 million realized on the sale of a portion of Emisphere common stock.

IDENTIFIABLE ASSETS BY INDUSTRY SEGMENT
Tredegar Industries, Inc., and Subsidiaries

Industry Segment (a)	1993	1992	1991	1990	1989
(In thousands)					
Plastics	$171,070	$170,066	$162,762	$176,282	$167,564
Metal Products	120,454	122,109	121,416	116,391	144,228
Other (o)	15,247	16,856	3,334	750	-
Identifiable assets	306,771	309,031	287,512	293,423	311,792
Net assets held for sale (q)	3,605	4,330	13,600	13,908	-
General corporate	12,031	11,745	9,947	8,937	4,071
Net assets of discontinued operations (h)	30,976	29,804	24,356	22,846	45,183
Total	$353,383	$354,910	$335,415	$339,114	$361,046

Refer to Notes to Financial Tables on page 26.

Identifiable Assets By Industry Segment

The amounts reported as identifiable assets are total assets of all subsidiaries and divisions in each segment. Identifiable assets in the Other segment represent primarily APPX Software, Molecumetics and investments in Emisphere common stock as well as certain other investments. General corporate assets are primarily corporate property, plant and equipment. Net assets held for sale, primarily land and buildings held for sale related to closed facilities, are shown separately at estimated net realizable value.

Identifiable assets by industry segment were $306.8 million at December 31, 1993, a decrease of approximately $2.3 million from 1992. The increase in the Plastics segment was primarily due to the acquisition of Polestar. The decrease in Metal Products was attributable to depreciation in excess of capital spending and asset disposals, partially offset by higher inventories and receivables to support higher sales. The decrease in Other segment identifiable assets was primarily due to depreciation and amortization in excess of capital spending and the sale of Emisphere common stock, partially offset by new investments totaling $.6 million and the write-up of certain intangibles to their pretax amounts under SFAS No. 109.

Identifiable assets by industry segment were $309 million at December 31, 1992, an increase of $21.5 million from 1991 identifiable assets. The increase is primarily Film Products' investment in the new Tacoma facility, and the acquisition of APPX Software at the end of 1992. The decrease in net assets held for sale resulted primarily from the sale of the Pittsfield, Massachusetts, tooling facility in the fourth quarter of 1992. The increase in the assets of Plastics and Metal Products reflected the acquisitions of Folium Plasticos Especiais and Fielden Engineers, Ltd., respectively.

DEPRECIATION AND AMORTIZATION BY INDUSTRY SEGMENT
Tredegar Industries, Inc., and Subsidiaries

Industry Segment (a)	1993	1992	1991	1990	1989
(In thousands)					
Plastics	$15,315	$13,996	$15,682	$13,602	$12,217
Metal Products	7,512	8,178	8,831	10,236	10,262
Other (o)	2,311	-	-	-	-
Subtotal	25,138	22,174	24,513	23,838	22,479
General corporate	685	703	689	567	105
Total continuing operations	25,823	22,877	25,202	24,405	22,584
Discontinued operations (h)	747	765	5,777	3,981	5,747
Total	$26,570	$23,642	$30,979	$28,386	$28,331

Refer to Notes to Financial Tables on page 26.

Depreciation and Amortization By Industry Segment
Segment depreciation and amortization increased to $25.1 million from $22.2 million in 1992 due to the Other segment (APPX Software and Molecumetics) and higher depreciation in Film Products as a result of starting up the Tacoma, Washington, plant in 1993. Metal Products had lower depreciation due to lower levels of spending in 1992 and 1991. The Other segment includes primarily amortization of intangibles acquired in the acquisition of APPX Software.

In 1992, total segment depreciation and amortization declined $2.3 million as Molded Products and Aluminum Extrusions had lower depreciation due to restructuring and lower levels of capital spending in 1992 and 1991.

Maintenance and repairs of property, plant and equipment were $17.3 million, $17.9 million and $19.4 million in 1993, 1992 and 1991, respectively. The decreases reflect fewer plants and the modernization of remaining plants.

Capital Expenditures By Industry Segment
Segment capital expenditures in 1993 were $14 million, down from $20.4 million in 1992. Plastics capital expenditures decreased due to unused capacity in Film Products and Molded Products as a result of unfavorable market conditions and higher spending for capacity expansions in Film Products from 1989 through 1992. Capital spending in Metal Products declined as a result of relatively higher capital spending in prior years. The Other segment reflects capital spending at APPX Software and Molecumetics. Acquisitions and other investments in 1993 include primarily Polestar.

Segment capital expenditures in 1992 were $20.4 million, down slightly from 1991. Plastics segment expenditures reflect the addition of capacity in Film Products, including the Tacoma, Washington, plant. These expenditures were offset by lower spending in Molded Products. Metal Products capital requirements were significantly lower than in prior years as major projects were completed. Other expenditures were primarily related to leasehold improvements and equipment purchases at the Molecumetics research laboratory. Acquisitions in 1992 include APPX Software, Folium Plasticos Especiais (plastic film) and Fielden Engineers (materials handling). In early 1992, Tredegar exercised its right to acquire additional shares of Emisphere common stock which were sold at a gain in 1993.

CAPITAL EXPENDITURES BY INDUSTRY SEGMENT
Tredegar Industries, Inc., and Subsidiaries

Industry Segment (a)	1993	1992	1991	1990	1989
(In thousands)					
Plastics	$9,810	$15,655	$12,952	$24,145	$28,720
Metal Products	2,386	3,320	7,985	9,509	8,707
Other (o)	1,844	1,414	-	-	-
Subtotal	14,040	20,389	20,937	33,654	37,427

General corporate	2,440	316	423	1,145	2,785
Total continuing operations	16,480	20,705	21,360	34,799	40,212
Discontinued operations (h)	417	341	5,233	4,918	3,140
Total capital expenditures	16,897	21,046	26,593	39,717	43,352
Acquisitions and other investments	5,699	17,622	25,654	-	2,997
Total capital expenditures, acquisitions and investments	$22,596	$38,668	$52,247	$39,717	$46,349

Refer to Notes to Financial Tables on page 26.

SELECTED QUARTERLY FINANCIAL DATA (a)
Tredegar Industries, Inc., and Subsidiaries

(In thousands, except per-share amounts) (Unaudited)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
1993				
Net sales:				
Continuing operations	$111,198	$108,042	$113,922	$116,046
Discontinued operations (h)	7,998	7,933	8,281	9,219
Total	119,196	115,975	122,203	125,265
Gross profit (continuing operations)	17,184	16,574	18,095	18,069
Operating profit:				
Continuing operations	6,226	4,802	5,821	4,685
Discontinued operations (h)	2,932	3,404	2,114	2,587
Total	9,158	8,206	7,935	7,272
Income from continuing operations	1,710	674	1,145	194
Income from discontinued operations (h)	1,841	2,154	1,162	1,627
Net income before extraordinary item and cumulative effect of changes in accounting principles	3,551	2,828	2,307	1,821
Net income (r)	3,701	1,713	2,307	1,821
Earnings per share:				
Income from continuing operations	.16	.06	.10	.02
Income from discontinued operations (h)	.17	.20	.11	.15
Before extraordinary item and cumulative effect of changes in accounting principles	.33	.26	.21	.17
Net income (r)	.34	.16	.21	.17
Shares used to compute earnings per share	10,895	10,895	10,895	10,895
1992				
Net sales:				
Continuing operations	$109,824	$108,938	$117,699	$108,768
Discontinued operations (h)	8,431	8,391	7,893	8,144
Total	118,255	117,329	125,592	116,912
Gross profit (continuing operations)	18,861	17,910	18,502	19,304
Operating profit:				
Continuing operations	6,492	7,872	7,858	8,265
Discontinued operations (h)	2,564	2,530	2,506	2,649
Total	9,056	10,402	10,364	10,914
Income from continuing operations	1,318	2,395	2,682	3,122
Income from discontinued operations (h)	1,451	1,417	1,419	1,508
Net income (r)	2,769	3,812	4,101	4,630
Earnings per share:				
Income from continuing operations	.12	.22	.25	.29
Income from discontinued operations (h)	.13	.13	.13	.14
Net income (r)	.25	.35	.38	.43
Shares used to compute earnings per share	10,894	10,894	10,894	10,894

Refer to Notes to Financial Tables on page 26.

Notes to Financial Tables

(a) Certain prior-period amounts have been reclassified to conform to the current-year presentation.

(b) Net income (loss) and earnings (loss) per share, adjusted for special items affecting the comparability of operating results between years, are presented below:

	1993	1992	1991	1990	1989
Net income (loss) as reported	$9,542	$15,312	$5,623	($24,686)	$17,274
After-tax effects of special items:					
Extraordinary charge	1,115	-	-	-	-
Income related to cumulative effect of accounting changes	(150)	-	-	-	-

Unusual charges related to continuing operations	246	502	447	24,424	665
Impact on deferred taxes of 1% increase in federal income tax rate (including $177 relating to discontinued operations)	525	-	-	-	-
Unusual (income) charge related to discontinued operations	(938)	-	-	3,242	(273)
Pro forma charge related to the spin-off (including $570 relating to discontinued operations)	-	-	-	-	(6,021)
Net income as adjusted for special items	10,340	15,814	6,070	2,980	11,645
Income from discontinued operations as adjusted for special items	(6,023)	(5,795)	(3,104)	(7,243)	(7,009)
Net income (loss) from continuing operations as adjusted for special items	$4,317	$10,019	$2,966	($4,263)	$4,636
Earnings (loss) per share:					
As reported	$ .88	$1.41	$ .52	($2.19)	$ 1.44
As adjusted for special items	$ .95	$1.46	$ .56	$ .26	$ .97
From continuing operations as adjusted for special	$ .40	$ .92	$ .27	($ .38)	$ .39

Included in the above amounts are net losses from ongoing operations of the Other segment (primarily investments in new businesses and related research) of $6,568 ($.60 per share) and $1,349 ($.12 per share) in 1993 and 1992, respectively.

(c) Interest expense has been allocated between continuing and discontinued operations based on relative capital employed. See Note 2 of Notes to Financial Statements on page 33.
(d) Unusual items in 1993 include estimated costs related to the closing of a Film Products plant in Flemington, New Jersey ($1,815), and the reorganization of corporate functions ($900), partially offset by the gain on the sale of Tredegar's remaining investment in Emisphere Technologies, Inc. ($2,263).
(e) Unusual items in 1992 include the accelerated write-off of certain goodwill associated with the restructuring of Molded Products ($1,182) partially offset by the gain on the sale of a portion of an investment in Emisphere Technologies, Inc. ($1,092).
(f) Unusual items in 1991 include costs related to plant closings in Molded Products ($4,412) offset by a credit ($2,797) related to management's decision to continue operating the vinyl extrusions business, and the gain on the sale of Molded Products' beverage closure business ($894).
(g) Unusual items in 1990 include costs related to divestitures and reorganization, including results of operations from August 1. The Metal Products segment also includes provisions for environmental review and cleanup and costs related to certain legal proceedings for ongoing operations.
(h) In the fourth quarter of 1993, Tredegar announced that it is pursuing the sale of its coal subsidiary, The Elk Horn Coal Corporation. On February 4, 1994, Tredegar sold its remaining oil and gas properties. As a result of these events, Tredegar is reporting its Energy segment as discontinued operations. Results of continuing operations are not indicative of the results to be expected in the future since they exclude income that would be generated from the reinvestment of divestiture proceeds. See Note 2 of Notes to Financial Statements on page 33.
(i) Return on average equity is equal to net income per share divided by average equity per share.
(j) Total return to shareholders is computed as the sum of the change in stock price during the year plus dividends per share, divided by the stock price at the beginning of the year.
(k) Unleveraged after-tax earnings (loss) are net income (loss) plus after-tax interest expense.
(l) Return on average capital employed is unleveraged after-tax earnings (loss) divided by average capital employed.
(m) Net sales include sales to P&G totaling $145,631, $145,560 and $154,953 in 1993, 1992 and 1991, respectively.
(n) Includes results to August 1.
(o) In 1993, Tredegar began reporting its business development activities, primarily investments in high-technology businesses (APPX Software, Inc., Molecumetics, Ltd. and Emisphere Technologies, Inc.), as a separate industry

segment.

(p) Export sales totaled $52,642, $48,566 and $49,595 in 1993, 1992 and 1991, respectively. The majority of these export sales were made by the Plastics segment.

(q) Net assets held for sale include zero, $1,721 and $9,600 in current assets and $3,605, $2,609 and $4,000 in noncurrent assets in 1993, 1992 and 1991, respectively.

(r) Quarterly net income and earnings per share, adjusted for special items affecting the comparability of operating results between quarters, are presented below:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
1993				
Net income	$2,326	$1,705	$2,832	$3,477
Earnings per share	.21	.16	.26	.32
1992				
Net income	3,951	3,812	4,101	3,950
Earnings per share	.36	.35	.38	.37

Report of Independent Accountants

To the Board of Directors and Shareholders of Tredegar Industries, Inc.:

We have audited the accompanying consolidated balance sheets of Tredegar Industries, Inc., and Subsidiaries ("Tredegar") as of December 31, 1993 and 1992, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of Tredegar's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tredegar as of December 31, 1993 and 1992, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles.

As discussed in Notes 14 and 16 to the consolidated financial statements, effective as of the beginning of 1993, Tredegar changed its method of accounting for postretirement benefits other than pensions to conform with Statement of Financial Accounting Standards No. 106 and its method of accounting for income taxes to conform with Statement of Financial Accounting Standards No. 109.

COOPERS & LYBRAND

Richmond, Virginia
January 17, 1994, except for the information presented in Note 2,
for which the date is February 4, 1994.

Management's Report on the Financial Statements

Tredegar's management has prepared the financial statements and related notes appearing on pages 28 through 39 in conformity with generally accepted accounting principles. In so doing, management makes informed judgments and estimates of the expected effects of events and transactions. Financial data appearing elsewhere in this annual report are consistent with these financial statements.

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

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

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

(table page 28)

CONSOLIDATED STATEMENTS OF INCOME
Tredegar Industries, Inc., and Subsidiaries

Years Ended December 31 (In thousands, except per-share amounts)	1993	1992	1991
Revenues:			
Net sales	$449,208	$445,229	$439,186
Other (expense) income, net	(387)	226	745
Total	448,821	445,455	439,931
Costs and expenses:			
Cost of goods sold	379,286	370,652	373,429
Selling, general and administrative	47,973	48,130	49,764
Research and development	9,141	5,026	4,541
Interest	5,044	5,615	7,489
Unusual items	452	90	721
Total	441,896	429,513	435,944
Income from continuing operations before income taxes	6,925	15,942	3,987
Income taxes	3,202	6,425	1,468
Income from continuing operations	3,723	9,517	2,519
Income from discontinued operations	6,784	5,795	3,104
Net income before extraordinary item and cumulative effect of changes in accounting principles	10,507	15,312	5,623
Extraordinary item-prepayment premium on extinguishment of debt (net of income tax benefit of $685)	(1,115)	-	-
Cumulative effect of changes in accounting for:			
Postretirement benefits other than pensions (net of income tax benefit of $2,545)	(4,150)	-	-
Income taxes	4,300	-	-
Net income	$9,542	$15,312	$5,623
Earnings per share:			
Continuing operations	$ .34	$ .88	$ .24
Discontinued operations	.63	.53	.28
Before extraordinary item and cumulative effect of changes in accounting principles	.97	1.41	.52
Extraordinary item	(.10)	-	-
Cumulative effect of changes in accounting principles	.01	-	-
Net income	$ .88	$ 1.41	$ .52

See accompanying notes to financial statements.

(table page 29)

CONSOLIDATED BALANCE SHEETS
Tredegar Industries, Inc., and Subsidiaries

December 31 (In thousands, except share amounts)	1993	1992
Assets		
Current assets:		
Accounts and notes receivable	$ 70,173	$ 62,137
Inventories	34,211	31,358
Deferred income taxes	11,555	14,515
Prepaid expenses and other	881	4,207
Net assets held for sale	-	1,721
Total current assets	116,820	113,938
Property, plant and equipment, at cost:		
Land and land improvements	7,194	5,368
Buildings	46,608	46,839
Machinery and equipment	270,131	259,151
Total property, plant and equipment	323,933	311,358
Less accumulated depreciation and amortization	188,531	171,595
Net property, plant and equipment	135,402	139,763
Other assets and deferred charges	24,456	26,828
Goodwill and other intangibles	45,729	44,577
Net assets of discontinued operations	30,976	29,804
Total assets	$353,383	$354,910
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 19,376	$ 16,977
Accrued expenses	35,380	40,596
Total current liabilities	54,756	57,573
Long-term debt	97,000	101,500
Deferred income taxes	23,108	32,646
Other noncurrent liabilities	9,431	794
Total liabilities	184,295	192,513
Commitments and contingencies		
Shareholders' equity:		
Common stock (no par value):		
Authorized-50,000,000 shares;		
Issued and outstanding-10,894,904 shares	170,140	170,131
Foreign currency translation adjustment	(283)	(39)
Retained earnings (deficit)	(769)	(7,695)
Total shareholders' equity	169,088	162,397
Total liabilities and shareholders' equity	$353,383	$354,910

See accompanying notes to financial statements.

(table page 30)

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
Tredegar Industries, Inc., and Subsidiaries

Years ended December 31, 1993, 1992 and 1991	Common Stock Shares	Amount	Retained Earnings (Deficit)	Foreign Currency Translation	Total Shareholders' Equity
(In thousands, except share and per-share data)					
Balance December 31, 1990	10,894,357	$170,131	($23,399)	$529	$147,261
Net income	-	-	5,623	-	5,623
Cash dividends declared ($.24 per share)	-	-	(2,615)	-	(2,615)
Foreign currency translation adjustment	-	-	-	(46)	(46)
Balance December 31, 1991	10,894,357	170,131	(20,391)	483	150,223
Net income	-	-	15,312	-	15,312
Cash dividends declared ($.24 per share)	-	-	(2,616)	-	(2,616)
Issued upon exercise of SARs	44	-	-	-	-
Foreign currency translation adjustment	-	-	-	(522)	(522)
Balance December 31, 1992	10,894,401	170,131	(7,695)	(39)	162,397
Net income	-	-	9,542	-	9,542
Cash dividends declared ($.24 per share)	-	-	(2,616)	-	(2,616)
Issued upon exercise of SARs	503	9	-	-	9
Foreign currency translation adjustment	-	-	-	(244)	(244)
Balance December 31, 1993	10,894,904	$170,140	($769)	($283)	$169,088

See accompanying notes to financial statements.

(table page 31)

CONSOLIDATED STATEMENTS OF CASH FLOWS
Tredegar Industries, Inc., and Subsidiaries

Years Ended December 31 (In thousands)	1993	1992	1991
Cash flows from operating activities:			
Continuing operations:			
Income from continuing operations	$ 3,723	$ 9,517	$ 2,519
Adjustments for noncash items:			
Depreciation	23,117	21,963	24,089
Amortization of intangibles	2,706	914	1,113
Write-off of goodwill and intangibles	-	1,576	-
Deferred income taxes	(1,418)	(98)	1,099
Accrued pension income and postretirement benefits	(621)	(1,086)	(1,447)
Loss (gain) on divestitures and sale of businesses	1,815	-	(2,820)
Gain on sale of investments	(2,263)	(1,092)	-
Changes in assets and liabilities, net of effects from acquisitions:			
Accounts and notes receivable	(7,194)	723	10,337
Inventories	(2,480)	113	6,424
Prepaid expenses	3,347	(1,609)	3,556
Accounts payable and accrued expenses	(1,701)	1,602	(7,273)
Other, net	(1,435)	(1,595)	(2,671)
Net cash provided by continuing operating activities	17,596	30,928	34,926
Net cash used for extraordinary item	(1,115)	-	-
Net cash provided by discontinued operating activities	4,318	536	6,579
Net cash provided by operating activities	20,799	31,464	41,505
Cash flows from investing activities:			
Continuing operations:			
Capital expenditures	(16,480)	(20,705)	(21,360)
Acquisitions (net of $398, $294 and $1,898 cash acquired in 1993, 1992 and 1991, respectively)	(5,099)	(15,922)	(23,254)
Investments	(600)	(1,700)	(2,400)
Proceeds from sales of investments	5,263	1,992	-
Property disposals	3,373	4,025	2,220
Proceeds from sales of businesses	-	3,167	9,123
Other, net	(613)	(661)	(68)
Net cash used in investing activities of continuing operations	(14,156)	(29,804)	(35,739)
Discontinued operations:			
Capital expenditures	(417)	(341)	(5,233)
Property disposals	1,711	152	248
Net cash provided by (used in) investing activities of discontinued operations	1,294	(189)	(4,985)
Net cash used in investing activities	(12,862)	(29,993)	(40,724)
Cash flows from financing activities:			
Dividends paid	(3,270)	(2,616)	(2,615)
Net (decrease) increase in borrowings	(4,500)	1,500	-
Other, net	(167)	(855)	44
Net cash used in financing activities	(7,937)	(1,971)	(2,571)
Decrease in cash and cash equivalents	-	(500)	(1,790)
Cash and cash equivalents at beginning of year	-	500	2,290
Cash and cash equivalents at end of year	$ -	$ -	$ 500
Supplemental cash flow information:			
Interest payments (net of amount capitalized)	$ 8,332	$ 6,331	$8,333
Income tax payments (refunds), net	$ 6,673	$ 8,051	($2,489)

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
Tredegar Industries, Inc., and Subsidiaries
(Dollars in thousands, except per-share amounts)

1. Summary of Significant Accounting Policies

Organization and Operations. Tredegar Industries, Inc., and subsidiaries ("Tredegar") became an independent company on July 10, 1989, when Ethyl Corporation ("Ethyl") spun off its plastics, aluminum and energy businesses.

During 1993, Tredegar acquired Polestar Plastics, Inc., a custom molder of precision plastic parts for the medical and electronics markets. During 1992, Tredegar acquired APPX Software, Inc. (formerly Kennedy & Company) (software), Folium Plasticos Especiais (plastic film) and Fielden Engineers, Ltd. (materials handling). These acquisitions were accounted for using the purchase method; accordingly, the assets and liabilities of the acquired entities have been recorded at their estimated fair value at the date of acquisition. The excess of the purchase price over the estimated fair value of the identifiable net assets acquired is being amortized on a straight-line basis over periods from 7 to 15 years. The operating results of entities acquired have been included in the Consolidated Statements of Income since the date of acquisition.

Basis of Presentation and Principles of Consolidation. The consolidated financial statements include accounts and operations of Tredegar and all of its subsidiaries. Intercompany accounts and transactions within Tredegar have been eliminated. Certain previously reported amounts have been reclassified to conform to the 1993 presentation.

Cash Equivalents. Cash equivalents consist of cash in excess of daily operating requirements invested in marketable securities with maturities of three months or less.

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

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

Property, plant and equipment includes capitalization of interest incurred on capital projects of $320, $607 and $813 in 1993, 1992 and 1991, respectively.

Depreciation is computed primarily by the straight-line method based on the estimated useful lives of the assets. Depletion of coal mineral rights and development costs are computed by the unit-of-production method based on estimated proven recoverable reserves.

Tredegar follows the successful efforts method of accounting for its oil and gas exploration and production activities whereby (i) geological and geophysical costs are expensed as incurred, and (ii) exploratory drilling costs that result in the discovery of proved reserves and development costs, including development of dry holes, are capitalized. Depletion of producing oil and gas properties is computed by the unit-of-production method based on an estimate of proved recoverable oil and gas reserves. Leasehold costs of unproved properties are capitalized and amortized on a composite basis at rates based on past experience and average lease life.

Goodwill and Other Intangibles. Goodwill acquired prior to November 1, 1970 ($19,879), is not being amortized. Goodwill acquired subsequently ($19,764, $19,946 and $18,043 at December 31, 1993, 1992 and 1991, respectively, net of accumulated amortization), is amortized on a straight-line basis over periods from 7 to 40 years. Other intangibles ($6,086, $4,752 and $519 at December 31, 1993, 1992 and 1991, respectively, net of accumulated amortization), consisting primarily of proprietary software technology acquired and the cost of certain non-competition agreements, are being amortized on a straight-line basis over periods from 5 to 7 years.

Pension Plans. Annual costs of pension plans are determined actuarially in compliance with Statement of Financial Accounting Standards ("SFAS") No. 87, "Employers Accounting for Pensions." Tredegar's policy is to fund its pension plans at amounts not less than the minimum requirements of the Employee Retirement Income Security Act of 1974.

Postretirement Benefits Other Than Pensions. Effective January 1, 1993, Tredegar adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." SFAS No. 106 requires recognition of the cost of postretirement benefits during the employees' service periods. Previously, such expenses were accounted for on a cash basis. Tredegar elected to immediately recognize the liability for prior years' service as the cumulative effect of a change in accounting principle. Accordingly, in the first quarter of 1993 Tredegar recorded an unfunded, accumulated postretirement benefit obligation of $6,695 and a noncurrent, deferred income tax benefit of $2,545, resulting in an after-tax charge of $4,150. Tredegar's current policy is to fund related benefits when claims are incurred.

Postemployment Benefits. Tredegar periodically provides certain postemployment benefits purely on a discretionary basis. Accordingly, under SFAS No. 112, "Employers Accounting for Postemployment Benefits," related costs for these programs are accrued when it is probable that such benefits will be paid. All other postemployment benefits are either accrued under current benefit plans or are not material to Tredegar's financial position or results of operations.

Income Taxes. Effective January 1, 1993, Tredegar adopted SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 requires the asset and liability method of accounting for deferred income taxes, whereby enacted statutory tax rates are applied to the differences between the financial reporting and tax bases of assets and liabilities. The cumulative effect of this change in accounting principle was a reduction in deferred income taxes and a corresponding increase in net income of $4,300 in the first quarter of 1993. Deferred income taxes were determined under Accounting Principles Board Opinion No. 11 prior to 1993.

Deferred income taxes arise from temporary differences between financial and income tax reporting of various items, principally depreciation and accruals for employee benefits, divestitures, plant shutdowns and environmental remediation.

Software Development Costs. Tredegar, through APPX Software, a wholly owned subsidiary, is involved in the development and sale of computer software. Software development costs are accounted for in accordance with SFAS No. 86, "Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed." This statement requires that all costs incurred to establish the technological feasibility of a computer software product to be sold, leased or otherwise marketed be considered research and development costs. Such costs are expensed as incurred. Once technological feasibility is established, all software development and production costs are capitalized and subsequently reported at the lower of unamortized cost or net realizable value. Capitalization is discontinued once software is available for sale or lease.

Capitalized costs are amortized based on current and anticipated future revenues for each product over periods not exceeding 5 years, with an annual minimum equal to the straight-line amortization over the estimated remaining life of the product.

Capitalized software costs are included in "Other assets and deferred charges" and totaled $433 and $561 at December 31, 1993 and 1992, respectively.

Earnings Per Share. Earnings per share is computed using the weighted average number of shares of common stock outstanding during the period. For the periods presented, stock options have an immaterial dilutive effect. The number of shares used in computing earnings per share were 10,894,802, 10,894,370 and 10,894,357 in 1993, 1992 and 1991, respectively.

2. Discontinued Operations

In November 1993, Tredegar announced that it is pursuing the sale of its coal subsidiary, The Elk Horn Coal Corporation ("Elk Horn"). Assuming Elk Horn can be sold on terms agreeable to Tredegar, the sale is expected to be completed by mid-1994, and a gain is expected to be recognized. In addition, on February 4, 1994, Tredegar sold its remaining oil and gas properties for approximately $8,000. This transaction resulted in a gain of approximately $6,100 ($3,900 after income taxes), which will be recognized in 1994. As a result of the potential sale of Elk Horn and the sale of Tredegar's remaining oil and gas properties, the Energy segment is being reported as discontinued operations. Accordingly, information about results of operations, financial condition, cash flows and industry segments has been reclassified where appropriate.

Results from continuing operations are not indicative of future performance because they exclude income that would be generated from reinvestment of divestiture proceeds. Tredegar expects to use these proceeds to repay outstanding borrowings under its revolving credit agreement, with remaining proceeds invested until opportunities, in existing businesses or elsewhere, are identified.

The combined statements of income and net assets of the discontinued Energy segment are presented below:

Combined Statements of Income
Discontinued Energy Segment (Unaudited)

Years Ended December 31	1993	1992	1991
Revenues:			
Net sales	$33,431	$32,859	$34,283
Other expenses, net	(13)	(2)	(8)
Total	33,418	32,857	34,275
Costs and expenses:			
Cost of goods sold	20,381	19,355	25,276
Selling, general & administrative	3,424	3,253	3,333

Interest allocated	653	661	785
Unusual items	(1,424)	-	-
Total	23,034	23,269	29,394
Income from discontinued operations before income taxes	10,384	9,588	4,881
Income taxes	3,600	3,793	1,777
Income from discontinued operations	$ 6,784	$ 5,795	$ 3,104

Combined Statement of Net Assets
Discontinued Energy Segment (Unaudited)

December 31	1993	1992
Current assets:		
Accounts and notes receivable	$ 6,173	$ 6,910
Inventories	6,695	3,763
Total current assets	12,868	10,673
Property, plant and equipment:		
Land and land improvements	2,477	2,428
Buildings	471	470
Machinery and equipment	930	982
Coal lands	29,502	22,846
Oil and gas properties	8,782	9,152
Total property, plant & equipment	42,162	35,878
Less accumulated depreciation and depletion	12,958	12,750
Net property, plant and equipment	29,204	23,128
Deferred income taxes	-	1,499
Other assets and deferred charges	184	158
Total assets	42,256	35,458
Current liabilities:		
Accounts payable	1,653	2,259
Accrued expenses	3,308	2,640
Total current liabilities	4,961	4,899
Deferred income taxes	5,434	-
Other noncurrent liabilities	885	755
Total liabilities	11,280	5,654
Net assets of discontinued operations	$30,976	$29,804

Transactions between Tredegar and the Energy segment are reflected in the combined financial statements as though they are settled immediately and there are no amounts due to or from Tredegar at the end of any period. All of the Energy segment's full-time employees participate in Tredegar's noncontributory defined benefit plan for salaried employees. These employees also participate in Tredegar's welfare (medical, life and disability) and savings plans. Accordingly, related costs have been allocated to discontinued operations. Interest expense was allocated to discontinued operations based upon the ratio of the Energy segment's capital employed (net assets) to Tredegar's consolidated capital employed.

For federal income tax purposes, results of the Energy segment's operations have been included in Tredegar's consolidated tax return. The Energy segment's provision for income taxes represents its allocated share of Tredegar's income tax expense. The allocated share approximates income tax expense that would have been incurred had the Energy segment (i) filed a separate consolidated tax return, and (ii) separately computed income taxes in accordance with SFAS No. 109 in 1993 and Accounting Principles Board Opinion No. 11 prior to 1993.

Unusual items totaling $1,424 in 1993 include gains on the sale of certain oil and gas properties. The significant changes in coal lands and deferred income taxes from December 31, 1992 to December 31, 1993, were due to the write-up of coal lands to their pretax amount in accordance with SFAS No. 109.

Under a new law (the Coal Industry Retiree Health Benefit Act of 1992) (the "Act"), assigned operators (former employers) are responsible for a portion of the funding of medical and death benefits of certain retired miners and dependents of the United Mine Workers of America. Elk Horn was notified in October 1993 that it is responsible for 57 retirees and 143 dependents under the Act. In accordance with applicable pronouncements, premiums of $371 have been charged to Elk Horn's operating results in 1993. Based upon an actuarial valuation, Tredegar estimates that the present value of the unfunded obligation amounts to approximately $6,000 ($3,720 after income taxes). Should Tredegar sell Elk Horn and retain the obligations under the Act, the expected gain will be reduced accordingly.

3. Industry Segments
See pages 19 to 24 for net sales, operating profit, identifiable assets and related information about Tredegar's industry segments that are presented for the years 1989-1993. The discussion of segment information is unaudited.

4. Accounts and Notes Receivable
Accounts and notes receivable consist of:

December 31	1993	1992
Trade, less allowance for doubtful accounts and sales returns of $3,216 and $3,291 in 1993 and 1992	$69,051	$61,213

Other	1,122	924
Total	$70,173	$62,137

5. Inventories
Inventories consist of the following:

December 31	1993	1992
Finished goods	$ 5,735	$ 4,699
Work-in-process	5,298	4,380
Raw materials	15,497	15,132
Stores, supplies and other	7,681	7,147
Total	$34,211	$31,358

Inventories stated on the LIFO basis amounted to $15,044 and $15,748 at December 31, 1993 and1992, respectively, which are below replacement costs by approximately $10,590 and $10,564, respectively.

6. Net Assets Held For Sale
Included in "Other assets and deferred charges" are net assets held for sale, primarily land and buildings related to closed facilities, totaling $3,605 and $2,609 as of December 31, 1993 and 1992, respectively. Such assets are stated at estimated net realizable value and are expected to be sold over the next 1 to 2 years. At December 31, 1992, current assets included net assets held for sale totaling $1,721, which were sold during 1993.

7. Investments
On February 15, 1991, Tredegar, through a subsidiary, entered into a Stock and Warrant Purchase Agreement (the "Agreement") with Emisphere Technologies, Inc. ("Emisphere"), a pharmaceutical research and development organization that is developing an oral delivery system for drugs currently administered by injection. Pursuant to the Agreement, during 1991 and 1992, Tredegar purchased 428,571 unregistered shares of Emisphere common stock for $7 per share. Tredegar also purchased 112,500 registered shares of Emisphere common stock for $8 per share in 1991. In total, Tredegar acquired 541,071 shares of Emisphere's common stock for $3,900.

In 1992, Tredegar sold its 112,500 registered shares for $1,992 and recognized a pretax gain of $1,092 ($680 after income taxes). In 1993, Tredegar sold its remaining 428,571 shares for $5,263 and recognized a pretax gain of $2,263 ($1,410 after income taxes). In total, Tredegar received $7,255 for its $3,900 investment in Emisphere common stock, resulting in a pretax gain of $3,355 ($2,090 after income taxes).

As of December 31, 1993, Tredegar, through a subsidiary, owned 5% of a venture capital limited partnership. Tredegar's total capital commitment is $2,000, with $800 invested as of December 31, 1993. Additional contributions of $1,200 are expected to be made over the next two years but will not exceed $667 in any 12-month period.

8. Goodwill and Other Intangibles
Goodwill and other intangibles, and the related accumulated amortization, are as follows:

December 31	1993	1992
Goodwill and other intangibles	$60,185	$53,135
Additions	3,858	8,626
Write-offs & disposals	-	(1,576)
Subtotal	64,043	60,185
Accumulated amortization	(18,314)	(15,608)
Net	$45,729	$44,577

9. Accrued Expenses
Accrued expenses consist of the following:

December 31	1993	1992
Workmen's compensation and disabilities	$ 6,094	$ 5,597
Payrolls, related taxes and medical and other benefits	6,036	7,098
Vacation	5,298	5,332
Environmental	4,293	5,909
Divestitures	2,709	5,812
Other	10,950	10,848
Total	$35,380	$40,596

10. Debt and Credit Agreements
Long-term debt consists of:

December 31	1993	1992
Borrowings under short-term variable-rate credit arrangements	$ 6,000	$ 6,500
Variable-rate revolving loan due in 1996	20,000	24,000
Variable-rate term loan due in 1997	35,000	35,000
7.2% note to institutional lender due in 2003	35,000	-
8.6% note to institutional lender	-	35,000
Other	1,000	1,000

Total	$97,000	$101,500

At December 31, 1993 and 1992, $6,000 and $6,500, respectively, were borrowed under short-term credit arrangements at average interest rates of 3.8% and 5.1%, respectively. The balances outstanding in each year were classified as long-term debt in accordance with Tredegar's intention and ability to refinance such obligations on a long-term basis.

On June 16, 1993, Tredegar paid a $1,800 ($1,115 after income taxes) prepayment premium to an institutional lender to refinance its $35,000, 8.6% fixed-rate debt that was due in September 1994. The new note carries a fixed rate of 7.2% and matures in June 2003. Annual principal payments of $5,000 will begin in 1997. Tredegar estimates that the carrying value of its fixed-rate note approximated its fair value at December 31, 1993.

During the third quarter of 1993, Tredegar's variable-rate revolving credit agreement was amended to increase the maximum debt allowed under such agreement from $150,000 to $180,000. The maturity date under the agreement was extended by one year to June 16, 1996. The agreement provides for a commitment fee of .375% on the unused amount. The agreement also provides for extensions of the maturity date in one-year increments. The interest rate on the revolving loan was 4% and 4.4% at December 31, 1993 and 1992, respectively.

During 1992, Tredegar borrowed $35,000 under a variable-rate term loan due on June 7, 1997. The interest rate on the term loan was 4.4% and 4.9% at December 31, 1993 and 1992, respectively.

The weighted average interest rate on all variable-rate loans outstanding during the year was 4.2% in 1993, compared with 4.9% in 1992.

Tredegar's loan agreements contain restrictions, among others, on the payment of cash dividends. At December 31, 1993, $37,415 was available for cash dividend payments.

11. Shareholder Rights Agreement

Pursuant to a Rights Agreement dated as of June 15, 1989 (as amended), between Tredegar and American Stock Transfer and Trust Company as Rights Agent (the "Rights Agreement"), one Right is attendant to each share of Tredegar common stock. Each Right entitles the registered holder to purchase from Tredegar one one-hundredth of a share of Participating Cumulative Preferred Stock, Series A (the "Preferred Stock"), at an exercise price of $50 (the "Purchase Price"). The Rights will become exercisable, if not earlier redeemed, only if a person or group acquires 10% or more of the outstanding shares of Tredegar common stock or announces a tender offer, the consummation of which would result in ownership by a person or group of 10% or more of Tredegar common stock. Any action by a person who, together with his associates and affiliates, owned 10% or more of the outstanding shares of Tredegar common stock on July 10, 1989, cannot cause the Rights to become exercisable.

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

The Rights will expire on June 30, 1999.

12. Stock Option Plans

Tredegar has two stock option plans whereby stock options may be granted to purchase a specified number of shares of Tredegar common stock at a price not less than the fair market value on the date of grant and for a term not to exceed 10 years. In addition to the stock options, recipients may also be granted stock appreciation rights ("SARs") and restricted stock.

Activity for 1991-1993 is shown at the bottom of this page.
At December 31, 1993 and 1992, options to purchase 452,352 and 247,473 shares, respectively, were exercisable and 752,900 and 761,900 shares, respectively, were available for grant.

Stock Option Plan Information	Number of Shares		Option Price	
	Options	SARs	Per Share	Aggregate
Outstanding at December 31, 1990	351,100	351,100	$16.7045	$5,865
Lapsed in 1991	(47,600)	(47,600)	$16.7045	(795)
Outstanding at December 31, 1991	303,500	303,500	$16.7045	5,070
Granted in 1992	210,000	192,000	$12.125 to $17.00	2,627
Lapsed in 1992	(25,400)	(25,400)	$16.7045	(424)
SARs exercised in 1992	(1,500)	(1,500)	$16.7045	(25)
Outstanding at December 31, 1992	486,600	468,600	$12.125 to $17.00	7,248
Granted in 1993	20,000	-	$12.875	258
Lapsed in 1993	(11,000)	(11,000)	$16.7045	(184)
SARs exercised in 1993	(6,000)	(6,000)	$12.125 to $16.7045	(89)
Outstanding at December 31, 1993	489,600	451,600	$12.125 to $17.00	$7,233

13. Rental Expense and Contractual Commitments

Rental expense was $2,936, $2,026 and $1,539 for 1993, 1992 and 1991, respectively. Rental commitments under all noncancelable operating leases as of December 31, 1993, are as follows:

1994	$ 2,883
1995	2,535
1996	1,930
1997	1,112
1998	974
Remainder	2,475
Total	$11,909

Contractual obligations for plant construction and purchases of real property and equipment amounted to approximately $2,029 and $2,062 at December 31, 1993 and 1992, respectively.

14. Retirement Plans & Other Postretirement Benefits
Tredegar has noncontributory defined benefit plans covering most employees. The plans for salaried and hourly employees currently in effect are based on a formula using the participant's years of service and compensation or using the participant's years of service and a dollar amount. Plan assets consist principally of common stock and U.S. government and corporate obligations.

The components of net pension income for Tredegar's plans for 1993, 1992 and 1991 are as follows:

	1993	1992	1991
Return on plan assets:			
Actual return	$18,557	$7,509	$18,000
Expected return greater (lower) than actual	(8,097)	2,327	(8,191)
Expected return	10,460	9,836	9,809
Amortization of transition asset	1,231	1,231	1,235
Service cost (benefits earned during the year)	(3,072)	(3,139)	(2,953)
Interest cost on projected benefit obligation	(6,515)	(6,104)	(5,685)
Amortization of prior service costs	(805)	(738)	(729)
Curtailment loss recognized	-	-	(230)
Net pension income	$ 1,299	$ 1,086	$ 1,447

The following table presents a reconciliation of the funded status of Tredegar's pension plans at December 31, 1993, 1992 and 1991, to prepaid pension expense:

	1993	1992	1991
Plan assets at fair value	$130,603	$116,587	$111,714
Actuarial present value of benefit obligations:			
Accumulated benefit obligation (including vested benefits of $85,828, $65,400 and $60,437, respectively)	(89,221)	(68,469)	(63,868)
Projected compensation increase	(11,225)	(15,209)	(15,470)
Projected benefit obligation	(100,446)	(83,678)	(79,338)
Plan assets in excess of projected benefit obligation	30,157	32,909	32,376
Unrecognized net gain	(11,736)	(14,475)	(15,508)
Unrecognized transition asset being amortized principally over 16 years	(6,687)	(7,918)	(9,149)
Unrecognized prior service costs being amortized	5,464	5,631	6,273
Prepaid pension expense	$17,198	$16,147	$13,992

Prepaid pension expense of $17,198 and $16,147 is included in "Other assets and deferred charges" in the consolidated balance sheets at December 31, 1993 and 1992, respectively.

Net pension income and plan obligations are calculated using assumptions of discount rates on projected benefit obligations, rates of projected increases in compensation, and expected rates of return on plan assets. The discount rate on projected benefit obligations was assumed to be 7% at December 31, 1993, and 8% at December 31, 1992 and 1991. The rate of projected compensation increase was assumed to be 5% at December 31, 1993, and 5.5% at December 31, 1992 and 1991. The expected long-term rate of return on plan assets was assumed to be 9% each year. Net pension income is determined using assumptions as of the beginning of each year. Funded status is determined using assumptions as of the end of each year.

In December 1993, Tredegar established a non-qualified supplemental pension plan covering certain employees. The plan is designed to restore all or a part of the pension benefits that would have been payable to designated participants from Tredegar's principal pension plans if it were not for limitations imposed by income tax regulations. The projected benefit obligation relating to this unfunded plan ($612 at December 31, 1993) is being amortized over the average remaining working life of participants in the plan (approximately $100 annually).

In addition to providing pension benefits, Tredegar provides postretirement life insurance and health care benefits for certain groups of employees. Tredegar and retirees share in the cost of postretirement health care benefits, with employees retiring after July 1, 1993, receiving a fixed subsidy from Tredegar to cover a portion of their health care premiums. Effective January 1, 1993, Tredegar adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" (see Note 1 on page 32). In accordance with the new standard, prior years' financial statements have not been restated. Previously, such expenses were accounted for on a cash basis.

The components of net periodic postretirement benefit cost are as follows:

	1993
Service cost (benefits earned during the year)	$186
Interest cost on accumulated postretirement benefit obligation	492
Net postretirement benefit cost	$678

The following table presents a reconciliation of the funded status of Tredegar's postretirement life insurance and health care benefit plans at December 31, 1993 and January 1, 1993, to accrued postretirement benefit cost:

	1993	1993
Plan assets at fair value	$ -	$ -
Accumulated postretirement benefit obligation (APBO):		
Retirees	(3,001)	(3,411)
Other fully eligible participants	(2,408)	(1,749)
Other active participants	(1,755)	(1,535)
Total APBO	(7,164)	(6,695)
APBO in excess of plan assets	(7,164)	(6,695)
Unrecognized gain	(52)	-
Accrued postretirement benefit cost	($7,216)	($6,695)

Accrued postretirement benefit cost of $7,216 is included in "Other noncurrent liabilities" in the consolidated balance sheet at December 31, 1993.

The discount rate used in determining the accumulated postretirement benefit obligation was 7% at December 31, 1993, and 8% at January 1, 1993. The rate of annual pay increase for life insurance benefits was assumed to be 5% at December 31, 1993, and 5.5% at January 1, 1993. A 14% and 11.2% annual rate of increase in the per-capita cost of covered health care benefits was assumed at December 31, 1993, for the indemnity and managed care plans, respectively. A 15% and 12% annual rate of increase in the per-capita cost of covered health care benefits was assumed at January 1, 1993, for the indemnity and managed care plans, respectively. The rates were assumed to decrease gradually to 6% and 5%, respectively, in year 2002 and remain at that level thereafter. Net postretirement benefit cost is determined using assumptions as of the beginning of each year. Funded status is determined using assumptions as of the end of each year.

If the health care cost trend rate assumptions were changed by 1%, the accumulated postretirement benefit obligation as of December 31, 1993, would be changed by approximately $25. The effect of this change on the sum of the service cost and interest cost components of net periodic postretirement benefit cost for 1993 would be immaterial.

15. Savings Plan

Tredegar has a savings plan whereby eligible employees may voluntarily contribute a percentage of their compensation. Under the provisions of the plan, Tredegar matches a portion of the employee's contribution to the plan with shares of Tredegar common stock. Contributions accrued by Tredegar in 1993, 1992 and 1991, amounted to $2,146, $1,818 and $2,121, respectively.

16. Income Taxes

Effective January 1, 1993, Tredegar adopted SFAS No. 109, "Accounting for Income Taxes," which requires use of the asset and liability method of accounting for deferred income taxes (see Note 1 on page 32). As permitted under the new standard, prior years' financial statements have not been restated. Deferred income taxes were determined under Accounting Principles Board Opinion No. 11 for years prior to 1993.

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

	1993	1992	1991
Income from continuing operations before income taxes:			
Domestic	$4,460	$13,307	$3,252
Foreign	2,465	2,635	735
Total	$6,925	$15,942	$3,987
Current income taxes:			
Federal	$2,190	$ 5,423	($621)
State	759	919	849
Foreign	1,671	181	141
Total	4,620	6,523	369
Deferred income taxes:			

Federal	(848)	(378)	1,520
State	(197)	(222)	(537)
Foreign	(721)	502	116
Adjustment for 1% increase in federal statutory rate	348	-	-
Total	(1,418)	(98)	1,099
Total income taxes	$3,202	$ 6,425	$1,468

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

Percent of Income from Continuing Operations Before Income Taxes

Years Ended December 31	1993	1992	1991
Income tax expense at federal statutory rate	35.0	34.0	34.0
State taxes, net of federal income tax benefit	5.3	2.9	5.2
Foreign Sales Corporation	(3.1)	(3.6)	(13.6)
Adjustment of deferred income taxes for 1% increase in federal statutory rate	5.0	-	-
Research and development tax credit	(5.8)	-	-
Goodwill amortization	5.1	1.0	3.8
Accelerated write-off of certain goodwill	-	2.5	-
Other items, net	4.7	3.5	7.4
Effective income tax rate	46.2	40.3	36.8

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

	1993	1992	1991
Depreciation	($2,002)	$1,176	($1,461)
Divestitures, plant shutdowns and environmental accruals	1,229	(846)	2,992
Employee benefits	309	(132)	(310)
Other items, net	(954)	(296)	(122)
Total	($1,418)	($98)	$1,099

Deferred tax liabilities and deferred tax assets as of December 31, 1993 and January 1, 1993, reflecting the adoption of SFAS No. 106 and 109, are as follows:

	December 31, 1993	January 1, 1993
Deferred tax liabilities:		
Depreciation	$16,982	$18,984
Pensions	6,642	5,854
Other	2,442	3,776
Total deferred tax liabilities	26,066	28,614
Deferred tax assets:		
Employee benefits	7,899	7,420
Environmental accruals	1,697	2,174
Divestitures	1,279	2,031
Inventory	1,441	1,332
Allowance for doubtful accounts and sales returns	1,169	1,201
Alternative minimum tax credit carryforward	524	732
Other	504	601
Total deferred tax assets	14,513	15,491
Net deferred tax liability	$11,553	$13,123

Included in the balance sheet at December 31,1993:

Noncurrent deferred tax liabilities in excess of assets	$23,108
Current deferred tax assets in excess of liabilities	11,555
Net deferred tax liability	$11,553

17. Unusual Items

In 1993, unusual items totaling $452 include estimated costs related to the planned disposal of a Film Products plant in Flemington, New Jersey ($1,815), and the reorganization of corporate functions ($900), partially offset by a gain on the sale of Tredegar's remaining investment in Emisphere ($2,263) (see Note 7 on page 35).

In 1992, unusual items totaling $90 include the accelerated write-off of certain goodwill associated with the restructuring of Molded Products ($1,182) partially offset by the gain on the sale of a portion of Tredegar's investment in Emisphere ($1,092) (see Note 7 on page 35).

In 1991, the decisions to close the Pomona, California, and LaGrange, Kentucky, Molded Products plants and to sell the Pittsfield, Massachusetts, tooling plant resulted in unusual charges to earnings totaling $4,412. Management's decision in 1991 to continue to operate Fiberlux resulted in a $2,797 reversal of the unusual charge accrued in 1990. In addition, a gain on the sale of the Molded Products beverage closure business of $894 is reflected in unusual items in 1991.

18. Contingencies
Tredegar is involved in various stages of investigation and clean up relating to environmental matters at certain of its plant locations. Where management has determined the nature and scope of any required environmental cleanup activity, estimates of cleanup costs have been obtained and accrued. As management continues its efforts to assure compliance with environmental laws and regulations, additional contingencies may be identified. If additional contingencies are identified, it is management's practice to determine the nature and scope of such contingencies, obtain and accrue the estimated cost of remediation, and begin remediation. While it is not possible to predict the course of ongoing environmental compliance activities, management does not currently believe that additional costs that could arise from such activities will have a material adverse effect on Tredegar's financial position; however, such costs could have a material adverse effect on quarterly or annual operating results when resolved in a future period.

Tredegar is involved in various other legal actions arising in the normal course of business. After taking into consideration legal counsels' evaluation of such actions, management believes that Tredegar has sufficiently accrued for possible losses and that these actions will not have a material adverse effect on Tredegar's financial position; however, the resolution of such actions in a future period could have a material adverse effect on quarterly or annual operating results at that time.

Tredegar Industries, Inc., is a diversified manufacturer of plastics and metal products. Tredegar also has interests in energy, computer software and rational drug design research.

Annual Meeting
The annual meeting of shareholders of Tredegar Industries, Inc., will be held on Thursday, May 26, 1994, beginning at 9:00 a.m. E.D.T. at the Atlanta Airport Hilton and Towers in Atlanta, Georgia. Formal notices of the annual meeting, proxies and proxy statements will be mailed to shareholders on or before March 31.

Corporate Headquarters
1100 Boulders Parkway
Richmond, Virginia 23225
804-330-1000

Number of Employees
Approximately 3,500

Counsel
Hunton & Williams
Richmond, Virginia

Independent Accountants
Coopers & Lybrand
Richmond, Virginia

Stock Listing
New York Stock Exchange
Ticker Symbol: TG

Transfer Agent and Registrar
American Stock Transfer & Trust Company
New York, New York

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

American Stock Transfer & Trust Company
Shareholder Services Department
40 Wall Street - 46th Floor
New York, New York 10005
Telephone: 212-936-5100

All other inquiries should be directed to:
Tredegar Industries, Inc.
Corporate Communications Department
1100 Boulders Parkway
Richmond, Virginia 23225
Telephone: 804-330-1044

Dividend Information
During 1993 and 1992, the Board of Directors declared quarterly dividends of $.06 per share, or $.24 per share on an annual basis. All decisions with respect to payment of dividends will be made by the Tredegar Board of Directors based upon Tredegar's earnings, financial condition, anticipated cash needs and such other considerations as the Board deems relevant. See Note 10 of Notes to

The Financial Statements on page 35 for details of restrictions on dividends.

Market Prices of Common Stock and Shareholder Data

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

	1993		1992	
	High	Low	High	Low
First Quarter	18	15	14 1/2	10
Second Quarter	16 3/8	13	18 1/4	13 3/8
Third Quarter	13 7/8	12 1/2	18 5/8	13 5/8
Fourth Quarter	15 3/8	12 7/8	16 3/4	13 1/2

Tredegar has no preferred stock outstanding.

There were 10,895,611 shares of common stock held by 8,165 shareholders of record on January 31, 1994.

Plants, Facilities and Offices

Corporate Headquarters:
Richmond, Virginia

Tredegar Film Products:
Carbondale, Pennsylvania
Flemington, New Jersey
Fremont, California
LaGrange, Georgia
Manchester, Iowa
New Bern, North Carolina
Tacoma, Washington
Terre Haute, Indiana (2)
(plant and technical center)
Kerkrade, the Netherlands
Sao Paulo, Brazil

Molded Products:
Alsip, Illinois
Excelsior Springs, Missouri
South Grafton, Massachusetts
St. Petersburg, Florida (3)
(2 plants and technical center)
Phillipsburg, Pennsylvania
State College, Pennsylvania

Fiberlux:
Pawling, New York
Purchase, New York (headquarters)
South Bend, Indiana

Aluminum Extrusions:
Carthage, Tennessee
Kentland, Indiana
Newnan, Georgia

Brudi:
Ridgefield, Washington
Kelso, Washington
Adelaide, Australia
Halifax, United Kingdom

Elk Horn Coal:
Prestonsburg, Kentucky

APPX Software, Inc.:
Richmond, Virginia

Molecumetics, Ltd.:
Bellevue, Washington

Exhibit 21

TREDEGAR INDUSTRIES, INC.
Virginia

Name of Subsidiary	Jurisdiction of Incorporation
APPX Software, Inc.	Virginia
The William L. Bonnell Company, Inc.	Georgia
Brudi, Inc.	Oregon
Brudi Limited	United Kingdom
Buck Coal, Inc.	Virginia
Capitol Products Corporation	Pennsylvania
The Elk Horn Coal Corporation	West Virginia
Elk Horn Coal Sales Corporation	Virginia
The Elk Horn Corporation	West Virginia
Fiberlux, Inc.	Virginia
Idlewood Properties, Inc.	Virginia
Massie Tool, Mold & Die, Inc.	Florida
Molecumetics Institute, Ltd.	Virginia
Molecumetics, Ltd.	Virginia
Polestar Plastics Manufacturing Company	Virginia
Ram Processing, Inc.	Virginia
Swing-Shift Brudi Pacific Pty Ltd	Queensland Australia
Tredegar Brasil Industria de Plasticos Ltda.	Brazil
Tredegar Development Corporation	Virginia
Tredegar Exploration, Inc.	Virginia
Tredegar Film Products, B.V.	Netherlands
Tredegar Foreign Sales Corporation	U.S. Virgin Islands
Tredegar Investments, Inc.	Virginia
Tredegar Molded Products Company	Virginia
Virginia Techport, Inc.	Virginia

EXHIBIT 23.1

CONSENT OF COOPERS & LYBRAND

We consent to the incorporation by reference in the registration statements of Tredegar Industries, Inc. on Form S-3 (File No. 33-57268) and on Forms S-8 (File No. 33-29582, File No. 33-31047, File No. 33-47800 and File No. 33-50276) of our report dated January 17, 1994 (except for the information presented in Note 2, for which the date is February 4, 1994), on our audits of the consolidated financial statements of Tredegar Industries, Inc. and Subsidiaries as of December 31, 1993 and 1992, and for each of the three years in the period ended December 31, 1993, which report appears on page 27 of the 1993 Annual Report to Shareholders of Tredegar Industries, Inc. and our report dated January 17, 1994 on the financial statement schedules, which report appears on page S-2 of this Form 10-K.

COOPERS & LYBRAND

Richmond, Virginia
March 11, 1994