UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2003

OR

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

For the transition period from ____________ to ____________

Commission file number 1-10258

Tredegar Corporation
(Exact Name of Registrant as Specified in Its Charter)

Virginia (State or Other Jurisdiction of Incorporation or Organization)	**54-1497771** (I.R.S. Employer Identification No.)
1100 Boulders Parkway **Richmond, Virginia** (Address of Principal Executive Offices)	**23225** (Zip Code)

Registrant's Telephone Number, Including Area Code: (804) 330-1000

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 the past 90 days. Yes |X| No |_|

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes |X| No |_|

The number of shares of Common Stock, no par value, outstanding as of July 31, 2003: 38,081,140.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	June 30, 2003	Dec. 31, 2002
Assets		
Current assets:		
Cash and cash equivalents	$113,074	$109,928
Accounts and notes receivable	90,365	92,892
Income taxes recoverable	60,179	12,863
Inventories	46,260	43,969
Deferred income taxes	9,294	20,976
Prepaid expenses and other	4,174	3,962
Total current assets	323,346	284,590
Property, plant and equipment, at cost	546,122	505,093
Less accumulated depreciation	274,190	254,490
Net property, plant and equipment	271,932	250,603
Net non-current assets of Therics held for sale	—	10,406
Venture capital investments	—	93,765
Other assets and deferred charges	74,529	66,316
Goodwill and other intangibles	139,845	132,282
Total assets	$809,652	$837,962
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 43,848	$ 35,861
Accrued expenses	46,307	42,409
Current portion of long-term debt	62,500	55,000
Total current liabilities	152,655	133,270
Long-term debt	167,592	204,280
Deferred income taxes	54,856	27,443
Other noncurrent liabilities	10,368	10,037
Total liabilities	385,471	375,030
Shareholders' equity:		
Common stock, no par value	104,153	108,389
Common stock held in trust for savings restoration plan	(1,212)	(1,212)
Unrealized gain on available-for-sale securities	1,069	586
Foreign currency translation adjustment	4,731	(4,422)
Loss on derivative financial instruments	142	(842)
Minimum pension liability	(3,310)	(3,310)
Retained earnings	318,608	363,743
Total shareholders' equity	424,181	462,932
Total liabilities and shareholders' equity	$809,652	$837,962

See accompanying notes to financial statements.

Tredegar Corporation
Consolidated Statements of Income
(In Thousands, except per share amounts)
(Unaudited)

	Second Quarter Ended June 30		Six Months Ended June 30	
	2003	2002	2003	2002
Revenues:				
Sales	$ 181,574	$ 200,554	$ 363,619	$ 378,006
Other income (expense), net	428	366	1,151	416
	182,002	200,920	364,770	378,422
Costs and expenses:				
Cost of goods sold	149,836	153,968	299,337	291,368
Freight	4,532	4,051	8,720	7,794
Selling, general and administrative	12,313	13,104	25,201	24,981
Research and development	5,076	5,058	10,379	10,674
Amortization of intangibles	67	11	134	78
Interest expense	1,683	2,310	3,786	4,498
Plant shutdowns, asset impairments and restructurings	5,882	268	5,967	1,264
Unusual items	—	—	1,067	—
	179,389	178,770	354,591	340,657
Income before income taxes	2,613	22,150	10,179	37,765
Income taxes	932	7,879	3,639	13,435
Income from continuing operations	1,681	14,271	6,540	24,330
Discontinued operations:				
Loss from venture capital investment activities (including an after-tax loss on the sale of the venture capital investment portfolio of $49,216 in 2003)	—	(12,160)	(49,516)	(19,329)
Income (loss) from operations of Molecumetics (including an after-tax gain on the sale of intellectual property of $891 in 2003 and an expected loss on disposal of $3,900 in 2002)	891	(5,446)	891	(7,753)
Income (loss) from discontinued operations	891	(17,606)	(48,625)	(27,082)
Net income (loss)	$ 2,572	$ (3,335)	$ (42,085)	$ (2,752)
Earnings (loss) per share:				
Basic:				
Continuing operations	$ .04	$ .37	$ .17	$ .64
Discontinued operations	.02	(.46)	(1.28)	(.71)
Net income (loss)	$ .06	$ (.09)	$ (1.11)	$ (.07)
Diluted:				
Continuing operations	$ .04	$ .36	$ .17	$ .63
Discontinued operations	.02	(.45)	(1.26)	(.70)
Net income (loss)	$ .06	$ (.09)	$ (1.09)	$ (.07)
Shares used to compute earnings (loss) per share:				
Basic	38,047	38,270	38,113	38,219
Diluted	38,418	39,111	38,498	38,990
Dividends per share	$ .04	$ .04	$ .08	$ .08

See accompanying notes to financial statements.

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

	Six Months Ended June 30	
	2003	**2002**
Cash flows from operating activities:		
Net income (loss)	$ (42,085)	$ (2,752)
Adjustments for noncash items:		
Noncash loss from discontinued operations	—	6,000
Depreciation	15,669	16,459
Amortization of intangibles	134	78
Deferred income taxes	33,365	1,748
Accrued pension income and postretirement benefits	(2,664)	(4,862)
Loss on venture capital investments	70,256	27,388
Loss on asset impairments	2,023	—
Changes in assets and liabilities:		
Accounts and notes receivable	6,352	(18,965)
Inventories	(175)	4,345
Income taxes recoverable	(47,148)	3,316
Prepaid expenses and other	25	(185)
Accounts payable	6,129	(1,838)
Accrued expenses	4,388	(1,455)
Other, net	1,164	(1,450)
Net cash provided by operating activities	47,433	27,827
Cash flows from investing activities:		
Capital expenditures	(26,083)	(13,851)
Venture capital investments	(2,807)	(11,137)
Proceeds from the sale of venture capital investments	21,504	6,408
Other, net	(116)	(2,361)
Net cash used in investing activities	(7,502)	(20,941)
Cash flows from financing activities:		
Dividends paid	(3,050)	(3,064)
Net decrease in borrowings	(29,188)	(5,097)
Repurchases of Tredegar common stock	(5,170)	—
Proceeds from exercise of stock options	623	1,009
Net cash used in financing activities	(36,785)	(7,152)
Increase (decrease) in cash and cash equivalents	3,146	(266)
Cash and cash equivalents at beginning of period	109,928	96,810
Cash and cash equivalents at end of period	$113,074	$ 96,544

See accompanying notes to financial statements.

1. In the opinion of management, the accompanying consolidated financial statements of Tredegar Corporation and Subsidiaries ("Tredegar") contain all adjustments necessary to present fairly, in all material respects, Tredegar's consolidated financial position as of June 30, 2003, the consolidated results of operations for the three and six months ended June 30, 2003 and 2002, and the consolidated cash flows for the six months ended June 30, 2003 and 2002. All such adjustments are deemed to be of a normal, recurring nature. These financial statements should be read in conjunction with the consolidated financial statements and related notes included in Tredegar's Annual Report on Form 10-K for the year ended December 31, 2002. The results of operations for the six months ended June 30, 2003, are not necessarily indicative of the results to be expected for the full year.

2. See pages 11 and 13 for information on unusual items and losses associated with plant shutdowns, asset impairments and restructurings. During the second quarter of 2003 Tredegar began reporting losses associated with plant shutdowns, asset impairments and restructurings as a separate line in the Consolidated Statements of Income and Operating Profit by Segment table. These amounts were previously classified as unusual items. Prior periods have been reclassified to conform to the new presentation.

On March 7, 2003, Tredegar Investments, Inc. ("Tredegar Investments") reached definitive agreements to sell substantially all of its portfolio of private equity partnership interests to GS Vintage Funds II, which are investment partnerships managed by Goldman Sachs Asset Management's Private Equity Group. On the same date and in a separate transaction, Tredegar Investments also agreed to sell to W Capital Partners, an independent private equity manager, the subsidiary funds that hold substantially all of Tredegar Investments' direct venture capital investments. The sale of these fund interests included the assumption by the buyer of Tredegar Investments' obligations to make additional capital contributions to those funds in the future.

The sale to W Capital Partners of the subsidiary funds that hold the direct investments occurred on March 7, 2003. The sale of the private equity fund interests occurred in a series of closings.

Net proceeds from the sales totaled $21.5 million. An additional $54.4 million of proceeds, in the form of income tax recoveries, are expected in mid-2004 from the carry-back of 2003 capital losses generated by these sales against gains realized in 2000 by Tredegar Investments.

The agreements governing these transactions contain customary contingent indemnification provisions that Tredegar believes will not have a material effect on its financial position or results of operations.

The operating results from venture capital investment activities have been reported as discontinued operations and results for prior periods have been restated. Cash flows from venture capital investment activities have not been separately disclosed in the accompanying Consolidated Statements of Cash Flows. Discontinued operations for the six months ended June 30, 2003, also includes an after-tax loss on the sale of $49.2 million.

Tredegar Investments still holds 860,642 shares of Vascular Solutions, Inc. (NASDAQ: VASC) and 813,455 shares of Illumina, Inc. (NASDAQ: ILMN). These securities relate to Tredegar Investments' earlier venture capital investment activities and are classified as available-for-sale securities. These holdings, which are included in the Consolidated Balance Sheets in "Other assets and deferred charges" at June 30, 2003 ($4.2 million market value), and "Venture capital investments" at December 31, 2002 ($3.6 million market value), are stated at market value with unrealized gains shown directly in equity net of related deferred income taxes.

On March 22, 2002, Tredegar announced its intent to divest its biotech operations. Operations were ceased at Molecumetics on July 2, 2002. The operating results of Molecumetics have been reported as discontinued operations.

Discontinued operations are shown net of income taxes. Income taxes related to discontinued venture capital investment activities include income tax benefits of $6.8 million, $20.7 million and $10.9 million for the second quarter ended June 30, 2002 and the six months ended June 30, 2003 and 2002, respectively. Income taxes related to discontinued operations of Molecumetics include income tax expense of $480,000 for the second quarter and six months ended June 30, 2003, and income tax benefits of $2.9 million and $4.2 million for the second quarter and six months ended June 30, 2002, respectively.

During the first quarter, we suspended efforts to sell Therics, Inc. ("Therics"), our biotech subsidiary, pending a reassessment of strategic options. As a result, the long-lived assets of Therics are no longer classified as held for sale and an adjustment of $1.1 million to catch up depreciation was recorded during the first quarter as an unusual item.

3. The components of other comprehensive income or loss are as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(In Thousands)	2003	2002	2003	2002
Net income (loss)	$ 2,572	$ (3,335)	$ (42,085)	$ (2,752)
Other comprehensive income (loss):				
Available-for-sale securities adjustment, net of reclassification adjustment	1,069	(1,828)	483	(5,954)
Foreign currency translation adjustment	6,102	2,838	9,153	720
Derivative financial instrument adjustment	588	(98)	984	1,140
Minimum pension liability adjustment	—	—	—	—
Comprehensive income (loss)	$ 10,331	$ (2,423)	$ (31,465)	$ (6,846)

4. The components of inventories are as follows:

(In Thousands)	June 30, 2003	Dec. 31, 2002
Finished goods	$ 8,933	$ 7,841
Work-in-process	4,248	3,905
Raw materials	22,466	21,076
Stores, supplies and other	10,613	11,147
Total	$46,260	$43,969

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

	Three Months Ended June 30		Six Months Ended June 30	
(In Thousands)	2003	2002	2003	2002
Weighted average shares outstanding used to compute basic earnings per share	38,047	38,270	38,113	38,219
Incremental shares issuable upon the assumed exercise of stock options	371	841	385	771
Shares used to compute diluted earnings per share	38,418	39,111	38,498	38,990

Incremental shares issuable upon the assumed exercise of outstanding stock options are computed using the average market price during the related period. At June 30, 2003, 2,447,225 options were excluded from the calculation of incremental shares issuable upon the assumed exercise of stock options due to their anti-dilutive effect on earnings per share for the period.

6. Pursuant to our stock option plans, 594,500 stock options were granted during the first quarter of 2002. None were granted during the second quarter of 2002, the first quarter of 2003 or the second quarter of 2003. The 2002 stock options were granted to officers, management and other employees.

We account for the fair value of stock options granted to employees and directors in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, no compensation expense has been recognized since the exercise price of the options was equal to the fair value of the underlying common stock on the date of grant. Had compensation cost for our stock-based compensation plans been determined based on the fair value of the options at the grant dates consistent with the method of accounting under Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation," our income and diluted earnings per share from continuing operations would have been reduced to the pro forma amounts indicated below:

(In Thousands, except per share data)	Three Months Ended June 30 2003	Three Months Ended June 30 2002	Six Months Ended June 30 2003	Six Months Ended June 30 2002
Income from continuing operations:				
As reported	$ 1,681	$ 14,271	$ 6,540	$ 24,330
Stock-based compensation cost, net of tax, based on the fair value method	(545)	(567)	(1,090)	(1,134)
Pro forma income from continuing operations	$ 1,136	$ 13,704	$ 5,450	$ 23,196
Diluted earnings per share from continuing operations:				
As reported	.04	.36	.17	.63
Pro forma	.03	.35	.14	.59

For the purposes of the above presentation, the fair value of each option was estimated as of the grant date using the Black-Scholes option-pricing model. The weighted-average assumptions used in this model are provided below:

2002			
Dividend yield	.9%	Weighted average market price at date of grant:	
Volatility percentage	45.0%	Officers and management	$18.71
Weighted average risk-free interest rate	4.7%	Other employees	18.90
Holding period (years):			
Officers	7.0	Estimated weighted average fair value of options per share at date of grant:	
Management	5.0	Officers	9.14
Other employees	3.0	Management	8.02
		Other employees	6.20

7. The effective tax rate from continuing operations was 35.7% for the three months ended June 30, 2003, and 35.8% for the six months ended June 30, 2003. The effective tax rate from continuing operations was 35.6% for the three months ended June 30, 2002, and 35.6% for the six months ended June 30, 2002.

8. On April 16, 2003, we extended our $100 million 364-day credit facility for one year. There are no amounts currently borrowed under this facility. Effective August 1, 2003, the fully borrowed spread over LIBOR charged at various debt-to-total capitalization levels is as follows:

Fully-Borrowed Spread Over LIBOR Under Credit Agreements (Basis Points)

Debt-to-Total Capitalization Ratio	364-Day Credit Facility (None Borrowed at 6/30/03)	Term Loan ($225 Million Outstanding at 6/30/03)
> 55% and <= 60%	—	100.0
> 50% and <= 55%	—	87.5
> 40% and <= 50%	162.5	75.0
> 35% and <= 40%	150.0	62.5
> 30% and <= 35%	150.0	62.5
<= 30%	125.0	50.0

9. Information by business segment is reported below. There are no accounting transactions between segments and no allocations to segments. There have been no significant changes to identifiable assets by segment other than for Tredegar Investments due to the sale of substantially all of our venture capital investment portfolio (see Note 2). Net sales (sales less freight) and operating profit from ongoing operations are the measures of sales and operating profit used by the chief operating decision maker of each segment for purposes of assessing performance. See Note 2 regarding the reclassification of unusual items and losses associated with plant shutdowns, asset impairments and restructurings.

Tredegar Corporation
Net Sales and Operating Profit by Segment
(In Thousands)
(Unaudited)

	Second Quarter Ended June 30		Six Months Ended June 30	
	2003	**2002**	**2003**	**2002**
Net Sales				
Film Products	$ 88,410	$ 97,285	$ 181,794	$ 186,194
Aluminum Extrusions	88,632	99,124	173,105	183,830
Therics	—	94	—	188
Total net sales	177,042	196,503	354,899	370,212
Add back freight	4,532	4,051	8,720	7,794
Sales as shown in the Consolidated Statements of Income	$ 181,574	$ 200,554	$ 363,619	$ 378,006
Operating Profit				
Film Products:				
Ongoing operations	$ 10,104	$ 18,705	$ 24,032	$ 36,797
Plant shutdowns, asset impairments and restructurings	(2,609)	(295)	(2,694)	(1,095)
	7,495	18,410	21,338	35,702
Aluminum Extrusions:				
Ongoing operations	4,855	10,277	6,066	15,630
Plant shutdowns, asset impairments and restructurings	(388)	27	(388)	(169)
	4,467	10,304	5,678	15,461
Therics:				
Ongoing operations	(3,306)	(3,134)	(6,603)	(6,827)
Restructurings	(1,704)	—	(1,704)	—
Unusual items	—	—	(1,067)	—
	(5,010)	(3,134)	(9,374)	(6,827)
Total operating profit	6,952	25,580	17,642	44,336
Interest income	409	496	833	1,050
Interest expense	1,683	2,310	3,786	4,498
Corporate expenses, net	3,065	1,616	4,510	3,123
Income before income taxes	2,613	22,150	10,179	37,765
Income taxes	932	7,879	3,639	13,435
Income from continuing operations	1,681	14,271	6,540	24,330
Income (loss) from discontinued operations	891	(17,606)	(48,625)	(27,082)
Net income (loss)	$ 2,572	$ (3,335)	$ (42,085)	$ (2,752)

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

Critical Accounting Policies

In the ordinary course of business, we make a number of estimates and assumptions relating to the reporting of results of operations and financial position in the preparation of financial statements in conformity with generally accepted accounting principles. We believe the estimates, assumptions and judgments described in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies" of our Annual Report on Form 10-K for the year ending December 31, 2002, have the greatest potential impact on our financial statements, so we consider these to be our critical accounting policies. These policies include our accounting for impairment of long-lived assets and goodwill, investments, deferred tax assets and pension benefits. These policies require management to exercise judgments that are often difficult, subjective and complex due to the necessity of estimating the effect of matters that are inherently uncertain. Actual results could differ significantly from those estimates under different assumptions and conditions. We believe the consistent application of these policies enables us to provide readers of our financial statements with useful and reliable information about our operating results and financial condition. There has been no significant change in these policies, or the estimates used in the application of these policies since our 2002 fiscal year-end.

Results of Operations

Second Quarter 2003 Compared with Second Quarter 2002

Net income for the second quarter of 2003 was $2.6 million (6 cents per share) compared with a net loss of $3.3 million (9 cents per share) in 2002. Net income from continuing operations was $1.7 million (4 cents per share) in 2003 compared with $14.3 million (36 cents per share) in 2002.

Discontinued operations in 2003 include an after-tax gain of $891,000 on the sale of intellectual property related to Molecumetics. Discontinued operations in 2002 include an after-tax loss of $5.4 million related to Molecumetics and an after-tax loss of $12.2 million related to venture capital investment activities. See Note 2 on page 5 for more information on discontinued operations.

Overall, sales in 2003 decreased 9.5% compared with 2002. Net sales (sales less freight) at both Film Products and Aluminum Extrusions declined primarily due to lower sales volume. For more information on net sales, see the business segment review beginning on page 15.

Gross profit (sales minus cost of goods sold and freight) as a percentage of sales decreased to 15% in 2003 from 21.2% in 2002. At Film Products, an overall lower gross profit margin was driven by the loss of certain domestic backsheet business (lower overall contribution to cover fixed costs), higher raw material prices, lower volume from a seasonal domestic customer due to the unusual amount of rain during the spring months and higher manufacturing costs on certain new products. At Aluminum Extrusions, the gross profit margin declined primarily due to lower volume, higher energy costs, higher insurance costs and the impact of the Canadian Dollar appreciating against the U.S. Dollar.

As a percentage of sales, selling, general and administrative (“SG&A”) expenses increased to 6.8% compared with 6.5% in 2002, due primarily to lower sales.

Research and development (“R&D”) expenses were $5.1 million in 2003 and 2002. R&D spending in 2003 at Therics ($3.1 million) and Film Products ($2 million) were about the same as last year.

Losses associated with plant shutdowns, asset impairments and restructurings in the second quarter of 2003 include:

- Charges for severance costs in connection with restructurings in Film Products ($1.6 million), Therics ($1.2 million) and at corporate headquarters ($1.2 million; included in “Corporate expenses, net” in the Operating Profit by Segment tables on pages 9 and 15);
- A pretax charge of $956,000 for asset impairments in Film Products;
- A pretax charge of $388,000 related to an early retirement program in Aluminum Extrusions;
- A pretax charge of $549,000 related to the estimated loss on the sublease of a portion of the Therics facility in Princeton, New Jersey; and
- A pretax charge of $53,000 for additional costs incurred related to previously announced plant shutdowns in Film Products.

Losses associated with plant shutdowns, asset impairments and restructurings in the second quarter of 2002 of $268,000 primarily related to the shutdown of the films plant in Tacoma, Washington.

For more information on costs and expenses, see the business segment review beginning on page 15.

Interest income, which is included in “Other income (expense), net” in the Consolidated Statements of Income, was $409,000 in 2003 and $496,000 in 2002. Despite a higher average cash and cash equivalents balance, interest income was down due to lower average tax equivalent yield earned on cash equivalents (1.15% in 2003 and 2% in 2002). Our policy permits investment of excess cash in marketable securities that have the highest credit ratings and maturities of less than one year. The primary objectives of our policy are safety of principal and liquidity.

Interest expense was $1.7 million in 2003 compared with $2.3 million in 2002. Average debt outstanding and interest rates were as follows:

(In Millions)	Three Months Ended June 30 2003	Three Months Ended June 30 2002
Floating-rate debt with interest charged on a rollover basis at one-month LIBOR:		
Average outstanding debt balance	$186.5	$175.0
Average interest rate	2.0%	2.6%
Floating-rate debt fixed via interest rate swaps in the second quarter of 2001 and maturing in the second quarter of 2003:		
Average outstanding debt balance	$ 40.4	$ 75.0
Average interest rate	5.4%	5.4%
Fixed-rate and other debt:		
Average outstanding debt balance	$ 9.3	$ 13.4
Average interest rate	7.2%	7.2%
Total debt:		
Average outstanding debt balance	$236.2	$263.4
Average interest rate	2.8%	3.6%

The effective tax rate from continuing operations was 35.7% in the second quarter of 2003 and 35.6% in 2002.

Six Months 2003 Compared with Six Months 2002

The net loss for the first six months of 2003 was $42.1 million ($1.09 per share) compared with a net loss of $2.8 million (7 cents per share) in 2002. Net income from continuing operations was $6.5 million (17 cents per share) in 2003 compared with $24.3 million (63 cents per share) in 2002.

Discontinued operations for the first six months of 2003 include a loss of $49.5 million related to venture capital investment activities (including an after-tax loss on the sale of the venture capital investment portfolio of $49.2 million) and an after-tax gain of $891,000 on the sale of intellectual property related to Molecumetics. Discontinued operations in 2002 include an after-tax loss of $19.3 million related to venture capital investment activities and an after-tax loss of $7.8 million related to Molecumetics. See Note 2 on page 5 for more information on discontinued operations.

Overall, sales for the first six months of 2003 decreased 3.8% compared with 2002. Net sales (sales less freight) at both Film Products and Aluminum Extrusions declined primarily due to lower sales volume. For more information on net sales, see the business segment review beginning on page 15.

Gross profit (sales less cost of goods sold and freight) as a percentage of sales decreased to 15.3% in the first six months of 2003 from 20.9% in 2002, and was primarily due to the reasons described in the second quarter decline (see page 10).

As a percentage of sales, SG&A expenses increased to 6.9% compared with 6.6% in 2002, primarily due to lower sales.

R&D expenses for the first six months declined to $10.4 million in 2003 ($6.4 million for Therics and $4 million for Film Products) from $10.7 million in 2002 ($6.6 million for Therics and $4.1 million for Film Products). The decline was primarily due to cost reduction efforts at Therics.

Losses associated with plant shutdowns, asset impairments and restructurings in the first six months of 2003 include:

- Second-quarter pretax charges for severance costs in connection with restructurings in Film Products ($1.6 million), Therics ($1.2 million) and at corporate headquarters ($1.2 million; included in “Corporate expenses, net” in the Operating Profit by Segment tables on pages 9 and 15);

- A second-quarter pretax charge of $956,000 for asset impairments in Film Products;

- A second-quarter pretax charge of $388,000 related to an early retirement program in Aluminum Extrusions;

- A second-quarter pretax charge of $549,000 related to the estimated loss on the sublease of a portion of the Therics facility in Princeton, New Jersey; and

- Pretax charges of $53,000 in the second quarter and $85,000 in the first quarter for additional costs incurred related to previously announced plant shutdowns in Film Products.

Losses associated with plant shutdowns, asset impairments and restructurings in the first six months of 2002 include:

- Second-quarter pretax net charges of $268,000, primarily related to the shutdown of the films plant in Tacoma, Washington;

- A first-quarter pretax charge of $800,000 related to the shutdown of the films plant in Carbondale, Pennsylvania; and

- A first-quarter pretax charge of $196,000 for the shutdown of the aluminum extrusions plant in El Campo, Texas.

Unusual items in the first six months of 2003 include a first-quarter pretax charge of $1.1 million related to an adjustment for depreciation at Therics based on Tredegar’s decision to suspend divestiture efforts. There were no unusual items during the first six months of 2002.

For more information on costs and expenses, see the business segment review beginning on page 15.

Interest income, which is included in “Other income (expense), net” in the Consolidated Statements of Income, was $833,000 in the first six months of 2003 and $1.1 million in 2002. Despite a higher average cash and cash equivalents balance, interest income was down due to lower average tax equivalent yield earned on cash equivalents (1.3% in 2003 and 2% in 2002).

Interest expense for the first six months was $3.8 million in the 2003 compared with $4.5 million in 2002. Average debt outstanding and interest rates for the first six months of 2003 and 2002 were as follows:

(In Millions)	Six Months Ended June 30 2003	Six Months Ended June 30 2002
Floating-rate debt with interest charged on a rollover basis at one-month LIBOR:		
Average outstanding debt balance	$ 175.6	$ 175.0
Average interest rate	2.0%	2.6%
Floating-rate debt fixed via interest rate swaps in the second quarter of 2001 and maturing in the second quarter of 2003:		
Average outstanding debt balance	$ 57.5	$ 75.0
Average interest rate	5.4%	5.4%
Fixed-rate and other debt:		
Average outstanding debt balance	$ 9.7	$ 14.1
Average interest rate	7.2%	7.2%
Total debt:		
Average outstanding debt balance	$ 242.8	$ 264.1
Average interest rate	3.0%	3.6%

The effective tax rate from continuing operations was 35.8% in the first six months of 2003 and 35.6% in 2002.

The following tables present Tredegar's net sales and operating profit by segment for the second quarters and six months ended June 30, 2003 and 2002:

Tredegar Corporation
Net Sales and Operating Profit by Segment
(In Thousands)
(Unaudited)

	Second Quarter Ended June 30		Six Months Ended June 30	
	2003	2002	2003	2002
Net Sales				
Film Products	$ 88,410	$ 97,285	$ 181,794	$ 186,194
Aluminum Extrusions	88,632	99,124	173,105	183,830
Therics	—	94	—	188
Total net sales	177,042	196,503	354,899	370,212
Add back freight	4,532	4,051	8,720	7,794
Sales as shown in the Consolidated Statements of Income	$ 181,574	$ 200,554	$ 363,619	$ 378,006
Operating Profit				
Film Products:				
Ongoing operations	$ 10,104	$ 18,705	$ 24,032	$ 36,797
Plant shutdowns, asset impairments and restructurings	(2,609)	(295)	(2,694)	(1,095)
	7,495	18,410	21,338	35,702
Aluminum Extrusions:				
Ongoing operations	4,855	10,277	6,066	15,630
Plant shutdowns, asset impairments and restructurings	(388)	27	(388)	(169)
	4,467	10,304	5,678	15,461
Therics:				
Ongoing operations	(3,306)	(3,134)	(6,603)	(6,827)
Restructurings	(1,704)	—	(1,704)	—
Unusual items	—	—	(1,067)	—
	(5,010)	(3,134)	(9,374)	(6,827)
Total operating profit	6,952	25,580	17,642	44,336
Interest income	409	496	833	1,050
Interest expense	1,683	2,310	3,786	4,498
Corporate expenses, net	3,065	1,616	4,510	3,123
Income before income taxes	2,613	22,150	10,179	37,765
Income taxes	932	7,879	3,639	13,435
Income from continuing operations	1,681	14,271	6,540	24,330
Income (loss) from discontinued operations	891	(17,606)	(48,625)	(27,082)
Net income (loss)	$ 2,572	$ (3,335)	$ (42,085)	$ (2,752)

Net sales (sales less freight) and operating profit from ongoing operations are the measures of sales and operating profit used by the chief operating decision maker of each segment for purposes of assessing performance. See Note 2 on page 5 regarding the reclassification of unusual items and losses associated with plant shutdowns, asset impairments and restructurings.

Net sales and operating profit from ongoing operations in Film Products were down 9.1% and 46%, respectively, in the second quarter, and 2.4% and 35%, respectively, for the first six months. Volume for the quarter was 66 million pounds, down 19% from 81 million pounds in 2002. Year-to-date volume decreased 12% to 139 million pounds from 158 million pounds. Results for 2002 and the first quarter of 2003 include revenues and profits related to certain discontinued domestic backsheet business with The Procter & Gamble Company ("P&G").

On June 16, we announced that we would not achieve the $12 million ongoing operating profit level in Film Products that had been expected in the second quarter due to higher costs associated with raw materials, lower than expected volumes from a seasonal customer and higher manufacturing costs on certain new products. We were unable to recover the full cost of resin price increases, and costs related to certain new product start-ups were higher than expected. Our strategy in Film Products is based on expanding sales of apertured, elastic and breathable film products. We are commercializing several new products, including a new feminine pad topsheet for P&G for European markets. We continue to expect growth in 2004 from sales and operating profit from ongoing operations.

Net sales and operating profit from ongoing operations in Aluminum Extrusions were down 10.6% and 53%, respectively, in the second quarter, and 5.8% and 61%, respectively, for the first six months. Volume for the quarter was 58 million pounds, down 8% from 63 million pounds in 2002. Year-to-date volume decreased 6% to 112 million pounds from 119 million pounds.

The decline in ongoing operating profit in Aluminum Extrusions is primarily due to lower volume and higher energy and insurance costs. Appreciation of the Canadian Dollar against the U.S. Dollar also had an adverse impact (see "Quantitative and Qualitative Disclosures About Market Risk" on page 17). Recent orders reflect a pick-up in overall industry demand; however, we cannot forecast a significant profit upturn until we see more evidence of a sustainable increase in order rates at appropriate margins.

The second-quarter operating loss from ongoing operations at Therics was $3.3 million compared to a loss of $3.1 million in 2002. On a similar basis, the year-to-date loss was $6.6 million compared to $6.8 million in 2002. In April, we announced that we had suspended efforts to sell Therics pending a reassessment of strategic alternatives. We will provide an update on the status of this strategic review when we report third-quarter earnings.

Liquidity and Capital Resources

Tredegar's total assets decreased to $809.7 million at June 30, 2003, from $838 million at December 31, 2002, due primarily to the impact of the sale of substantially all of the venture capital investment portfolio, partially offset by capital expenditures in excess of depreciation and positive foreign currency translation adjustments associated with Canadian and European operations.

The net deferred income tax liability (deferred income tax liabilities minus deferred income tax assets) increased to $45.6 million at June 30, 2003, from $6.5 million at December 31, 2002, due to the reversal of deferred tax assets totaling approximately $35 million related to the sale of the venture capital portfolio. Pretax proceeds from the sale totaled $21.5 million. An additional $54.4 million of proceeds, in the form of income tax recoveries, are expected in mid-2004 from the carry-back of 2003 capital losses generated by these sales against gains realized in 2000 by Tredegar Investments. See Note 2 on page 5 for more information.

Cash provided by operating activities was $47.4 million in the first six months of 2003 compared with $27.8 million in 2002. The increase is due primarily to a decrease in the level of primary working capital (accounts receivable, inventories and accounts payable).

Cash used in investing activities was $7.5 million in the first six months of 2003 compared with cash used in investing activities of $20.9 million in 2002. The change is primarily attributable to proceeds from the sale of venture capital investments, net of investments made, of $18.7 million in 2003 versus a net investment of $4.7 million in 2002. This was partially offset by higher capital expenditures, an increase of $12.2 million.

Capital expenditures in the first six months of 2003 reflect the normal replacement of machinery and equipment and:

- Machinery and equipment purchased to upgrade lines and expand capacity at our films plant in Kerkrade, The Netherlands;
- Expansion of capacity at our films plant in Shanghai, China; and
- Machinery and equipment purchased to upgrade our wastewater treatment system at our aluminum extrusions plant in Newnan, Georgia.

Cash used in financing activities was $36.8 million in the first six months of 2003 versus $7.2 million in 2002. This change is attributable to repayments of debt in the total amount of $29.2 million in 2003. In addition, we repurchased 406,400 shares of our common stock during the first six months of 2003 for a total of $5.2 million (an average price of $12.72 per share).

Debt outstanding of $230.1 million at June 30, 2003, consisted of a $225 million term loan and other debt of $5.1 million. On April 16, 2003, we extended our $100 million 364-day credit facility for one year. This short-term facility is an interim step to longer-term financing that we hope to complete by September 30, 2003. There are no amounts currently borrowed under this facility.

Quantitative and Qualitative Disclosures About Market Risk

Tredegar has exposure to the volatility of interest rates, polyethylene and polypropylene resin prices, aluminum ingot and scrap prices, energy prices, foreign currencies and emerging markets.

Changes in resin prices, and the timing of those changes, could have a significant impact on profit margins in Film Products. Profit margins in Aluminum Extrusions are sensitive to fluctuations in aluminum ingot and scrap prices as well as natural gas prices. There is no assurance of our ability to pass through higher raw material and energy costs to our customers.

In the normal course of business, we enter into fixed-price forward sales contracts with certain customers for the sale of fixed quantities of aluminum extrusions at scheduled intervals. To hedge our exposure to aluminum price volatility under these fixed-price arrangements, which generally have a duration of not more than 12 months, we enter into a combination of forward purchase commitments and futures contracts to acquire aluminum, based on scheduled deliveries.

In Aluminum Extrusions, we hedge from time-to-time a portion of our exposure to natural gas price volatility by entering into fixed-price forward purchase contracts with our natural gas suppliers.

We sell to customers in foreign markets through our foreign operations and through exports from U.S. plants. The percentage of consolidated net sales from manufacturing operations related to foreign markets for the first six months of 2003 and 2002 are presented below:

Percentage of Net Sales from Manufacturing
Operations Related to Foreign Markets*

	Six Months Ended June 30			
	2003		2002	
	Exports From U.S.	Foreign Operations	Exports From U.S.	Foreign Operations
Canada	4%	18%	3%	18%
Europe	3	12	4	8
Latin America	3	2	3	2
Asia	3	2	4	2
Total	13%	34%	14%	30%

* Based on consolidated net sales from manufacturing operations.

We attempt to match the pricing and cost of our products in the same currency and generally view the volatility of foreign currencies and emerging markets, and the corresponding impact on earnings and cash flow, as part of the overall risk of operating in a global environment. Exports from the U.S. are generally denominated in U.S. Dollars. Our foreign currency exposure on income from foreign operations in Europe primarily relates to the Euro. In Canada, the U.S. Dollar-based spread (the difference between selling prices and aluminum costs) generated from Canadian casting operations and exports from Canada to the U.S. are currently in excess of our Canadian Dollar-based operating profit. Consequently, at current sales levels our Canadian aluminum extrusion operations will generally be negatively affected by appreciation of the Canadian Dollar relative to the U.S. Dollar, and positively affected by depreciation of the Canadian Dollar relative to the U.S. Dollar.

Forward-Looking and Cautionary Statements

From time to time, we may make statements that may constitute “forward-looking statements” within the meaning of the “safe-harbor” provisions of the Private Securities Litigation Reform Act of 1995. Such statements are based on our then current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those addressed in the forward-looking statements. Factors that may cause such a difference include, but are not limited to the following:

General

- ***Our future performance is influenced by costs incurred by Film Products and Aluminum Extrusions including, for example, the cost of energy and raw materials***. There is no assurance that we will be able to offset fully the effects of higher raw material costs through price increases. Further, there is no assurance that cost control efforts will positively impact results or that such efforts could be increased to a level that offsets any additional future declines in revenue or increases in energy or raw material costs.

Film Products

- ***Film Products is highly dependent on sales associated with one customer, P&G***. P&G comprised 33% of our net sales in 2002, 31% in 2001 and 28% in 2000. The loss or significant reduction of sales associated with P&G would have a material adverse effect on our business, as would delays in P&G rolling out products utilizing new technologies developed by Tredegar. While we have undertaken efforts to expand our customer base, there can be no assurance that such efforts will be successful, or that they will offset any delay or loss of sales and profits associated with P&G. See the business segment review beginning on page 16 for a discussion regarding the loss of P&G's domestic diaper backsheet business.

- ***Growth of Film Products depends on our ability to develop and deliver new products, especially in the personal care market, which comprised over 75% of Film Products' net sales in each of the last three years***. Personal care products are now being made with a variety of new materials, replacing traditional backsheet and other components. While we have substantial technical resources, there can be no assurance that our new products can be brought to market successfully, or if brought to market successfully, at the same level of profitability and market share of replaced films. A shift in customer preferences away from our technologies, our inability to develop and deliver new profitable products, or delayed acceptance of our new products in domestic or foreign markets, could have a material adverse effect on our business.

- ***Film Products operates in a field where our significant customers and competitors have substantial intellectual property portfolios***. The continued success of this business depends on our ability not only to protect our own technologies and trade secrets, but also to develop and sell new products that do not infringe upon existing patents. Although we are not currently involved in any patent litigation, the outcome of any such action could have a significant adverse impact on Film Products.

- ***As Film Products expands its personal care business, we have greater credit risk that is inherent in broadening our customer base***.

Aluminum Extrusions

- ***Sales volume and profitability of Aluminum Extrusions is cyclical and highly dependent on economic conditions of end-use markets in the United States and Canada, particularly in the construction, distribution and transportation industries***. Our market segments are also subject to seasonal slowdowns during the winter months. From 1992 to the second quarter of 2000, profits in Aluminum Extrusions grew as a result of positive economic conditions in the markets we serve and manufacturing efficiencies. However, a slowdown in these markets in the second half of 2000 resulted in a 13% decline in sales volume and 28% decline in ongoing operating profit compared with the second half of 1999. The aluminum extrusions industry continued to be affected by poor economic conditions in 2001 and 2002. Our sales volume declined 23% and operating profit declined 49% in 2002 compared with 2000. In 2001, our sales volume declined 20% and operating profit declined 52% compared with 2000. The decline in ongoing operating profit during these periods at approximately two to three times the rate of the decline in sales volume illustrates the operating leverage inherent in our operations (fixed operating costs). Any benefits associated with cost reductions and productivity improvements may not be sufficient to offset the adverse effects on profitability from pricing and margin pressure and higher bad debts that usually accompany a downturn.

- ***The markets for our products are highly competitive with product quality, service and price being the principal competitive factors***. As competitors increase capacity or reduce prices to increase business, there could be pressure to reduce prices to our customers. Aluminum Extrusions is under increasing domestic and foreign competitive pressures, including a growing presence of Chinese imports in a number of markets. This competition could result in loss of market share due to a competitor's ability to produce at lower costs and sell at lower prices. There can be no assurance that we will be able to maintain current margins and profitability. Our continued success and prospects depend on our ability to retain existing customers and participate in overall industry cross-cycle growth.

Therics

- ***Efforts to sell Therics have been suspended pending a reassessment of our strategic options.*** We will continue to incur losses as we support Therics' operations during the reassessment process. There is no assurance we will realize any return on our continuing investment in Therics.

- ***Therics has incurred losses since inception, and we are unsure when, or if, it will become profitable.*** We have not brought any products to commercialization. There can be no assurance that any new products can be brought to market successfully. In addition, there can be no assurance that the FDA and other regulatory authorities will clear our products in a timely manner.

- ***Our ability to develop and commercialize products will depend on our ability to internally develop preclinical, clinical, regulatory and sales and marketing capabilities, or enter into arrangements with third parties to provide those functions***. We may not be successful in developing these capabilities or entering into agreements with third parties on favorable terms. Further, our reliance upon third parties for these capabilities could reduce our control over such activities and could make us dependent upon these parties. Our inability to develop or contract for these capabilities would significantly impair our ability to develop and commercialize products.

- ***We are highly dependent on several principal members of our management and scientific staff***. The loss of key personnel could have a material adverse effect on Therics' business and results of operations, and could inhibit product development and commercialization efforts. In addition, recruiting and retaining qualified scientific personnel to perform future R&D work is critical to our success. Competition for experienced scientists is intense. Failure to recruit and retain executive management and scientific personnel on acceptable terms could prevent us from achieving our business objectives.

- ***The patent positions of biotechnology firms generally are highly uncertain and involve complex legal and factual questions that can determine who has the right to develop a particular product***. No clear policy has emerged regarding the breadth of claims covered by biotechnology patents in the United States. The biotechnology patent situation outside the United States is even more uncertain and is currently undergoing review and revision in many countries. Changes in, or different interpretations of, patent laws in the United States and other countries might allow others to use our discoveries or to develop and commercialize our products without any compensation to us.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

See discussion under "Quantitative and Qualitative Disclosures About Market Risk" beginning on page 17.

Item 4. Controls and Procedures.

Pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, we carried out an evaluation, with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined under Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to Tredegar required to be included in our periodic SEC filings.

There has been no change in our internal control over financial reporting during the quarter ended June 30, 2003, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders.

Tredegar's Annual Meeting of Shareholders was held on April 24, 2003. The following sets forth the vote results with respect to each of the matters voted upon at the meeting:

(a) *Election of Directors*

Nominee	No. of Votes "For"	No. of Votes "Withheld"
Austin Brockenbrough, III	34,885,846	297,729
Donald T. Cowles	34,907,781	275,794
William M. Gottwald	34,834,891	348,684
Richard L. Morrill	34,890,618	292,957
Norman A. Scher	34,873,397	310,178
R. Gregory Williams	34,893,593	289,982

There were no broker non-votes with respect to the election of directors.

The term of office for the following directors continued after the annual meeting and such directors were not up for election at the annual meeting:

Phyllis Cothran
Richard W. Goodrum
Floyd D. Gottwald, Jr.
John D. Gottwald
Thomas G. Slater, Jr.

(b) *Approval of Auditors*

Approval of the designation of PricewaterhouseCoopers LLP as the auditors for Tredegar for the fiscal year ending December 31, 2003:

No. of Votes "For"	No. of Votes "Against"	No. of Abstentions
34,788,883	355,114	39,578

There were no broker non-votes with respect to the approval of auditors.

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

(a) *Exhibit Nos.*

3	Amended By-Laws
4	First amendment to Credit Agreement, dated as of April 29, 2003, by and among Tredegar Corporation, as borrower, and the lenders (SunTrust Bank, as syndication agent, Bank of America, N.A., as documentation agent, and Wachovia Bank, National Association, as administrative agent for the lenders)
31.1	Certification of Norman A. Scher, President and Chief Executive Officer of Tredegar Corporation, pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of D. Andrew Edwards, Vice President, Finance and Treasurer (Principal Financial Officer) of Tredegar Corporation, pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Norman A. Scher, President and Chief Executive Officer of Tredegar Corporation, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of D. Andrew Edwards, Vice President, Finance and Treasurer (Principal Financial Officer) of Tredegar Corporation, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) *Reports on Form 8-K.*

On July 21, 2003, we furnished a Form 8-K with respect to our second quarter 2003 earnings press release dated July 21, 2003. On June 16, 2003, we furnished a Form 8-K with respect to our press release announcing the scheduled closing of our films plant in New Bern, North Carolina. The press release also provided an update to certain forward-looking statements relative to 2003, including the second quarter of 2003, and provided information on other cost reduction efforts. On April 21, 2003, we furnished a Form 8-K with respect to our first quarter 2003 earnings press release dated April 21, 2003.

SIGNATURES

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

Tredegar Corporation
(Registrant)

Date: August 13, 2003 /s/ D. Andrew Edwards

D. Andrew Edwards
Vice President, Finance and
Treasurer
(Principal Financial and Accounting Officer)

Section 302 Certification

I, Norman A. Scher, President and Chief Executive Officer of Tredegar Corporation, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 of Tredegar Corporation;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) [Omitted in reliance on SEC Release No. 33-8238; 34-47986 Section III.E.]

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2003

/s/ Norman A. Scher

Norman A. Scher
President and Chief Executive Officer
(Principal Executive Officer)

Section 302 Certification

I, D. Andrew Edwards, Vice President, Finance and Treasurer (Principal Financial Officer) of Tredegar Corporation, certify that:

(1) I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 of Tredegar Corporation;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) [Omitted in reliance on SEC Release No. 33-8238; 34-47986 Section III.E.]

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting;

(5) The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 13, 2003

/s/ D. Andrew Edwards

D. Andrew Edwards,
Vice President, Finance and Treasurer
(Principal Financial Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Tredegar Corporation (the “Company”) for the period ending June 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Norman A. Scher, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Norman A. Scher

Norman A. Scher
President and Chief Executive Officer
(Principal Executive Officer)
August 13, 2003

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Tredegar Corporation (the “Company”) for the period ending June 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, D. Andrew Edwards, Vice President, Finance and Treasurer (Principal Financial Officer) of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ D. Andrew Edwards

D. Andrew Edwards
Vice President, Finance and Treasurer
(Principal Financial Officer)
August 13, 2003

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 3

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TREDEGAR CORPORATION

AMENDED AND RESTATED BY-LAWS

In Effect as of April 24, 2003

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TREDEGAR CORPORATION

AMENDED AND RESTATED 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 Thursday in April, at 9:30 a.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 Chairman of the Board or 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 7 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 Chairman of the Board, 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 Chairman of the Board. 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 Chairman of the Board. 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, except for awards made under a shareholder approved plan and 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. 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 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.

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 other incentive compensation, the Executive Compensation Committee shall have and may exercise such powers as may from time to time be conferred by the Board of Directors or pursuant to any plan under which such compensation is paid or awarded.

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 and Governance Committee. The Board of Directors shall designate a Nominating and Governance Committee, which shall consist of three or more directors and 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. The primary responsibilities of the Nominating and Governance Committee shall include: (i) reviewing the composition of the Board of Directors to insure that there is a balance of appropriate skills and characteristics reflected on the Board; (ii) developing criteria for Director searches and making recommendations to the Board regarding nominees for election as directors by the shareholders at each Annual Shareholders´ Meeting, including the addition of any new Board members, after appropriate search and investigation; (iii) making such other recommendations regarding tenure and classification of directors as the Committee may deem advisable from time to time; (iv) making recommendations to the Board on the membership of the Board Committees; (v) reviewing public policy issues which affect the image of the Corporation; and (vi) recommending actions to increase the Board´s effectiveness. 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. Duties of the Chairman. The Chairman of the Board shall serve as the Chairman of the Board of Directors and the Chairman of the Executive Committee. The Chairman of the Board shall preside at all meetings of shareholders, the Board of Directors and the Executive Committee. During any period of incapacity or absence of the President and until the Board directs otherwise, the Chairman of the Board shall perform the duties and have the authority of the President. In such circumstances, the Chairman of the Board 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. In addition, he shall perform all duties incident to the position of the Chairman of the Board and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 7. Duties of Vice Chairman. The Corporation may elect a Vice Chairman of the Board. In the absence or incapacity of the Chairman of the Board, the Vice Chairman shall perform the duties of the Chairman, 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 Chairman of the Board 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.

ARTICLE IV

Officers

Section 1. Election. The officers of the Corporation shall consist of a President, 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 or a written consent in lieu thereof.

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 officer of the Corporation, shall have direct supervision over the business of the Corporation and its several officers, subject to the authority of the Board of Directors, and shall consult with and report to the Board of Directors directly and through the Chairman of the Board. 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. 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 or the Chairman of the Board.

Section 6. 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, the Chairman of the Board or the President. 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 7. 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, the Chairman of the Board or the President.

Section 8. 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, the Chairman of the Board or the President.

Section 9. 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, the Chairman of the Board or the President.

Section 10. 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 4 such determination shall apply to any adjournment thereof.

ARTICLE VI

Miscellaneous Provisions

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

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

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

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

The Board of Directors shall, subject to the provisions of the foregoing paragraph of this Section 3, 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 Chairman of the Board, 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 Chairman of the Board, the President, any Executive Vice President or any officer or officers designated by the Board of Directors or the Executive Committee 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 American Stock Transfer & Trust Company, dated as of June 30, 1999, 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.

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT, dated as of April 29, 2003 (the "*First Amendment*"), is by and among **TREDEGAR CORPORATION**, a Virginia corporation (the "*Borrower*"), the Lenders party hereto (the "*Lenders*"), **SUNTRUST BANK**, as syndication agent (the "*Syndication Agent*"), **BANK OF AMERICA, N.A.**, as documentation agent (the "*Documentation Agent*") and **WACHOVIA BANK, NATIONAL ASSOCIATION**, as administrative agent for the Lenders (in such capacity, the "*Administrative Agent*").

W I T N E S S E T H

WHEREAS, the Borrower, the Lenders and the Administrative Agent are parties to that certain Credit Agreement dated as of April 30, 2002 (as amended, modified, supplemented or restated from time to time, the "*Credit Agreement*"; capitalized terms used herein shall have the meanings ascribed thereto in the Credit Agreement unless otherwise defined herein); and

WHEREAS, the Borrower has requested to extend the Termination Date for an additional 364 day period, and the Lenders have agreed to extend their respective Commitments and amend the Credit Agreement in accordance with such request and as provided herein.

NOW, THEREFORE, in consideration of the agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1

AMENDMENTS

1.1 ***Definition of Applicable Percentage*.** The definition of "Applicable Percentage" set forth in Section 1.01 of the Credit Agreement is hereby amended and restated as follows:

"*Applicable Percentage*" shall mean, for any day, the rate per annum set forth below opposite the applicable level then in effect, it being understood that the Applicable Percentage for (i) Revolving Loans that are LIBOR Rate Loans shall be the percentage set forth under the column "LIBOR Rate Margin for Revolving Loans" and (ii) the Facility Fee shall be the percentage set forth under the column "Facility Fee":

Level	Leverage Ratio	LIBOR Rate Margin for Revolving Loans	Alternate Base Rate Margin for Revolving Loans	Facility Fee
I	> 0.40 to 1.0	1.00%	0.00%	0.25%
II	> 0.30 to 1.0 but <= 0.40 to 1.0	0.80%	0.00%	0.20%
III	<= 0.30 to 1.0	0.60%	0.00%	0.15%

provided that, if the Credit Agreement is not refinanced or otherwise terminated on or prior to July 31, 2003, then the Applicable Percentage and the Facility Fee shall be the percentages in the following grid:

Level	Leverage Ratio	LIBOR Rate Margin for Revolving Loans	Alternate Base Rate Margin for Revolving Loans	Facility Fee
I	> 0.40 to 1.0	1.125%	0.00%	0.50%
II	> 0.30 to 1.0 but <= 0.40 to 1.0	1.00%	0.00%	0.50%
III	<= 0.30 to 1.0	0.75%	0.00%	0.50%

The Applicable Percentage shall, in each case, be determined and adjusted quarterly on the date five (5) Business Days after the date on which the Administrative Agent has received from the Borrower the financial information and certifications required to be delivered to the Administrative Agent and the Lenders in accordance with the provisions of Section 5.04(a), (b) and (c) (each an *"Interest Determination Date"*). Such Applicable Percentage shall be effective from such Interest Determination Date until the next such Interest Determination Date. The initial Applicable Percentages shall be based on Level II until the first Interest Determination Date occurring after the Closing Date. After the Closing Date, if the Borrower shall fail to provide the quarterly financial information and certifications in accordance with the provisions of Section 5.04(a), (b) and (c), the Applicable Percentage from such Interest Determination Date shall, on the date five (5) Business Days after the date by which the Borrower was so required to provide such financial information and certifications to the Administrative Agent and the Lenders, be based on Level I until such time as such information and certifications are provided, whereupon the Level shall be determined by the then current Leverage Ratio.

1.2 ***Definition of Termination Date*****.** The definition of "Termination Date" set forth in Section 1.01 of the Credit Agreement is hereby amended and restated as follows:

"*Termination Date*" means (unless earlier terminated), as to each Lender, April 28, 2004, or if extended with the consent of such Lender, such later date not more than 364 days following the then applicable Termination Date.

1.3 ***Consolidated Stockholders' Equity*****.** Section 6.07 of the Credit Agreement is hereby amended and restated in its entirety:

Section 6.07 ***Consolidated Stockholders' Equity*****.**

Permit Consolidated Stockholders' Equity of the Borrower to be less than $325,000,000 at any time.

SECTION 2

CLOSING CONDITIONS

2.1 ***Closing Conditions*.**

This First Amendment shall be effective at such time as the following conditions shall have been satisfied (in form and substance reasonably acceptable to the Administrative Agent):

(a) *First Amendment*. Receipt by the Administrative Agent of a copy of this First Amendment duly executed by each of the Borrower, the Lenders and the Administrative Agent.

(b) *Legal Opinion*. Receipt by the Administrative Agent of an opinion of in-house legal counsel to the Borrower addressed to the Administrative Agent and the Lenders in form and substance reasonably satisfactory to the Administrative Agent.

(c) *Other Documents*. The Administrative Agent shall have received such other documents, agreements, and opinions in connection with the closing of the First Amendment as the Administrative Agent may reasonably request.

(d) *Amendment Fee*. Receipt by the Administrative Agent, on behalf of each Lender that delivers an executed counterpart of this First Amendment to the Administrative Agent on or before April 29, 2003, of an amendment fee equal to the amount set forth in that certain Fee Letter dated as of April 8, 2003 among the Borrower, the Administrative Agent and Wachovia Securities, Inc.

SECTION 3

MISCELLANEOUS

3.1 ***Amended Terms.*** The term "Credit Agreement" as used in each of the Loan Documents shall hereafter mean the Credit Agreement as amended by this First Amendment. Except as specifically amended hereby or otherwise agreed, the Credit Agreement is hereby ratified and confirmed and shall remain in full force and effect according to its terms.

3.2 ***Representations and Warranties of Credit Parties.*** The Borrower hereby represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this First Amendment.

(b) This First Amendment has been duly executed and delivered by such Person and constitutes such Person's legal, valid and binding obligations, enforceable in accordance with its terms, except as such enforceability may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by such Person of this First Amendment.

(d) After giving effect to this Amendment, the representations and warranties set forth in Article III of the Credit Agreement are, subject to the limitations set forth therein, true and correct in all respects as of the date hereof (except for those which expressly relate to an earlier date).

3.3 ***Loan Document*****.** This First Amendment shall constitute a Loan Document under the terms of the Credit Agreement and shall be subject to the terms and conditions thereof (including, without limitation, Sections 9.07, 9.11 and 9.16 of the Credit Agreement).

3.4 ***Entirety.*** This First Amendment and the other Loan Documents embody the entire agreement between the parties hereto and supersede all prior agreements and understandings, oral or written, if any, relating to the subject matter hereof.

3.5 ***Counterparts.*** This First Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument.

[Signature Pages to Follow]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this First Amendment to be duly executed and delivered as of the date first above written.

BORROWER:	**TREDEGAR CORPORATION,** a Virginia corporation
	By: /s/ D. Andrew Edwards
	Name: D. Andrew Edwards
	Title: Vice President

AGENT AND LENDERS:	**WACHOVIA BANK, NATIONAL ASSOCIATION,** as Administrative Agent and as a Lender

By: /s/ George L. Woolsey

Name:	George L. Woolsey
Title:	Vice President

[Signature Pages Continue]

SUNTRUST BANK
as a Lender

By: /s/ Mark A. Flatin

Name:	Mark A. Flatin
Title:	Director

[Signature Pages Continue]

BANK OF AMERICA, N.A.
as a Lender

By: /s/ Richard C. Hardison

Name:	Richard C. Hardison
Title:	Vice President

[Signature Pages Continue]