2014 Third-Quarter Financial Results

Forward-Looking Statements

Certain statements contained in this presentation are forward-looking statements. Pursuant to federal securities regulations, we have set forth cautionary statements relating to those forward-looking statements in our Annual Report on Form 10-K for the year ended December 31, 2013, in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, and other filings with the Securities and Exchange Commission. We urge readers to review and carefully consider these cautionary statements and the other disclosures we make in our filings with the SEC.

This presentation contains non-GAAP financial measures that are not determined in accordance with United States GAAP. These non-GAAP financial measures should not be considered in isolation, as an alternative to, or more meaningful than measures of financial performance determined in accordance with United States GAAP. A reconciliation of those financial measures to United States GAAP financial measures is included under “Supplemental Information” in this presentation and is available on the company’s website at www.tredegar.com under “Investors.”

The report speaks as of the date thereof. Tredegar is not, and should not be deemed to be, updating or reaffirming any information contained therein. We do not undertake, and expressly disclaim any duty, to update any forward-looking statements made in this presentation to reflect any change in management’s expectations or any change in conditions, assumptions or circumstances on which such statements are based.

Tredegar CORPORATION

Tredegar Corporation

2014 Third Quarter Financial Results

($ in millions, except EPS)	3Q 2014	3Q 2013	Y-O-Y
Net Sales[1]	$232.7	$235.7	(1)%
Net Income from Ongoing Operations[2]	$8.8	$9.8	(10)%
Diluted EPS from Ongoing Operations[2]	$0.27	$0.30	(10)%

[1] See Note 1 in Supplemental Information for more information and a reconciliation of this non-GAAP financial measure.

[2] See Note 3 in Supplemental Information for more information and a reconciliation of this non-GAAP financial measure.

Tredegar CORPORATION

Tredegar Film Products

2014 Third Quarter Results

3rd Quarter Performance

(in millions)	**3Q 14**	**3Q 13**	△
Volume (lbs.)	61.6	69.9	(12)%
Net Sales[1]	$143.1	$157.2	(9)%
Operating Profit[2]	$13.2	$19.6	(33)%
Adj. EBITDA[3]	$20.4	$28.0	(27)%

3rd Quarter Y-O-Y Sales Comparison

Net Sales Growth	(9)%
Volume/Mix	(10)%
Price	1%
Currency	0%

Performance Drivers

- Lower North American baby care elastic laminate volume (3Q profit impact of $2.5MM)
- Lower volume, pricing pressure and manufacturing inefficiencies in Flexible Packaging
- Customer inventory corrections and minor share loss in surface protection films compared to record volume performance in 3Q13

Business Outlook

- In Flexible Packaging we expect;
  - Higher volumes with the 4th quarter ramp up of the new line
  - Improved manufacturing performance
  - Continued price pressure and less favorable product mix into 2015
- Surface protection inventory correction balanced across the year
- Capital spending projection of $40MM for 2014

[1] See Note 1 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.
[3] See Note 6 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.
[2] See Note 2 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.

Tredegar CORPORATION

Bonnell Aluminum

2014 Third Quarter Results

3rd Quarter Performance

(in millions)	3Q 14	3Q 13	Δ
Volume (lbs.)	39.5	37.0	7%
Net Sales[1]	$89.6	$78.5	14%
Operating Profit[2]	$5.8	$3.4	68%
Adj. EBITDA[3]	$8.3	$5.7	46%

3rd Quarter Y-O-Y Sales Comparison

Net Sales Growth	14%
Volume/Mix	8%
Price	6%

Performance Drivers

- Volume up with growth in nonresidential B&C, automotive, and machinery & equipment; YTD growth of 4% consistent with industry
- Favorable mix - strength in finished and fabricated products continues

Business Outlook

- Expect continued nonresidential building and construction market growth
- Expect continued volume growth in non-construction end markets and finished products
- Automotive press will continue to ramp up throughout the balance of 2014
- Capital spending projection of $8MM for 2014

[1] See Note 1 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.
[2] See Note 6 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.
[3] See Note 2 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.

Tredegar CORPORATION

Tredegar Corporation

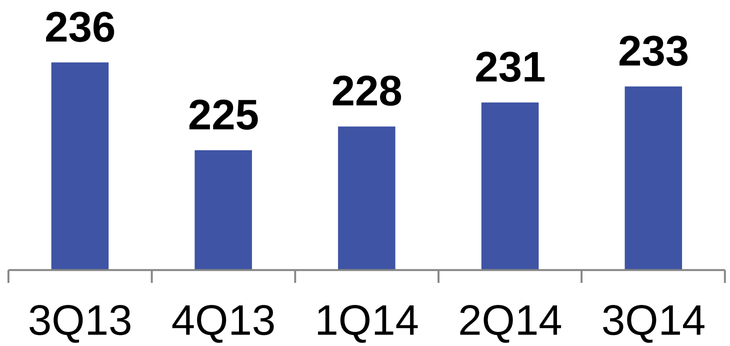
Third Quarter Net Sales and Net Income

Financial Highlights

- Combined segment operating profit from ongoing operations[3] of $19MM was $4MM lower than prior year
- Non-cash pension expense $2.3MM favorable to prior year
- Effective tax rate for net income from ongoing operations[4] at 31% vs. 30% in 3Q13

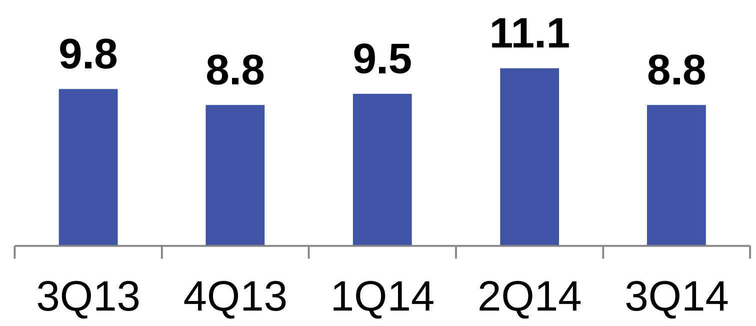
Net Sales[1]

($ in millions)



Net Income from Ongoing Operations[2]

($ in millions)



[1] See Note 1 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.

[2] See Note 3 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.

[3] See Note 6 in Supplemental Information for more information and a reconciliation of this non-GAAP financial measure.

[4] See Note 8 in Supplemental Information for more information and a reconciliation of this non-GAAP financial measure.

Tredegar CORPORATION

Tredegar Corporation

Other 2014 Year-to-Date Financial Highlights

$ in millions, except percentages

Cash Flows from Operations	$37.2
Capital Expenditures	$32.6
Dividends Paid	$8.1
Net Debt[1]	$86.9
Net Debt to Total Capitalization[2]	17.3%
Total Debt to Adjusted EBITDA[3] (LTM as of 9/30/2014)	1.43x
ROIC[4] (LTM as of 9/30/2014)	8.9%

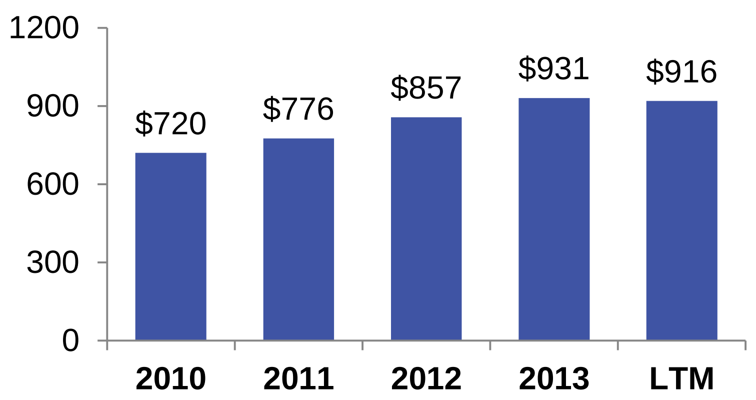
1 As of 9/30/2014. See Note 4 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.
2 As of 9/30/2014 . See Note 5 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.
3 As defined under Tredegar's credit agreement. See Tredegar's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 (pages 32-33) for more information on this non-GAAP financial measure.
4 See Note 7 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.

Appendix

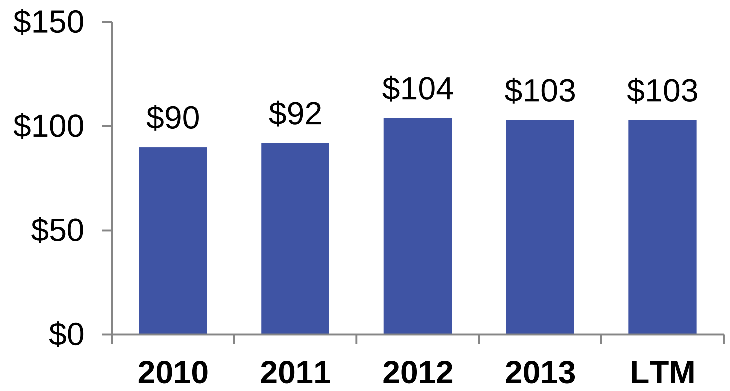
Tredegar Corporation

Annual Historical Financials

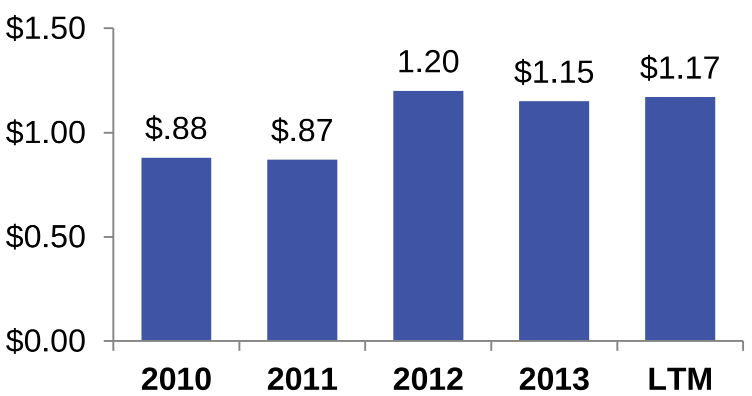
Net Sales[1] ($ in millions)



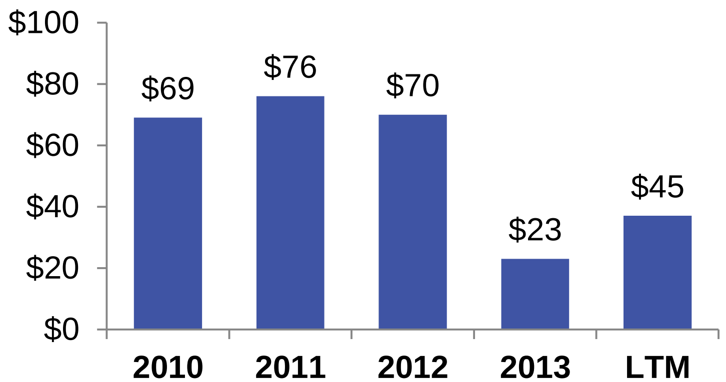
Adjusted EBITDA[2] ($ in millions)



Earnings Per Share from Ongoing Ops[3]



Adjusted EBITDA less CapEx[2] ($ in millions)



Film Products reflects inclusion of acquisitions subsequent to their acquisitions: Terphane (10/24/11) and Bright View (2/3/10), and Bonnell Aluminum reflects inclusion of AACOA subsequent to the acquisition date of 10/1/12.

[1] *Net sales represent sales less freight. See Note 1 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.*

[2] *See Note 2 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.*

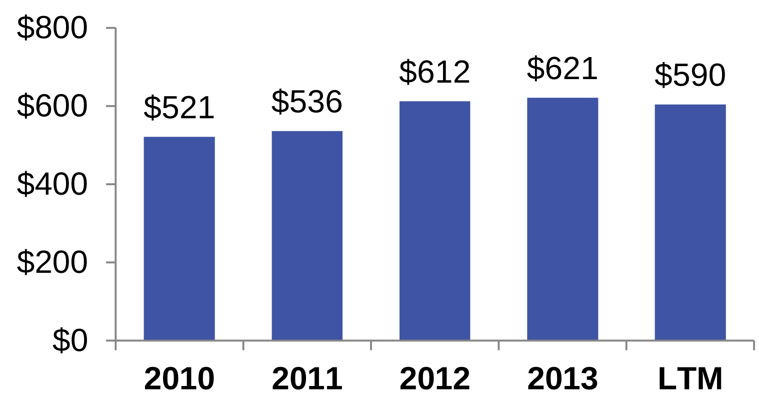
[3] *Diluted earnings per share from ongoing operations. See Note 3 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.*

Tredegar CORPORATION

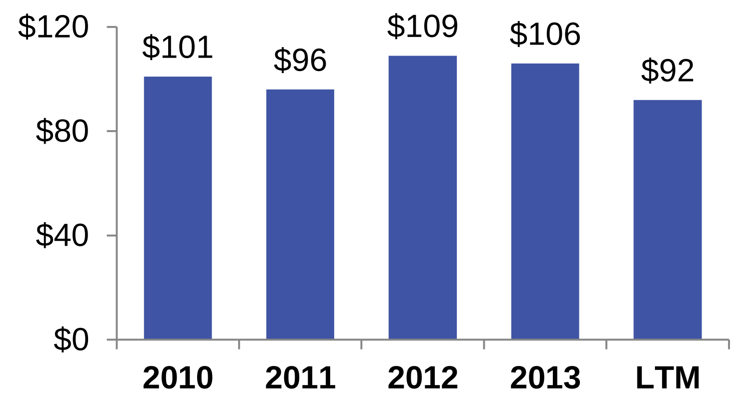
Tredegar Film Products

Annual Historical Financials

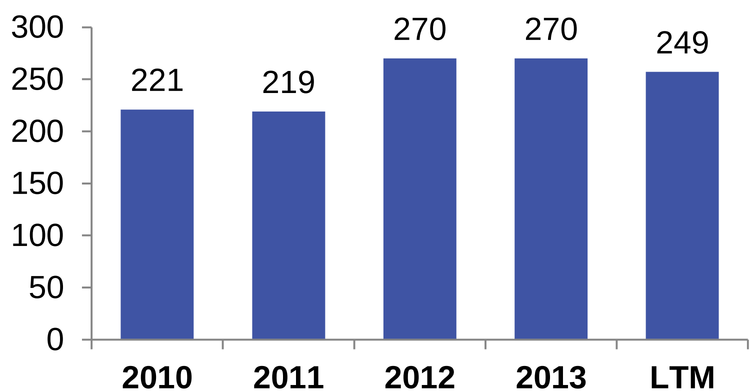
Net Sales[1] ($ in millions)



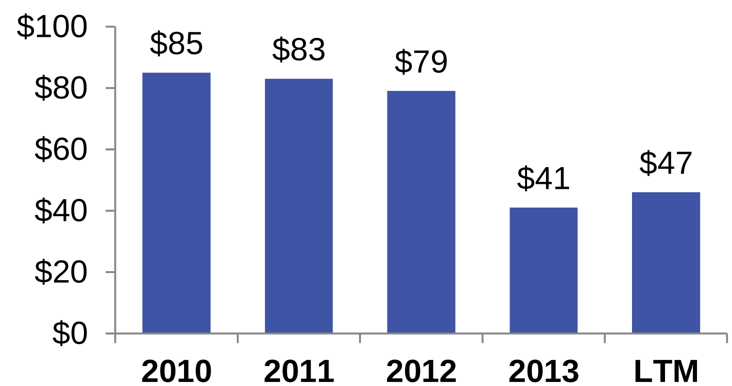
Adjusted EBITDA[2] ($ in millions)



Volume (lbs. in millions)



Adjusted EBITDA less CapEx[2] ($ in millions)



Reflects inclusion of Terphane subsequent to acquisition date of 10/24/11 and Bright View subsequent to acquisition date of 2/3/10.

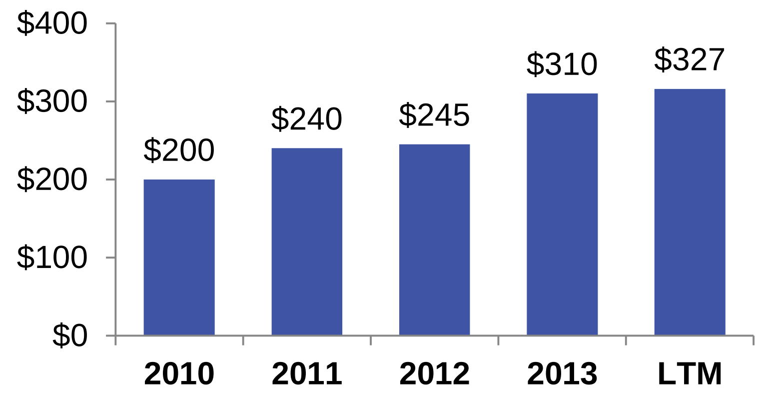
[1] *Net sales represent sales less freight. See Note 1 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.*

[2] *See Note 2 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.*

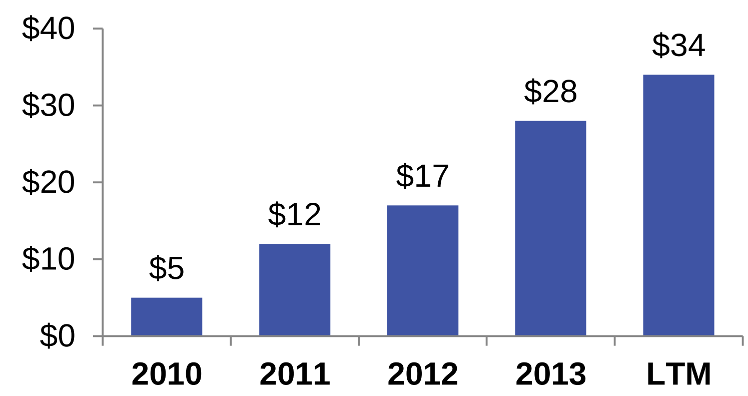
Bonnell Aluminum

Annual Historical Financials

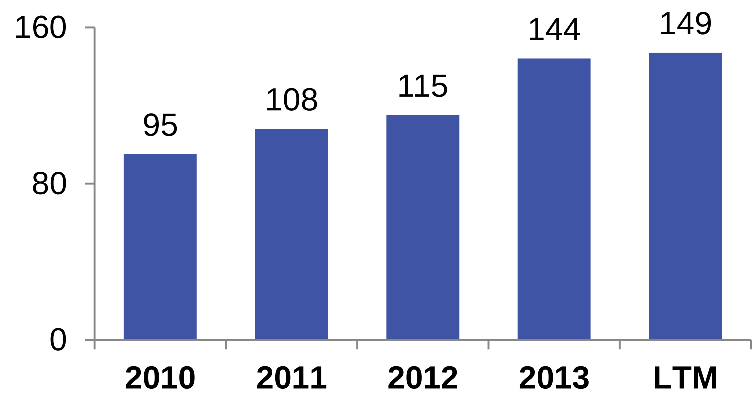
Net Sales ($ in millions)



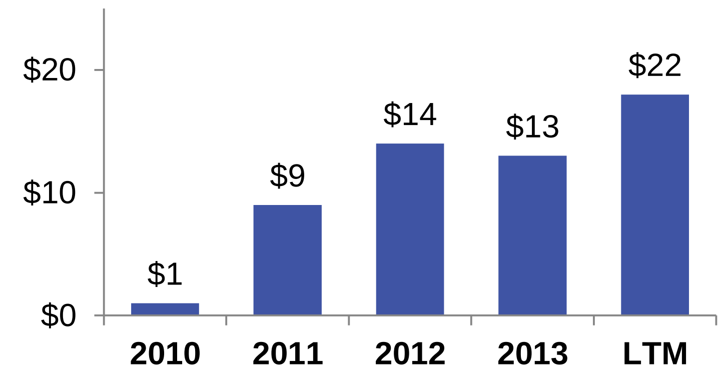
Adjusted EBITDA[2] ($ in millions)



Volume (lbs. in millions)



Adjusted EBITDA less CapEx[2] ($ in millions)



Reflects inclusion of AACOA subsequent to acquisition date of 10/1/12.

[1] *Net sales represent sales less freight. See Note 1 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.*

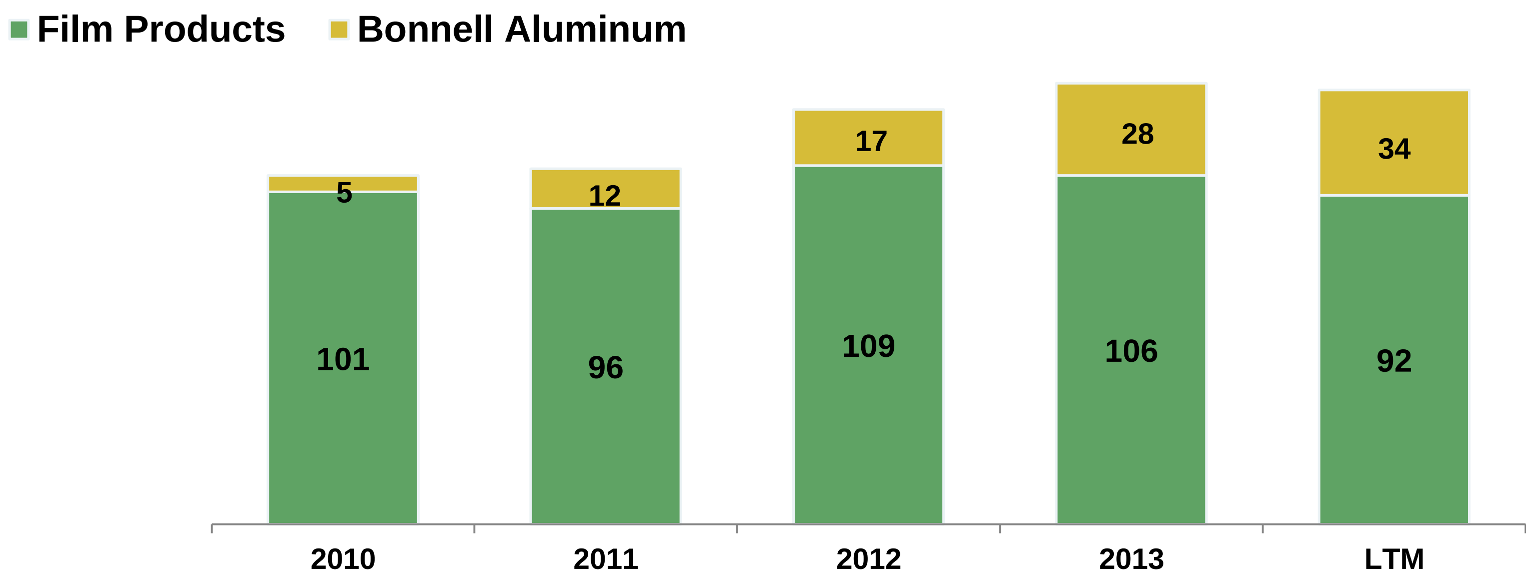
[2] *See Note 2 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.*

Tredegar CORPORATION

Tredegar Corporation

Select Financial Results

Segment Adjusted EBITDA[1], Ongoing Operations ($ in millions)



	2010	2011	2012	2013	LTM
Films Adj. EBITDA[1] Margin %:	**19.4%**	**17.9%**	**17.8%**	**17.1%**	**15.6%**
Bonnell Adj. EBITDA[1] Margin %:	**2.5%**	**4.9%**	**6.8%**	**8.9%**	**10.5%**

Film Products reflects inclusion of acquisitions subsequent to their acquisitions: Terphane (10/24/11) and Bright View (2/3/10), and Bonnell Aluminum reflects inclusion of AACOA subsequent to the acquisition date of 10/1/12.

[1]Segment Adjusted EBITDA excludes corporate overhead expense. See Note 2 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.

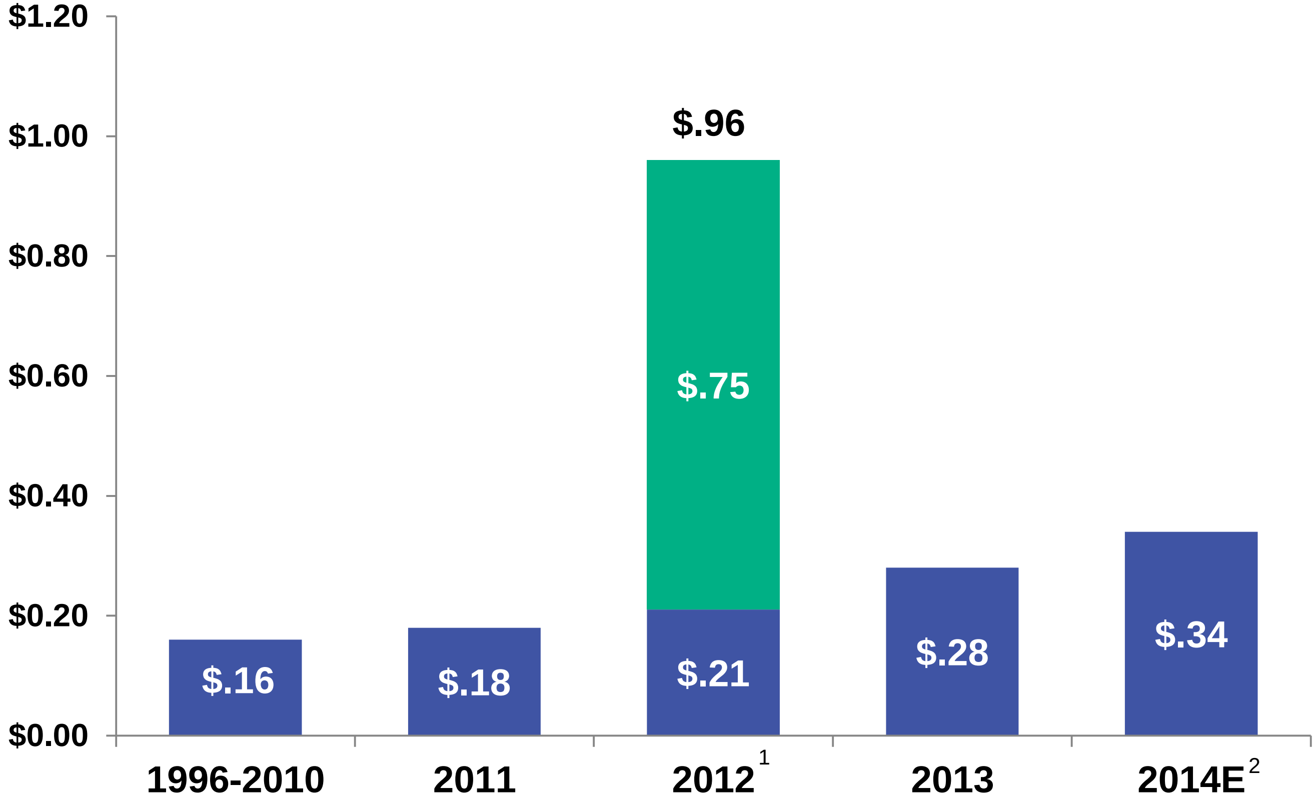
Tredegar CORPORATION

Tredegar Corporation
Strong Cash Generation Profile

($ in millions)	2010	2011	2012	2013
Cash Flows from Operations	$46	$72	$83	$77
Capital Expenditures	20	16	33	80
Free Cash Flow[1]	26	56	50	(3)
Dividends	5	6	31	9
Acquisitions	6	181	58	0
Share Repurchases	35	0	0	0

[1] *Free cash flow represents cash flows from operations less capital expenditures.*

Tredegar Corporation
Cash Dividend History



- *Quarterly dividends have more than doubled since 2010.*
- *A special dividend of $.75 per share was paid in 2012.*

[1] *Includes special dividend of $.75 per share.*
[2] *Estimate based upon current dividend payouts, reflecting annualized increase of $.02 per share approved in May 2014.*

Tredegar Corporation

Capital Expenditures History

($ in millions)					
Capital Expenditures	**2010**	**2011**	**2012**	**2013**	**2014 Projection[2]**
Film Products	15.8	13.1	30.5	64.9	40.0
Bonnell Aluminum	4.3	2.7	2.3	14.7	8.0
Corporate	0.3	0.1	0.5	0.1	-
Total	20.4	15.9	33.3	79.7	48.0
% Net Sales[1]	*2.8%*	*2.0%*	*3.9%*	*8.6%*	

2014 capital expenditures are projected to include approximately $20 million for routine capital expenditures ($15MM for Film Products and $5MM for Bonnell Aluminum)

[1] Net sales represent sales less freight. See Note 1 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.
[2] Represents management's current expectation, which is subject to change.

GAAP to Non-GAAP Reconciliations

GAAP to Non-GAAP Reconciliations

Tredegar acquired Bright View Technologies Corporation on February 3, 2010, and its operations were incorporated into Film Products effective January 1, 2012. Prior year balances have been revised to conform with the current year presentation.

Film Products results include the acquisition of Terphane Holdings LLC on October 24, 2011. Bonnell Aluminum results include the acquisition of AACOA, Inc. on October 1, 2012.

Notes:

1. Net sales represent sales less freight. Net sales is a financial measure that is not calculated in accordance with U.S. generally accepted accounting principles (U.S. GAAP), and it is not intended to represent sales as defined by U.S. GAAP. Net sales is a key measure used by the chief operating decision maker of each segment for purposes of assessing performance. A reconciliation of net sales to sales is shown below:

(In millions)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	YTD Q3 2013	YTD Q3 2014
Film Products	$157.2	$151.4	$149.2	$146.0	$143.1	$469.8	438.3
Aluminum Extrusions	78.5	73.2	79.3	84.6	89.6	236.3	253.4
Total net sales	**235.7**	**224.6**	**228.5**	**230.6**	**232.7**	**706.1**	**691.7**
Add back freight	7.5	6.5	6.7	6.4	7.7	22.1	20.9
Sales as shown in consolidated statements of income	**$243.2**	**$231.1**	**$235.2**	**$237.0**	**$240.4**	**$728.2**	**$712.6**

(In millions)	2010	2011	2012	2013	LTM Sept 2014
Film Products	$520.8	$535.5	$611.9	$621.2	$589.7
Aluminum Extrusions	199.6	240.4	245.5	309.5	326.6
Total net sales	**720.4**	**775.9**	**857.4**	**930.7**	**916.3**
Add back freight	17.8	18.5	24.8	28.6	27.4
Sales as shown in consolidated statements of income	**$738.2**	**$794.4**	**$882.2**	**$959.3**	**$943.7**

2. Adjusted EBITDA represents net income (loss) from continuing operations before interest, taxes, depreciation, amortization, unusual items, goodwill impairments, gains or losses associated with plant shutdowns, asset impairments and restructurings, gains or losses from the sale of assets, investment write-downs or write-ups, charges related to stock option awards accounted for under the fair value-based method and other items. Adjusted EBITDA is a non-GAAP financial measure that is not intended to represent net income (loss) or cash flow from operations as defined by U.S. GAAP and should not be considered as either an alternative to net income (loss) (as an indicator of operating performance) or to cash flow (as a measure of liquidity). Tredegar uses Adjusted EBITDA as a measure of unlevered (debt-free) operating cash flow.

   We also use it when comparing relative enterprise values of manufacturing companies and when measuring debt capacity. When comparing the valuations of a peer group of manufacturing companies, we express enterprise value as a multiple of Adjusted EBITDA. We believe Adjusted EBITDA is preferable to operating profit and other GAAP measures when applying a comparable multiple approach to enterprise valuation because it excludes the items noted above, measures of which may vary among peer companies.

   A reconciliation of ongoing operating profit (loss) from continuing operations to Adjusted EBITDA is shown on the next page. Amounts relating to corporate overhead for the prior years have been reclassified to conform with the current year's presentation. Adjusted EBITDA for Aluminum Extrusions in 2012 includes an adjustment of $2.4 million for accelerated depreciation associated with the shutdown of its manufacturing facility in Kentland, IN. Accelerated depreciation associated with the shutdown of the Kentland manufacturing facility was excluded from operating profit from ongoing operations. This amount has therefore been subtracted from the amount of depreciation expense added back in calculating Adjusted EBITDA.

Tredegar CORPORATION

GAAP to Non-GAAP Reconciliations

Notes (continued):

2013		Film Products		Aluminum Extrusions		Total
Operating profit (loss) from ongoing operations	$	71.0	$	18.3	$	89.3
Add back depreciation & amortization		35.3		9.2		44.5
Adjusted EBITDA before corporate overhead (a)		106.3		27.5		133.8
Corporate overhead		-		-		(31.3)
Adjusted EBITDA (c)	$	106.3	$	27.5	$	102.5
Net sales (b)	$	621.2	$	309.5	$	930.7
Adjusted EBITDA margin [(a) / (b)]		17.1%		8.9%		14.4%
Capital expenditures (d)	$	64.9	$	14.7	$	79.7
Adjusted EBITDA less capital expenditures [(c) - (d)]		41.4		12.8		22.9
2012						
Operating profit (loss) from ongoing operations	$	70.0	$	9.0	$	79.0
Add back depreciation & amortization		39.2		10.0		49.2
Less accelerated depreciation associated with plant shutdown				(2.4)		(2.4)
Adjusted EBITDA before corporate overhead (a)		109.2		16.6		125.8
Corporate overhead		-		-		(22.3)
Adjusted EBITDA (c)	$	109.2	$	16.6	$	103.5
Net sales (b)	$	611.9	$	245.5	$	857.4
Adjusted EBITDA margin [(a) / (b)]		17.8%		6.8%		14.7%
Capital expenditures (d)	$	30.5	$	2.3	$	33.3
Adjusted EBITDA less capital expenditures [(c) - (d)]		78.7		14.3		70.2
2011						
Operating profit (loss) from ongoing operations	$	59.5	$	3.5	$	63.0
Add back depreciation & amortization		36.3		8.3		44.6
Adjusted EBITDA before corporate overhead (a)		95.8		11.8		107.6
Corporate overhead		-		-		(15.5)
Adjusted EBITDA (c)	$	95.8	$	11.8	$	92.1
Net sales (b)	$	535.5	$	240.4	$	775.9
Adjusted EBITDA margin [(a) / (b)]		17.9%		4.9%		13.9%
Capital expenditures (d)	$	13.1	$	2.7	$	15.9
Adjusted EBITDA less capital expenditures [(c) - (d)]		82.7		9.1		76.2

GAAP to Non-GAAP Reconciliations

Notes (continued):

	Film Products	Aluminum Extrusions	Total
2010			
Operating profit (loss) from ongoing operations	$ 66.7	$ (4.2)	$ 62.5
Add back depreciation & amortization	34.4	9.1	43.5
Adjusted EBITDA before corporate overhead (a)	101.1	4.9	106.0
Corporate overhead	-	-	(16.2)
Adjusted EBITDA (c)	$ 101.1	$ 4.9	$ 89.8
Net sales (b)	$ 520.8	$ 199.6	$ 720.4
Adjusted EBITDA margin [(a) / (b)]	19.4%	2.5%	14.7%
Capital expenditures (d)	$ 15.8	$ 4.3	$ 20.4
Adjusted EBITDA less capital expenditures [(c) - (d)]	85.3	0.6	69.4
Nine Months Ended September 30, 2014			
Operating profit (loss) from ongoing operations	$ 44.9	$ 18.6	$ 63.5
Add back depreciation & amortization	23.2	7.5	30.7
Adjusted EBITDA before corporate overhead (a)	68.1	26.1	94.2
Corporate overhead	-	-	(16.5)
Adjusted EBITDA (c)	$ 68.1	$ 26.1	$ 77.7
Net sales (b)	$ 438.3	$ 253.4	$ 691.7
Adjusted EBITDA margin [(a) / (b)]	15.5%	10.3%	13.6%
Capital expenditures (d)	$ 27.4	$ 5.2	$ 32.6
Adjusted EBITDA less capital expenditures [(c) - (d)]	40.7	20.9	45.1
Nine Months Ended September 30, 2013			
Operating profit (loss) from ongoing operations	$ 55.4	$ 12.3	$ 67.7
Add back depreciation & amortization	26.8	6.9	33.7
Adjusted EBITDA before corporate overhead (a)	82.2	19.2	101.4
Corporate overhead	-	-	(23.7)
Adjusted EBITDA (c)	$ 82.2	$ 19.2	$ 77.7
Net sales (b)	$ 469.8	$ 236.3	$ 706.1
Adjusted EBITDA margin [(a) / (b)]	17.5%	8.1%	14.4%
Capital expenditures (d)	$ 47.2	$ 7.5	$ 54.7
Adjusted EBITDA less capital expenditures [(c) - (d)]	35.0	11.7	23.0
Trailing Twelve Months Ended September 30, 2014			
Operating profit (loss) from ongoing operations	$ 60.5	$ 24.5	$ 85.0
Add back depreciation & amortization	31.6	9.9	41.5
Adjusted EBITDA before corporate overhead (a)	92.1	34.4	126.5
Corporate overhead	-	-	(24.0)
Adjusted EBITDA (c)	$ 92.1	$ 34.4	$ 102.5
Net sales (b)	$ 589.7	$ 326.6	$ 916.3
Adjusted EBITDA margin [(a) / (b)]	15.6%	10.5%	13.8%
Capital expenditures (d)	$ 45.1	$ 12.4	$ 57.5
Adjusted EBITDA less capital expenditures [(c) - (d)]	47.0	22.0	45.0

GAAP to Non-GAAP Reconciliations

Notes (continued):

3. The after-tax effects of losses associated with plant shutdowns, asset impairments and restructurings and gains or losses from the sale of assets and other items (which includes unrealized gains and losses for an investment accounted for under the fair value method) have been presented separately and removed from income (loss) and earnings (loss) per share from continuing operations as reported under U.S. GAAP to determine Tredegar's presentation of net income and earnings per share from ongoing operations. Net income and earnings per share from ongoing operations are key financial and analytical measures used by Tredegar to gauge the operating performance of its ongoing operations. They are not intended to represent the stand-alone results for Tredegar's ongoing operations under GAAP and should not be considered as an alternative to net income or earnings per share from continuing operations as defined by U.S. GAAP. They exclude items that we believe do not relate to Tredegar's ongoing operations. A reconciliation is shown below:

(in millions, except per share data)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	YTD Q3 2013	YTD Q3 2014
Net income (loss) from continuing operations as reported under U.S. GAAP	$ 7.4	$ 9.4	$ 8.5	$ 3.8	$ 10.7	26.5	$ 23.0
After tax effects of:							
(Gains) losses associated with plant shutdowns, asset impairments and restructurings	0.1	0.4	0.8	0.6	0.3	0.5	1.7
(Gains) losses from sale of assets and other	2.3	(1.0)	0.2	6.7	(2.2)	1.5	4.8
Net income from ongoing operations	$ 9.8	$ 8.8	$ 9.5	$ 11.1	$ 8.8	28.5	$ 29.5
Earnings (loss) from continuing operations per share under GAAP (diluted)	$ 0.23	$ 0.29	$ 0.26	$ 0.11	$ 0.33	0.81	$ 0.70
After tax effects of:							
(Gains) losses associated with plant shutdowns, asset impairments and restructurings	-	0.01	0.02	0.02	0.01	0.02	0.05
(Gains) losses from sale of assets and other	0.07	(0.03)	0.01	0.21	(0.07)	0.05	0.15
Earnings per share from ongoing operations (diluted)	$ 0.30	$ 0.27	$ 0.29	$ 0.34	$ 0.27	0.88	$ 0.90

(in millions, except per share data)	2010	2011	2012	2013	LTM Sept 2014
Net income (loss) from continuing operations as reported under U.S. GAAP	$ 26.8	$ 28.5	$ 43.2	$ 35.9	$ 32.4
After tax effects of:					
(Gains) losses associated with plant shutdowns, asset impairments and restructurings	0.9	1.2	3.2	0.9	2.1
(Gains) losses from sale of assets and other	1.0	(1.8)	(7.9)	0.5	3.8
Goodwill impairment relating to aluminum extrusions business	-	-	-	-	-
Net income from ongoing operations	$ 28.7	$ 27.9	$ 38.5	$ 37.3	$ 38.3
Earnings (loss) from continuing operations per share under GAAP (diluted)	$ 0.82	$ 0.89	$ 1.34	$ 1.10	$ 0.99
After tax effects of:					
(Gains) losses associated with plant shutdowns, asset impairments and restructurings	0.03	0.04	0.10	0.03	0.06
(Gains) losses from sale of assets and other	0.03	(0.06)	(0.24)	0.02	0.12
Goodwill impairment relating to aluminum extrusions business	-	-	-	-	-
Earnings per share from ongoing operations (diluted)	$ 0.88	$ 0.87	$ 1.20	$ 1.15	$ 1.17

Tredegar CORPORATION

GAAP to Non-GAAP Reconciliations

Notes (continued):

4. Net debt is a non-GAAP financial measure that is not intended to represent debt as defined by GAAP, but is utilized by management in evaluating financial leverage and equity valuation. A calculation of net debt is showm below:

(In millions)		September 30, 2014
Debt	$	138.8
Less: Cash and cash equivalents		(51.9)
Net debt	$	86.8

5. Net debt-to-capitalization is a non-GAAP financial measure that is used by management in evaluating financial leverage and equity valuation. The calculation is Net Debt divided by Total Capitalization. A reconciliation of net debt-to-capitalization is shown below:

(In millions except percentages)		September 30, 2014
Net debt (see note 4) (a)	$	86.8
Shareholders' equity (b)		415.0
Net debt-to-capitalization [(a) / (a+b)]		17.3%

Tredegar CORPORATION

GAAP to Non-GAAP Reconciliations

Notes (continued):

6. Operating profit from ongoing operations is used by management to assess profitability. A reconciliation of operating profit from ongoing operations to net income is shown below:

Operating profit (loss): (in thousands)	**2010**	**2011**	**2012**	**2013**	**YTD Q3 2013**	**YTD Q3 2014**	**LTM Sept 2014**
Film Products:							
Ongoing operations	$ 66,718	$ 59,493	$ 69,950	$ 70,966	$ 55,351	$ 44,891	$ 60,506
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	(758)	(6,807)	(109)	(671)	(364)	(12,578)	(12,885)
Aluminum Extrusions:							
Ongoing operations	(4,154)	3,457	9,037	18,291	12,351	18,563	24,503
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	493	58	(5,427)	(2,748)	(958)	(300)	(2,090)
Total	62,299	56,201	73,451	85,838	66,380	50,576	70,034
Interest income	709	1,023	418	594	307	419	706
Interest expense	1,136	1,926	3,590	2,870	2,132	1,751	2,489
Gain on sale of investment property	-	-	-	-	-	1,208	1,208
Unrealized loss on investment property	-	-	-	(1,018)	(1,018)	-	-
Gain (loss) from an investment accounted for under the fair value method	(2,200)	1,600	16,100	3,400	100	2,900	6,200
Stock option-based compensation costs	2,064	1,940	1,432	1,155	859	944	1,240
Corporate expenses,net	17,118	16,169	23,443	31,857	24,058	17,291	25,090
Income (loss) from continuing operations before income taxes	40,490	38,789	61,504	52,932	38,720	35,117	49,329
Income taxes	13,649	10,244	18,319	16,995	12,185	12,141	16,951
Income (loss) from continuing operations	26,841	28,545	43,185	35,937	26,535	22,976	32,378
Income (loss) from discontinued operations, net of tax	186	(3,690)	(14,934)	(13,990)	(13,990)	850	850
Net income (loss)	$ 27,027	$ 24,855	$ 28,251	$ 21,947	$ 12,545	$ 23,826	$ 33,228

GAAP to Non-GAAP Reconciliations

Notes (continued):

7. Return on invested capital (ROIC) is defined by Tredegar as Adjusted Net Income from Ongoing Operations divided by average Invested Capital where the individual components are defined as follows:

Adjusted Net Income from Ongoing Operations equals:

	Income from Ongoing Operations (as previously defined and reconciled in Note 2)
Plus	Pension expense excluding service costs, net of taxes
Plus	Interest expense, net of tax

Average Invested Capital is the average of the beginning and ending Invested Capital balance where Invested Capital is defined as follows:

	Shareholders equity
Plus	Long-term debt
Plus	Short-term portion of long-term debt
Plus	Accrued pension liability
Minus	Cash
Minus	Non-operating investments (investment in kaleo, Inc.; Harbinger Capital Special Situations Fund, L.P. and investment real estate property)

ROIC for the LTM ended September 30, 2014 is calculated as follows:

($ millions, except percentages)		LTM September 30, 2014
Income from Ongoing Operations		$ 38.3 *
Pension expense	8.6	
Less: Service Costs	(1.8)	
Taxes (34%)	(2.3)	
Pension expense excluding service costs, net of taxes		4.5
Interest expense	2.5	
Taxes (34%)	(0.9)	
Interest Expense, net of tax		1.6
Adjusted Net Income from Ongoing Operations (a)		$ 44.4

	September 30, 2014	September 30, 2013	Average
Shareholders equity	$ 415.0	$ 376.7	$ 395.9
Long-term debt	138.8	134.0	136.4
Short-term portion of long-term debt	-	-	-
Accrued pension liability	36.9	77.1	57.0
Less: Cash	(51.9)	(42.6)	(47.3)
Less: Non-operating investments			
Investment in kaleo, Inc.	(40.0)	(33.8)	(36.9)
Investment in Harbinger Capital Special Situations Fund, L.P.	(1.8)	(3.2)	(2.5)
Investment in real estate property	(2.6)	(5.9)	(4.3)
Invested Capital (b)			$ 498.3
ROIC (a) / (b)			8.9%

Tredegar CORPORATION

* See Note 2 for additional detail and a reconciliation of this non-GAAP financial measure.

GAAP to Non-GAAP Reconciliations

Notes (continued):

8. The pre-tax and after-tax effects of losses associated with plant shutdowns, asset impairments and restructurings and gains or losses from the sale of assets and other items (which includes unrealized gains and losses for an investment accounted for under the fair value method) have been presented separately and removed from income (loss) from continuing operations as reported under U.S. GAAP to determine Tredegar's presentation of net income from ongoing operations. Net income from ongoing operations is a key financial and analytical measure used by Tredegar to gauge the operating performance of its ongoing operations. It is not intended to represent the stand-alone results for Tredegar's ongoing operations under U.S. GAAP and should not be considered as an alternative to net income from continuing operations as defined by U.S. GAAP. It excludes items that we believe do not relate to Tredegar's ongoing operations. A reconciliation of the pre-tax and post-tax balances attributed to net income from ongoing operations for the nine months ended June 30, 2014 and 2013 are shown below in order to show its impact upon the effective tax rate:

(in millions)

	Pre-Tax (a)	Taxes (b)	After-Tax	Effective Tax Rate (b)/(a)
Nine Months Ended September 30, 2014				
Net income (loss) from continuing operations as reported under U.S. GAAP	$ 35.1	$ 12.1	$ 23.0	35%
(Gains) losses associated with plant shutdowns, asset impairments and restructurings	2.7	1.0	1.7	
(Gains) losses from sale of assets and other	6.9	2.1	4.8	
Net income from ongoing operations	$ 44.7	$ 15.2	$ 29.5	34%
Nine Months Ended September 30, 2013				
Net income (loss) from continuing operations as reported under U.S. GAAP	$ 38.7	$ 12.2	$ 26.5	32%
(Gains) losses associated with plant shutdowns, asset impairments and restructurings	0.8	0.3	0.5	
(Gains) losses from sale of assets and other	1.6	0.1	1.5	
Net income from ongoing operations	$ 41.1	$ 12.6	$ 28.5	31%