SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): August 16, 1994

Tredegar Industries, Inc.
(Exact name of Registrant as Specified in Charter)

Virginia	1-10258	54-1497771
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS 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

Item 2. Acquisition or Disposition of Assets.

On August 16, 1994, Tredegar Industries, Inc. ("Tredegar" or the "Company") disposed of its 97% owned coal subsidiary, The Elk Horn Coal Corporation ("Elk Horn"). Elk Horn is primarily a mineral holding company that leases coal reserves to coal producers and sells coal produced by contract miners. Pen Holdings, Inc. ("Pen") acquired Elk Horn through the merger of Pen's wholly-owned subsidiary, PHI Acquisition Corp., with and into Elk Horn. Pen paid an aggregate merger consideration of $61.8 million in cash, of which Tredegar received $59.9 million. In addition, Tredegar received $9.2 million in consideration for assuming certain liabilities of Elk Horn. Pen was a coal customer of Elk Horn.

Item 5. Other Events.

On August 29, 1994, Tredegar announced that its Board of Directors had authorized a "Dutch auction" tender offer for up to one million shares of Tredegar common stock at a price range of $17.00 to $19.00. A copy of the press release is attached hereto as Exhibit 99.2 and incorporated herein by reference.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(b) Pro Forma Financial Information

Introduction to Pro Forma Consolidated Financial Information

Set forth below is pro forma consolidated financial information with respect to the Company. Historical financial information was excerpted or derived from the audited financial statements contained in the Company's 1993 Annual Report on Form 10-K and from the unaudited financial statements contained in the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1994, as amended. The historical information below is qualified in its entirety by reference to such reports and the financial information and related notes contained therein.

The accompanying pro forma consolidated financial statements do not reflect the pro forma effects of the "Dutch auction" tender offer referred to in Item 5 above. Such effects will be disclosed on the Schedule 13E-4 to be filed with the Securities and Exchange Commission in connection with such offer.

On February 4, 1994, the Company sold its remaining oil and gas properties and on August 16, 1994, the Company disposed of its interest in Elk Horn (collectively referred to hereinafter as the "Energy Businesses"). The Energy Businesses have been previously reported in the Company's historical financial statements as discontinued operations.

The pro forma consolidated balance sheet presents the financial position of the Company as of June 30, 1994 assuming that the Company on that date (i) disposed of its interest in Elk Horn, (ii) repaid certain borrowings and obtained new revolving credit facilities, and (iii) invested remaining funds in cash equivalents.

The pro forma consolidated statements of income present the results of continuing operations for the Company for the six and twelve months ended June 30, 1994, and the year ended December 31, 1993, assuming that at the beginning of each period shown, the Company (i) disposed of its interest in the Energy Businesses and (ii) repaid certain borrowings and obtained new revolving credit facilities. In accordance with Securities and Exchange Commission rules and regulations, no pro forma interest income is recognized in the pro forma statements of income for funds invested in cash equivalents.

The pro forma financial information of the Company is unaudited and does not purport to be indicative of the future results or financial position of the Company or the net income and financial position that would actually have been attained had the pro forma transactions occurred on the dates or for the periods indicated. See note (i) of the notes to pro forma financial statements for income and earnings per share from continuing operations adjusted for special items affecting the comparability of operating results among periods.

Tredegar Industries, Inc.
Pro Forma Consolidated Balance Sheet(a)
June 30, 1994
(In Thousands)
(Unaudited)

ASSETS	Historical	Pro Forma Adjustments		Pro Forma
Cash and cash equivalents	$ 4,608	$17,550	(b)	$ 22,158
Accounts and notes receivable	74,210			74,210
Inventories	31,308			31,308
Deferred income taxes	11,111			11,111
Prepaid expenses and other	1,104			1,104
Total current assets	122,341	17,550		139,891
Property, plant and equipment, at cost	324,265			324,265
Less accumulated depreciation and amortization	194,797			194,797
Net property, plant and equipment	129,468	-		129,468
Other assets and deferred charges	26,162	150	(b)	26,312
Goodwill and other intangibles	35,950			35,950
Net assets of discontinued operations	21,983	(21,983)	(c)	
Total assets	$335,904	$(4,283)		$331,621
LIABILITIES AND SHAREHOLDERS' EQUITY				
Accounts payable	$ 25,078	$ -		$ 25,078
Accrued expenses	36,581			36,581
Income taxes payable	2,673			2,673
Total current liabilities	64,332	-		64,332
Long-term debt	70,500	(35,000)	(b)	35,500
Deferred income taxes	19,071	(2,230)	(d)	16,841
Other noncurrent liabilities	9,692	6,194	(d)	15,886
Total liabilities	163,595	(31,036)		132,559
Shareholder's equity:				
Common stock, no par value	165,839			165,839
Foreign currency translation adjustment	84			84
Retained earnings	6,386	26,753	(e)	33,139
Total shareholders' equity	172,309	26,753		199,062
Total liabilities and shareholders' equity	$335,904	$(4,283)		$331,621

See accompanying notes to pro forma financial statements.

Pro Forma Consolidated Statements of Income (a)
(In Thousands Except Per-Share Amounts)
(Unaudited)

	For the Six Months Ended June 30, 1994			For the Last Twelve Months Ended June 30, 1994			For the Year Ende December 31, 1993		
	Historical	Pro Forma Adjust.(f)	Pro Forma(f)	Historical	Pro Forma Adjust.(f)	Pro Forma(f)	Historical	Pro Forma Adjust.(f)	P Fo
Net sales	$243,907		$243,907	$473,875		$473,875	$449,208		$44
Other (expense) income, net	(71)	$ (209)(d)	(280)	4	$ (418)(d)	(414)	(387)	$ (418)(d)	
	243,836	(209)	243,627	473,879	(418)	473,461	448,821	(418)	44
Cost of goods sold	204,934		204,934	398,738		398,738	379,286		37
Selling, general & administrative expenses	23,554		23,554	46,821		46,821	47,973		4
Research & development expenses	3,766		3,766	8,732		8,732	9,141		
Interest expense	2,343	(825)(g)	1,518	4,832	(1,816)(g)	3,016	5,044	(1,917)(g)	
Unusual items(i)	9,521		9,521	12,236		12,236	452		
	244,118	(825)	243,293	471,359	(1,816)	469,543	441,896	(1,917)	43
Income (loss) from continuing operations before income taxes	(282)	616	334	2,520	1,398	3,918	6,925	1,499	
Income taxes(i)	1,737	240 (h)	1,977	3,200	545 (h)	3,745	3,202	585 (h)	
Income (loss) from continuing operations(i)	$ (2,019)	$ 376	$ (1,643)	$ (680)	$ 853	$ 173	$ 3,723	$ 914	$
Earnings (loss) per share from continuing operations (i)	$ (0.19)	$ 0.04	$ (0.15)	$ (0.06)	$ 0.08	$ 0.02	$ 0.34	$ 0.09	$
Shares used to compute earnings (loss) per share	10,808	10,808	10,808	10,852	10,852	10,852	10,895	10,895	1

See accompanying notes to pro forma financial statements.

Notes to Pro Forma Financial Statements
(Unaudited)

(a) The pro forma financial information presented does not purport to be indicative of the future results or financial position of the Company or the net income and financial position that would actually have been attained had the pro forma transactions occurred on the dates or for the periods indicated. See note (i) for income and earnings per share from continuing operations adjusted for special items affecting the comparability of operating results among periods.

(b) Pro forma adjustments at June 30, 1994 to other assets and deferred charges, long-term debt and cash and cash equivalents are as follows:

	(In Thousands)
Net operating cash flow (cash flows from operating and investing activities) realized from Elk Horn's operations from July 1, 1994 to August 16, 1994	$ 1,773
After-tax proceeds received from the disposition of the Company's interest in Elk Horn on August 16, 1994	50,927
Cash flow provided to the Company by Elk Horn subsequent to June 30, 1994	52,700
Transaction costs capitalized in other assets and deferred charges related to two new revolving credit agreements entered into on August 18 and 19, 1994	(150)
Prepayment on August 19, 1994 of variable-rate term loan due June 7, 1997	(35,000)
Pro forma increase in cash and cash equivalents	$17,550

In accordance with the Company's policy, cash balances in excess of operating needs are invested in marketable securities with maturities of less than one year that have a quality rating of at least A-2/P-2 or AA/Aa. Excess cash arising from the disposition of the Company's interest in Elk Horn has been invested in marketable securities with maturities of less than thirty days. These funds are expected to be used to fund the Company's tender offer with any remaining funds invested until opportunities, in existing businesses or elsewhere, are identified.

The two new revolving credit agreements permit the Company to borrow up to $235 million with $200 million maturing on August 18, 1998 and $35 million maturing on August 19, 1999. In connection with these new agreements, the Company terminated its $180 million facility that was due June 16, 1996 (no amounts borrowed). The new agreements provide for interest to be charged at a base rate (generally the London Interbank Offered Rate) plus a spread that is dependent on the Company's quarterly debt to total capitalization ratio. Facility fees are also charged on the $235 million commitment amount. The weighted average spreads and facility fees charged under the new agreements at various debt to total capitalization levels are as follows:

	(Basis Points)	
Debt to Total Capitalization Ratio	Spread	Facility Fee
Less than or equal to 35%	31.1	19.7
Greater than 35% and less than or equal to 50%	39.6	23.6
Greater than 50%	49.3	26.5

The Company's remaining debt outstanding of $35.5 million consists primarily of a $35 million, 7.2% note due 2003 (six-year average remaining maturity at June 30, 1994).

(c) The pro forma adjustment to net assets of discontinued operations at June 30, 1994 reflects the divestiture of Elk Horn's net assets. The Company's remaining oil and gas properties were sold on February 4, 1994.

(d) In accordance with applicable accounting pronouncements, the pro forma consolidated balance sheet reflects a $6.2 million adjustment to other noncurrent liabilities for the recognition of the estimated present value of the unfunded obligation under the Coal Industry Retiree Health Benefit Act of 1992 (the "Act") assumed by the Company under the provisions of the merger agreement relating to the disposition of Elk Horn. Under 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.

The pro forma consolidated balance sheet also reflects a $2.2 million related adjustment to deferred income taxes for the estimated tax benefit the Company will receive on the present value of the unfunded obligation.

The estimated annual interest cost at 7% on the present value of the unfunded obligation is reflected as a pro forma adjustment to other (expense) income, net.

(e) Pro forma adjustments to shareholders' equity at June 30, 1994 are as follows:

	(In Thousands)
Net income recognized from Elk Horn's operations from July 1, 1994 to August 16, 1994	$ 1,013
After-tax gain recognized from the Company's disposition of its interest in Elk Horn on August 16, 1994	25,740
Total shareholders' equity pro forma adjustments at June 30, 1994	$26,753

(f) In accordance with Securities and Exchange Commission rules and regulations, no pro forma interest income is recognized in the pro forma statements of income for funds invested in cash equivalents. Had such income been recognized assuming an investment in AAA-rated tax-exempt securities with maturities of less than 30 days, pro forma net income would have been increased by approximately $.2 million, $.4 million and $.3 million for the six months and twelve months ended June 30, 1994, and the year ended December 31, 1993, respectively [see notes (g) and (i)].

(g) The adjustments to interest expense reflect the pro forma interest cost savings comprised of the following:

	(In Thousands)		
	For the Six Months Ended 6/30/94	For the Last Twelve Months Ended 6/30/94	For the Year Ended 12/31/93
Savings from repayment of debt and new credit agreements [see note (b)]	$1,113	$2,442	$2,608
Reallocation of interest cost historically allocated to the Energy Businesses for financial reporting purposes	(269)	(588)	(653)
Amortization of transaction costs	(19)	(38)	(38)
Pro forma interest cost savings	$ 825	$1,816	$1,917

Pro forma interest cost savings were computed using the following pro forma average cash flows:

	(In Thousands)		
	For the Six Months Ended 6/30/94	For the Last Twelve Months Ended 6/30/94	For the Year Ended 12/31/93
Average net operating cash flow and after-tax proceeds realized from the operations and disposition of the Company's interest in the Energy Businesses from the beginning of the period to August 16, 1994	$ 62,166	$ 66,091	$ 71,418
Average variable-rate debt outstanding assumed repaid during the period	(44,232)	(52,457)	(60,207)
Average cash flows assumed invested in cash equivalents during the period [see note (f)]	$ 17,934	$ 13,634	$ 11,211

(h) Pro forma income tax adjustments are recognized at an assumed combined state and federal income tax rate of approximately 39%.

(i) Income (loss) and earnings (loss) per share from continuing operations, adjusted for special items affecting the comparability of operating results among periods, are presented below:

	(In Thousands Except Per-Share Amounts)		
	For the Six Months Ended 6/30/94	For the Last Twelve Months Ended 6/30/94	For the Year Ended 12/31/93
Historical income (loss) from continuing operations as reported	$(2,019)	$ (680)	$3,723
Historical after-tax effects of special items:			
Write-off of APPX Software, Inc. intangibles	7,642	7,642	
Charges associated with the disposal of a Film Products plant in Flemington, NJ		1,107	1,107
Charges associated with reorganization of corporate functions		549	549
Impact on deferred taxes of 1% increase in the federal income tax rate		348	348
Gain on the sale of Emisphere Technologies, Inc. common stock			(1,410)
Historical income from continuing operations as adjusted for special items	5,623	8,966	4,317
Pro forma and other adjustments:			
Reflected in the statements of income	376	853	914
Interest income [see note (f)]	240	358	284
Pro forma income from continuing operations as adjusted for special items and interest income	$ 6,239	$10,177	$5,515
Earnings (loss) per share from continuing operations:			
Historical:			
As reported	$ (0.19)	$ (0.06)	$ 0.34
As adjusted for special items	0.52	0.83	0.40
Pro forma:			
As presented in the statements of income	(0.15)	0.02	0.43
As adjusted for special items and interest income	0.58	0.94	0.51

(c) Exhibits.

Exhibit No.

99.1	Agreement of Merger by and among Tredegar Investments, Inc., The Elk Horn Coal Corporation, Pen Holdings, Inc. and PHI Acquisition Corp. made as of June 22, 1994 (filed as Exhibit 10 to Tredegar's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994, as amended, and incorporated herein by reference). (Schedules and exhibits omitted; Registrant agrees to furnish a copy of any schedule or exhibit to the Securities and Exchange Commission upon request.)
99.2	Press Release dated August 29, 1994 regarding announcement of "Dutch auction" tender offer by Tredegar.

SIGNATURES

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

TREDEGAR INDUSTRIES, INC.

Date: August 31, 1994

By: /s/ N. A. Scher
Norman A. Scher
Executive Vice President

EXHIBIT INDEX

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99.2	Press Release dated August 29, 1994 regarding announcement of "Dutch auction" tender offer by Tredegar.

FOR IMMEDIATE RELEASE

TREDEGAR ANNOUNCES SELF-TENDER OFFER

RICHMOND, Va., Aug. 29, 1994 -- The board of directors of Tredegar Industries (NYSE:TG) today authorized a "Dutch auction" self-tender offer for up to one million shares of the company's common stock. The tender price range will be $17 to $19 per share. The offer will commence next week with the distribution of the offering materials. The offer will be subject to the terms and conditions that will be described in the offering materials.

As of Aug. 29, Tredegar had 10,587,625 shares of common stock outstanding. The closing price for Tredegar common stock today was $16 3/8.

Under terms of a Dutch auction offer, shareholders are given an opportunity to specify prices, within a stated price range, at which they are willing to tender their shares. Upon receipt of the tenders, the offering company will select a final price that enables it to purchase up to the stated amount of shares from those shareholders who agreed to sell at or below the company-selected price.

Tredegar said the offer will give shareholders who are considering the sale of all or a portion of their shares an opportunity to determine the price, within a range, at which they are willing to sell. If Tredegar agrees to purchase their shares, sellers will avoid the normal transaction costs associated with market sales. The company is not making any recommendation to its shareholders regarding the tendering of shares.

The dealer manager for the offer will be Goldman, Sachs & Co. and the information agent will be Georgeson & Co.

Tredegar Industries is a diversified manufacturer of plastics and metal products.