



2015 Third-Quarter Financial Results

Forward-Looking Statements

Certain statements contained in this presentation are forward-looking statements. Pursuant to federal securities regulations, we have set forth cautionary statements relating to those forward-looking statements in our Annual Report on Form 10-K for the year ended December 31, 2014, in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, and other filings with the Securities and Exchange Commission. We urge readers to review and carefully consider these cautionary statements and the other disclosures we make in our filings with the SEC.

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


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

Tredegar Corporation

2015 Third Quarter Financial Results



(\$ in millions, except EPS)

	3Q 2015	3Q 2014	
Net Sales ¹	\$215.9	\$232.7	(7)%
Net Income from Ongoing Operations ²	\$9.3	\$8.8	6%
Diluted EPS from Ongoing Operations ²	\$0.28	\$0.27	4%

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

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

“Earnings per share from ongoing operations increased for the quarter to 28 cents from 27 cents last year, however, 2015 results include nonoperational gains in our Flexible Packaging Films unit of 8 cents. Operating profits in PE Films during the quarter were down \$4.7 million mainly due to previously announced losses of business and product transitions in personal care films. Operating profits in PE Films for the quarter still include \$3 million of profits relating to previously announced product transitions that will wind down in the future. Also, we believe that our efforts to reduce costs, add new products and increase share will need to offset the impact from additional product transitions after 2017, which is estimated at approximately \$10 million annually.”

“Flexible Packaging Films’ results excluding non-operational gains were break-even for the quarter, which was approximately \$1.5 million better than last year. We have determined that this business’s current enterprise value no longer supports the goodwill on the balance sheet. Accordingly, we booked an impairment charge of \$44.5 million.” Mr. Gottwald continued, “We’ve reorganized PE Films and Flexible Packaging Films with the intent of speeding up decision making and improving customer responsiveness. This quarter we started reporting them separately to help our shareholders better track their performance. In his final comments, Mr. Gottwald said, “Bonnell sales volume and profits increased for the quarter over last year, but we’re now running at near capacity. We’re evaluating several options that we believe can help us participate in continued expected market growth.” **John Gottwald, CEO and President (third quarter 2015 earnings release)**

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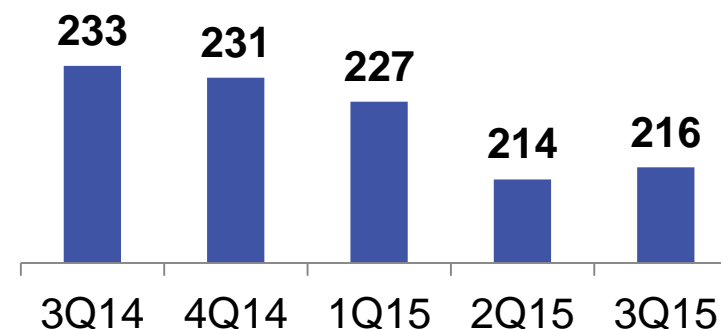
Third Quarter Net Sales and Net Income



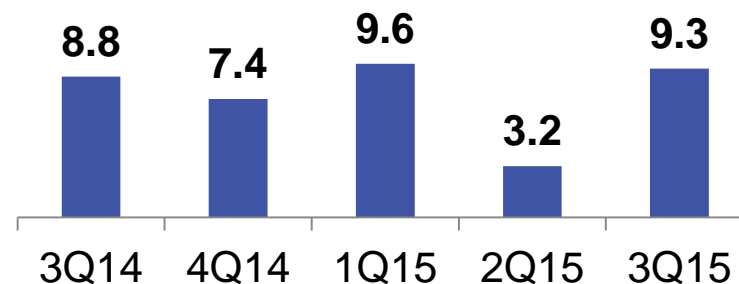
Financial Highlights

- Combined segment operating profit from ongoing operations³ of \$21.1M
 - PE Films operating profit of \$9.7M (down \$4.7M Y-O-Y and up \$0.5M sequentially)
 - Flexible Packaging (Terphane) operating profit of \$4.1M (up \$5.4M Y-O-Y and \$7.2M sequentially)
 - 3Q includes \$3.9M of profit from non-operational items
 - Bonnell Aluminum operating profit of \$7.3M (up \$1.5M Y-O-Y and down \$1.0M sequentially)
- Non-cash pension expense increased \$1.8M (\$4.0M YTD) unfavorable to prior year

Net Sales¹ (\$ in millions)



Net Income from Ongoing Operations² (\$ in millions)



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

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

2015 Third Quarter Results

3rd Quarter Performance

(in millions)	3Q 15	3Q 14	▲
Volume (lbs.)	40.0	44.3	(10)%
Net Sales ¹	\$93.9	\$115.2	(18)%
Operating Profit ²	\$9.7	\$14.5	(32)%
Pro forma Op. Profit ⁴	\$8.0	\$10.3	(23)%
Adj. EBITDA ³	\$13.8	\$19.5	(29)%
Pro forma Adj. EBITDA ⁴	\$11.6	\$14.6	(21)%

Financial Highlights

- Product transitions for Films' largest customer negatively impacting personal care volumes
- Lower volumes and competitive pricing pressures in polyethylene overwrap films
- Lower volumes in surface protection films due to customer inventory corrections
- Unfavorable foreign exchange impact of \$0.8M

YTD Performance

(in millions)	2015	2014	▲
Volume (lbs.)	121.9	133.9	(9)%
Net Sales ¹	\$292.3	\$354.9	(18)%
Operating Profit ²	\$35.9	\$47.2	(24)%
Pro forma Op. Profit ²	\$29.1	\$31.2	(7)%
Adj. EBITDA ³	\$47.8	\$63.8	(25)%
Pro forma Adj. EBITDA ³	\$39.4	\$45.3	(13)%

Other Highlights

- Pro forma estimates reflect operating profit assuming sales from lost business and product transitions have been eliminated³
- Additional product transitions after 2017 expected to result in additional adverse profit impact of \$10M
- Efforts to consolidate domestic manufacturing facilities commenced during the 3rd quarter (see Management Discussion in Form 10-Q (starting on pg. 23) for addl. information)
- Change in organizational structure to improve customer responsiveness
- 2015 capital spending projection of \$21M

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

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

⁴ See Note 7 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.

Flexible Packaging Films (Terphane)

2015 Third Quarter Results



3rd Quarter Performance

(in millions)	3Q 15	3Q 14	▲
Volume (lbs.)	22.5	17.3	30%
Net Sales ¹	\$27.2	\$27.9	(3)%
Operating Profit ²	\$4.1	\$(1.3)	-- %
Adj. EBITDA ³	\$6.4	\$0.9	611%

Financial Highlights

- Non-operational favorable impact of \$3.9M in 3Q (\$6.1M YTD) from refunds associated with duties and foreign currency transaction gains
- Excluding non-operational items, profits improved by \$1.5M:
 - Higher volumes
 - Competitive pricing pressures reducing margins
 - Lower manufacturing costs

YTD Performance

(in millions)	2015	2014	▲
Volume (lbs.)	60.0	51.0	18%
Net Sales ¹	\$77.3	\$83.4	(7)%
Operating Profit ²	\$1.8	\$(2.3)	-- %
Adj. EBITDA ³	\$9.3	\$4.2	121%

Other Highlights

- Unfavorable economic conditions in Brazil and ongoing excess global capacity in market
- Impairment charge of \$44.5M recognized to write off Terphane goodwill (see Management Discussion in the Form 10-Q (starting on pg. 27) for additional information)
- 2015 capital spending projection of \$4M

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

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

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

Aluminum Extrusions (Bonnell Aluminum)

2015 Third Quarter Results



3rd Quarter Performance

(in millions)	3Q 15	3Q 14	▲
Volume (lbs.)	44.8	39.5	13%
Net Sales ¹	\$94.8	\$89.6	6%
Operating Profit ²	\$7.3	\$5.8	26%
Adj. EBITDA ³	\$9.7	\$8.4	17%

YTD Performance

(in millions)	2015	2014	▲
Volume (lbs.)	127.2	114.4	11%
Net Sales ¹	\$286.7	\$253.4	13%
Operating Profit ²	\$20.9	\$18.6	12%
Adj. EBITDA ³	\$28.2	\$26.1	8%

Financial Highlights

- Higher sales volume largely due to growth in nonresidential B&C market and rollout of new customer programs in automotive
- Production inefficiencies of ~\$1M related to mechanical issues and intermittent run times specific to a single extrusion press

Other Highlights

- Average capacity utilization at approximately 90%; exploring opportunities to increase capacity
- 2015 capital spending projection of \$9M
- See Management Discussion in Form 10-Q (starting on pg. 29) for additional information

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

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Other 2015 Year-to-Date Financial Highlights (as of 9/30/2015)

\$ in millions, except percentages

Cash Flows from Operations	\$33.3
Capital Expenditures	\$23.4
Dividends Paid (quarterly dividend \$.11/share)	\$10.1
Net Debt¹	\$87.4
Total Debt to Adjusted EBITDA² (LTM as of 9/30/2015)	1.57x

¹ As of 9/30/2015. See Note 4 in GAAP to Non-GAAP Reconciliations for more information and a reconciliation of this non-GAAP financial measure.

² As defined under Tredegar's credit agreement. See Tredegar's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 (pages 36-37) for more information on this non-GAAP financial measure.



Appendix

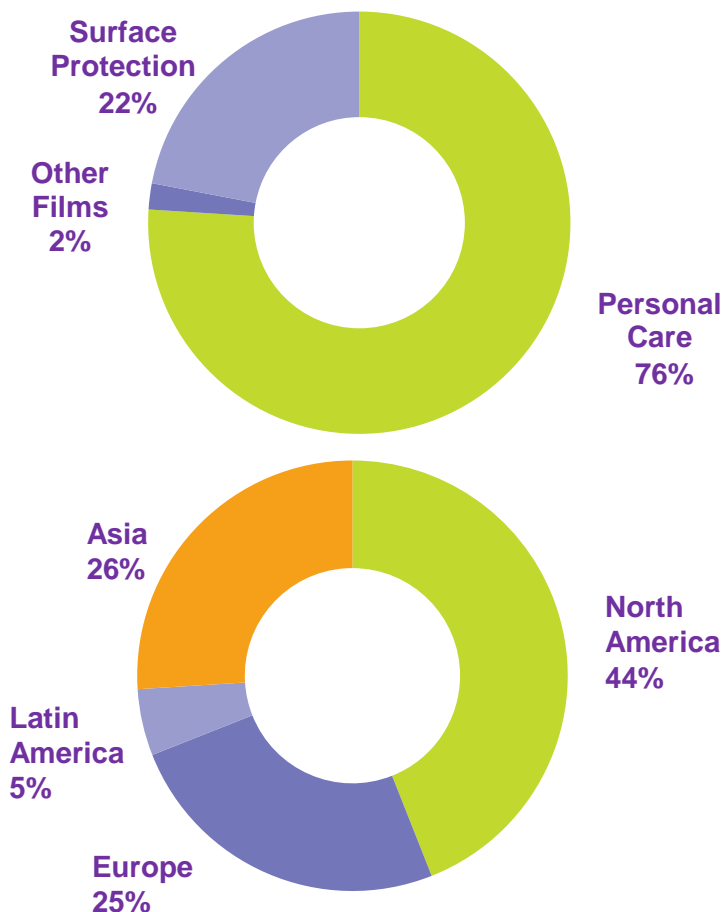
Tredegar At A Glance

Major Product Groups	Primary End Markets	Customers	Competitors
<p>Polyethylene Films:</p> <p>Personal Care: apertured, breathable, elastic and embossed films and laminate materials for personal care markets</p> <p>Surface Protection: single and multilayer surface protection films for high technology applications during the manufacturing and transportation process</p>	<p>Feminine hygiene products, baby diapers and adult incontinence products</p> <p>High-value components of flat panel displays, including liquid crystal display ("LCD") televisions, monitors, notebooks, smartphones, tablets, e-readers and digital signage</p>	<p>Global and regional consumer care producers</p> <p>Major manufacturers of flat panel display components</p>	<p>Clopay, Norderia, Aplix, Pantex, RKW</p> <p>Toray, Sekesui, Hitachi</p>
<p>Flexible Packaging Films: specialized polyester ("PET") films for use in packaging applications</p>	<p>Perishable and non-perishable food packaging; non-food packaging and industrial applications</p>	<p>Major food packaging converters and producers</p>	<p>DuPont Teijin Films, Toray Plastics America, Mitsubishi</p>
<p>Films for Other Markets: films combining multiple technology platforms for application-specific functionality, including optical management</p>	<p>Lighting, signage, durable goods, automotive and construction applications</p>	<p>Global and regional leaders in LED lighting</p>	<p>Luminit, Fusion Optix, DuPont</p>
<p>Aluminum Extrusions: Custom aluminum extrusion profiles supplied in various finishing and value-added service options including mill (unfinished), anodized, painted, fabricated, machined, cut-to-length, assembled, custom packed and labeled for:</p> <ul style="list-style-type: none"> • Nonresidential and residential construction • Automotive • Consumer durables • Machinery and equipment • Electrical • Distribution 	<p>Nonresidential Construction: Doors, windows, pre-engineered structures, wall panels, partitions and interior enclosures, ducts, louvers and vents, curtain walls, store fronts and entrances, walkway covers</p> <p>Residential Construction: Shower and tub enclosures, storm shutters</p> <p>Automotive: Automobile/light truck structural components, recreational vehicles, trim parts, after-market accessories</p> <p>Consumer Durables: Commercial refrigerators, freezers, office and institutional furniture, major appliances, pleasure boats and recreational motorized watercraft</p> <p>Machinery and Equipment: Material handling equipment, conveyors, industrial erector sets, hospital and office applications and other industrial uses</p> <p>Electrical: Commercial and industrial LED lighting housings and heatsinks, solar panels, rigid and flexible conduit</p> <p>Distribution: Metal service centers with stocking programs and custom fabrication of standard shapes and profiles</p>	<p>Glazing contractors and fabricators</p> <p>Tier suppliers to Automotive OEMs</p> <p>Consumer durables, machinery and equipment, and electrical OEMs</p> <p>Metal service centers</p>	<p>Sapa North America, Kaiser Aluminum, Western Extrusions Corp., Keymark Aluminum Corp.</p>

PE Films

Business Profile

(\$402 million Net Sales¹ LTM)



Key Growth Drivers

- Electronics and display market expanding
- Aging baby boomers in developed markets
- Growth of middle class in emerging markets
- Strong growth in LED lighting market

Customers

- Global and regional consumer care producers
- Major manufacturers of flat panel display components
- Global and regional leaders in LED lighting

Primary End Use Markets

- Personal care products – feminine hygiene, baby diapers and adult incontinence products
- High-value components of flat panel displays, including LCD televisions, monitors, notebooks, smartphones, tablets and digital signage
- LED and fluorescent lighting

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

PE Films

Key Market Drivers

Key Drivers for Surface Protection Films

- New technologies for high-end TVs, tablets, phablets and smartphones are driving growth
 - Expanded use of touch screen technology
 - Screens getting larger (1" per year); flat panel display area projected to grow 4-6% in 2015¹
 - Unit growth in TVs expected as consumers upgrade (ex. 4K and QDEF technology)
- Increasing quality demands to meet high-performance specifications – Surface Protection films improve customer process yields and minimize quality rejects during in-process and shipment applications

Key Drivers for Personal Care Films

- Positive global market growth trends for absorbent products expected through 2019:
 - Global market growth of ~ 4% per year, driven by emerging market growth²
 - Baby diapers expected to grow ~ 4.5%²
 - Feminine hygiene expected to grow ~ 3.5%²
 - Adult incontinence products expected to grow ~ 8%²
- Increasing penetration in countries with large and growing population for feminine hygiene, baby and adult
- Middle class growth in emerging markets shifting consumption from lower-tier to premium products

¹ IHS 2015

² Price Hanna Consultants, February 2015

PE Films

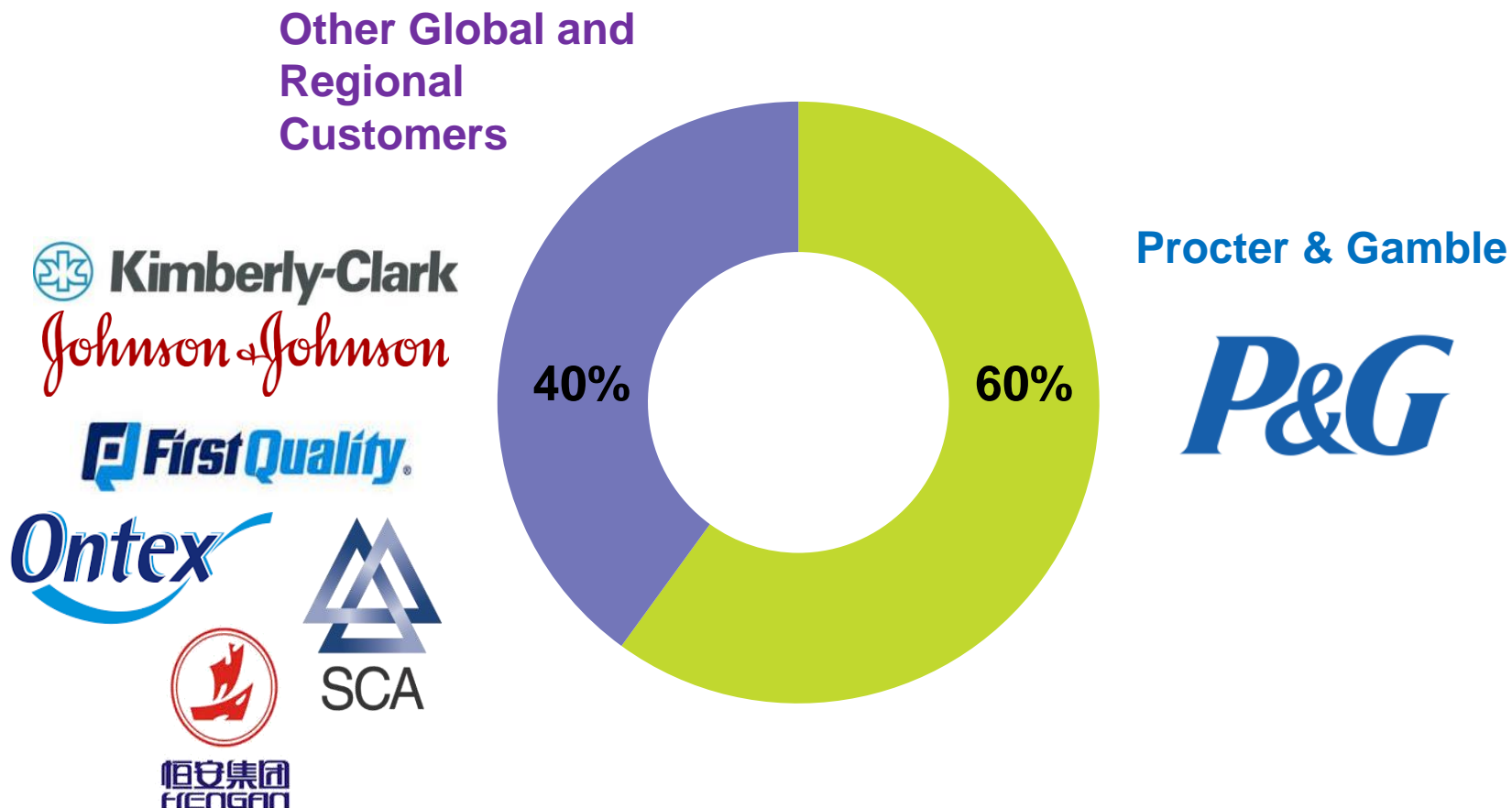
Strengths

- Broad capabilities in high-performance plastic films, elastics, and laminate material technologies
- Global footprint, producing to the highest quality standards, with local supply and service capabilities
- Positive market dynamics and growth trends in multiple end-use markets

PE Films

Personal Care Customer Base

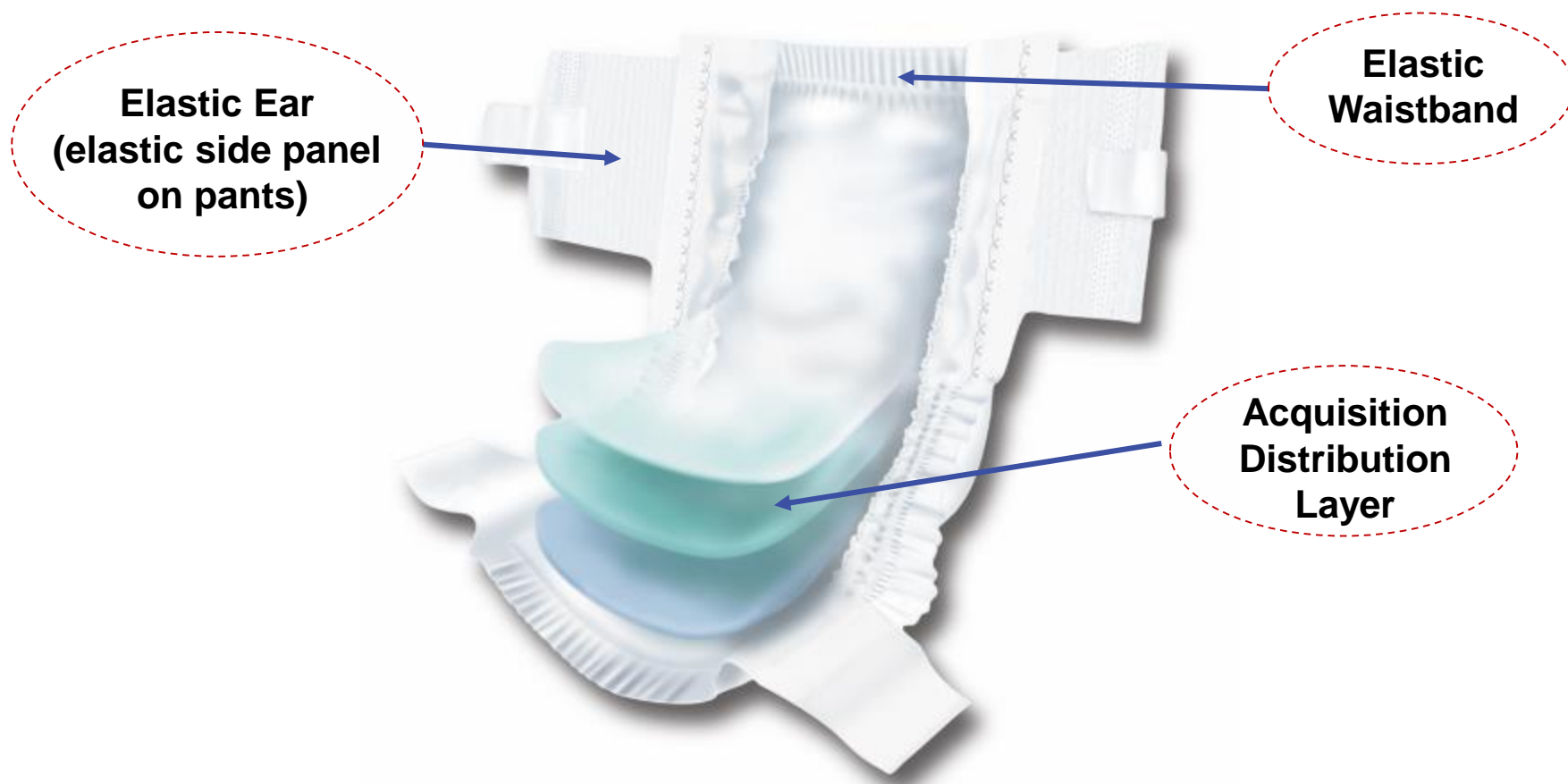
(\$317 million Net Sales¹ in 2014)



PE Films

Personal Care Product Development

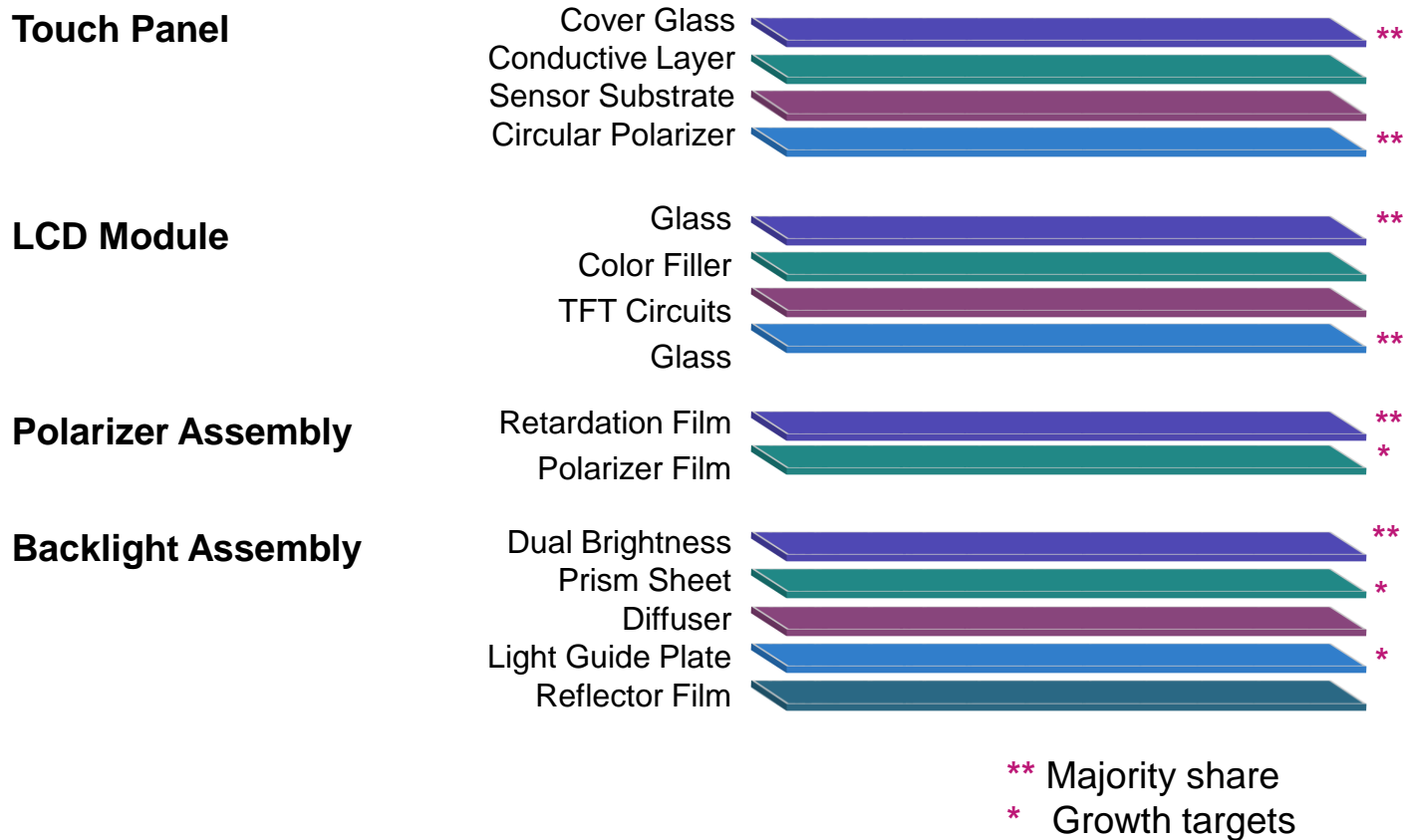
Baby Diaper and Adult Incontinence Areas of Development



PE Films

Surface Protection Overview

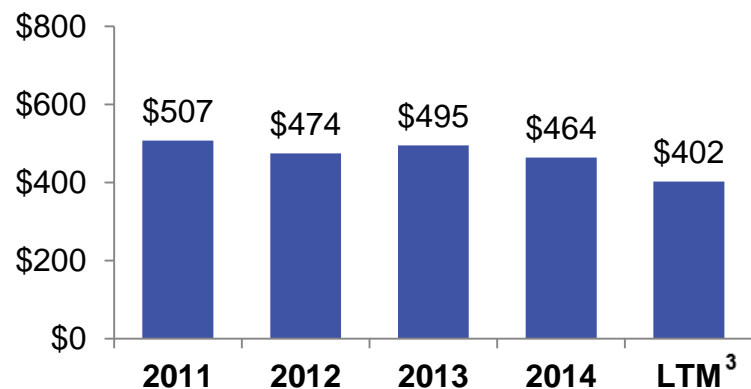
Typical LCD Optical Stack (examples: TVs, Smartphones)



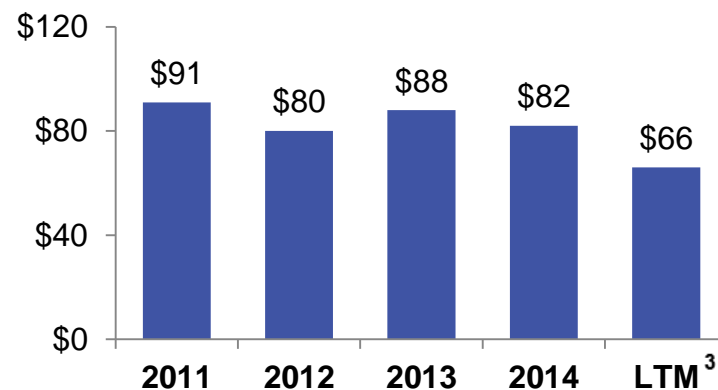
PE Films

Annual Historical Financials

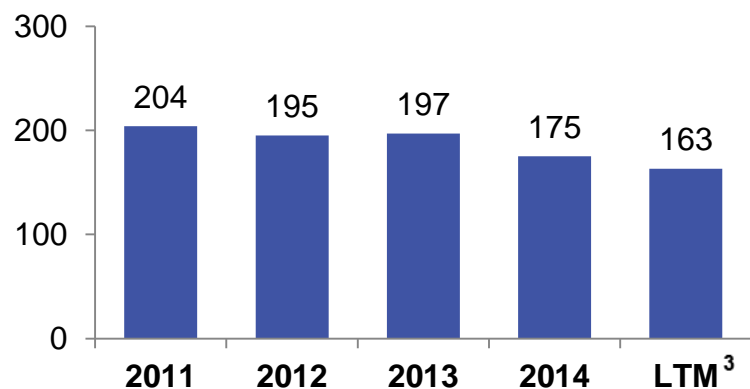
Net Sales¹ (\$ in millions)



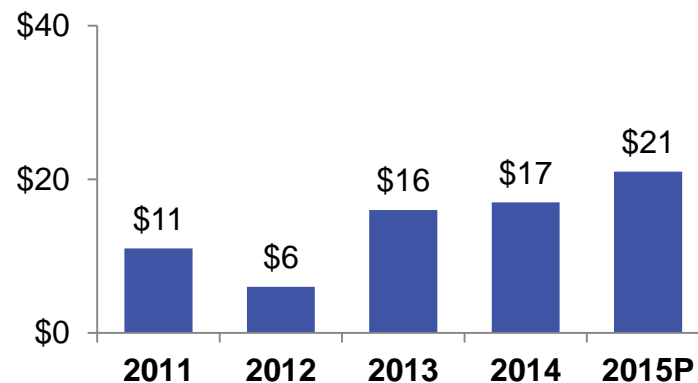
Adjusted EBITDA² (\$ in millions)



Volume (lbs. in millions)



Capital Expenditures (\$ in millions)



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

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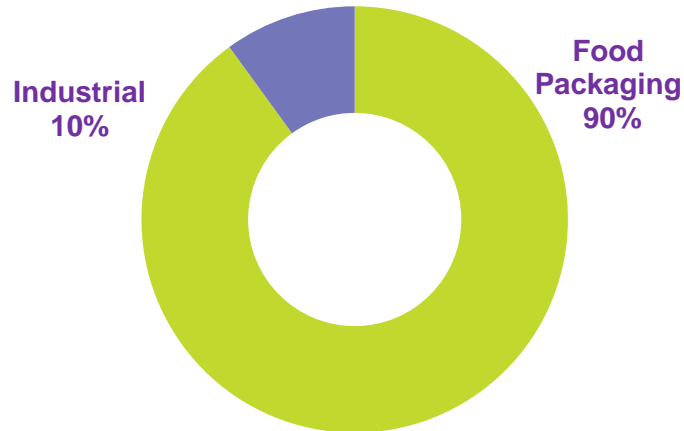
³ Includes sales associated with lost business and product transitions for certain personal care materials. Excluding these sales, pro forma estimates for sales, adjusted EBITDA and volume are net sales of \$354M, adjusted EBITDA of \$54M and volume of 151M lbs. See Note 7 in GAAP to Non-GAAP Reconciliations for more information on these non-GAAP measures.

Flexible Packaging (PET) Films

Business Profile



(\$108 million Net Sales¹ LTM)



Key Growth Drivers

- Growing end-user demand for convenience foods, lighter packaging and branded consumer products
- Packaging innovation driving demand for flexible packaging

Customers

- Global and regional food packaging producers and converters

Primary End Use Markets

- Perishable and non-perishable food packaging
- Non-food packaging and industrial applications



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

Flexible Packaging (PET) Films

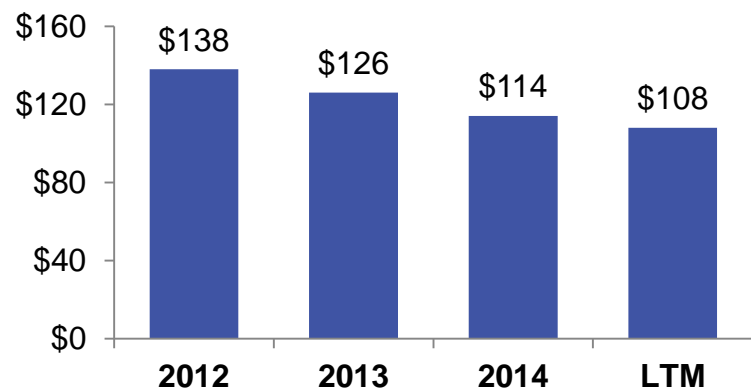
Strengths

- Industry-leading position in Brazilian flexible packaging market with strong long-term relationships with diverse customer base
- Market-focused manufacturing operations in Brazil and U.S. with short lead-times and strong customer service; in Brazil, sole domestic supplier of innovative value-added products
- High-value specialty PET (polyethylene terephthalate) film offers technical advantages, such as temperature resistance, high dimensional stability and barrier properties

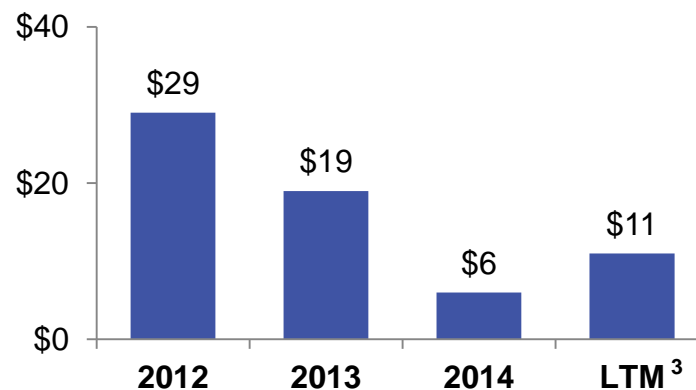
Flexible Packaging (PET) Films

Annual Historical Financials

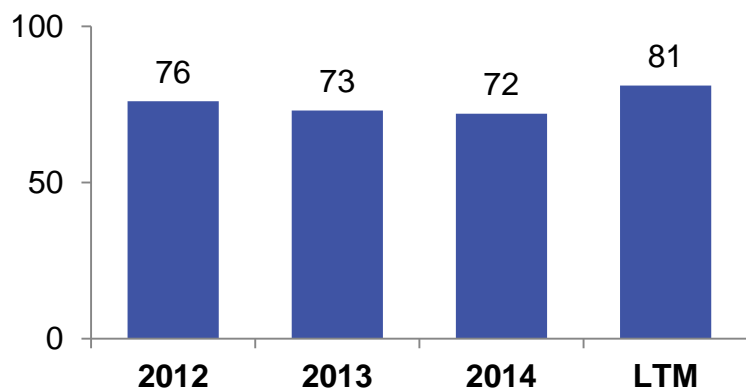
Net Sales¹ (\$ in millions)



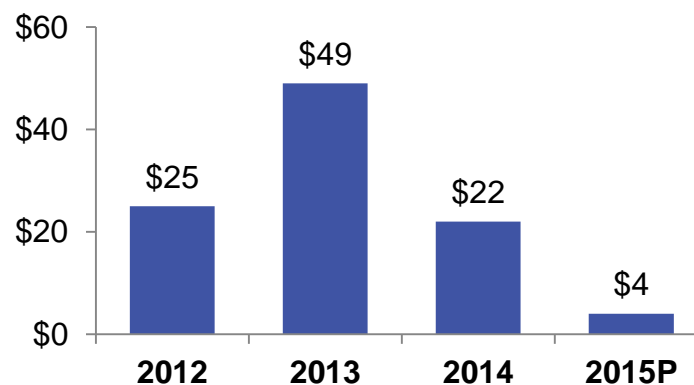
Adjusted EBITDA² (\$ in millions)



Volume (lbs. in millions)



Capital Expenditures (\$ in millions)



Reflects acquisition of Terphane subsequent to acquisition date of 10/24/11.

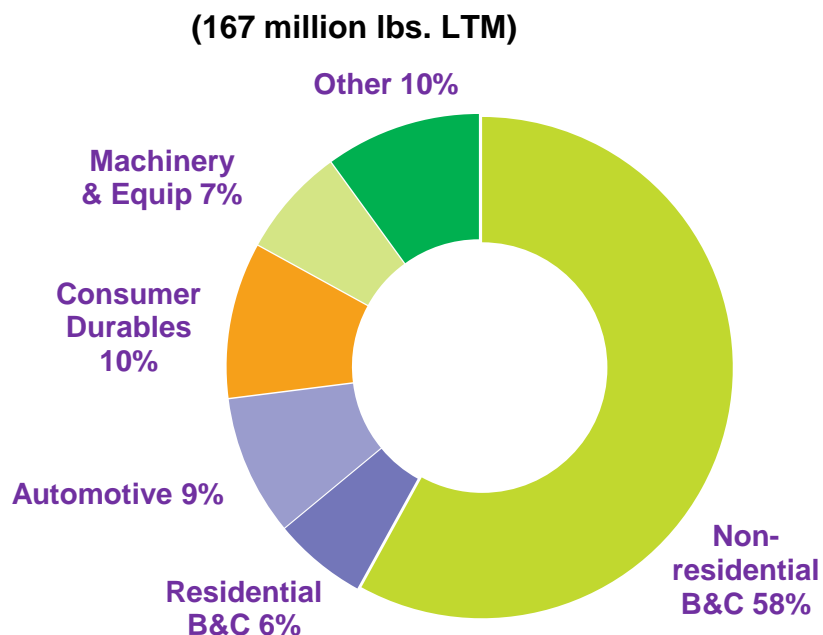
¹ Net sales represent sales less freight. See Note 1 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.

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

³ LTM EBITDA results include \$5.5M of favorable impact from non-operational items, including refunds associated with duties previously applied to films imported into the United States (\$1.2M) and foreign currency transaction gains associated with U.S. dollar denominated export sales from Brazil (\$4.3M)

Bonnell Aluminum

Business Profile



Key Market Drivers

- Nonresidential building and construction recovery with industry growth projected through 2019
- Strong demand for finished products, including anodized and painted products and fabricated components
- Growing aluminum content in vehicles, driven by CAFÉ (corporate average fuel economy) standards

Customers

- Glazing contractors and fabricators
- Tier I and II suppliers to automotive OEMs
- Consumer durables, machinery and equipment, and electrical OEMs

Primary End Use Markets

- Curtain wall, store fronts and entrances, doors, windows, wall panels and other building components
- Automobile and light truck structural components
- Consumer durables such as major appliances, pleasure boats and recreational watercraft, office and institutional furniture
- Material handling equipment, linear motion and conveying systems, modular framing

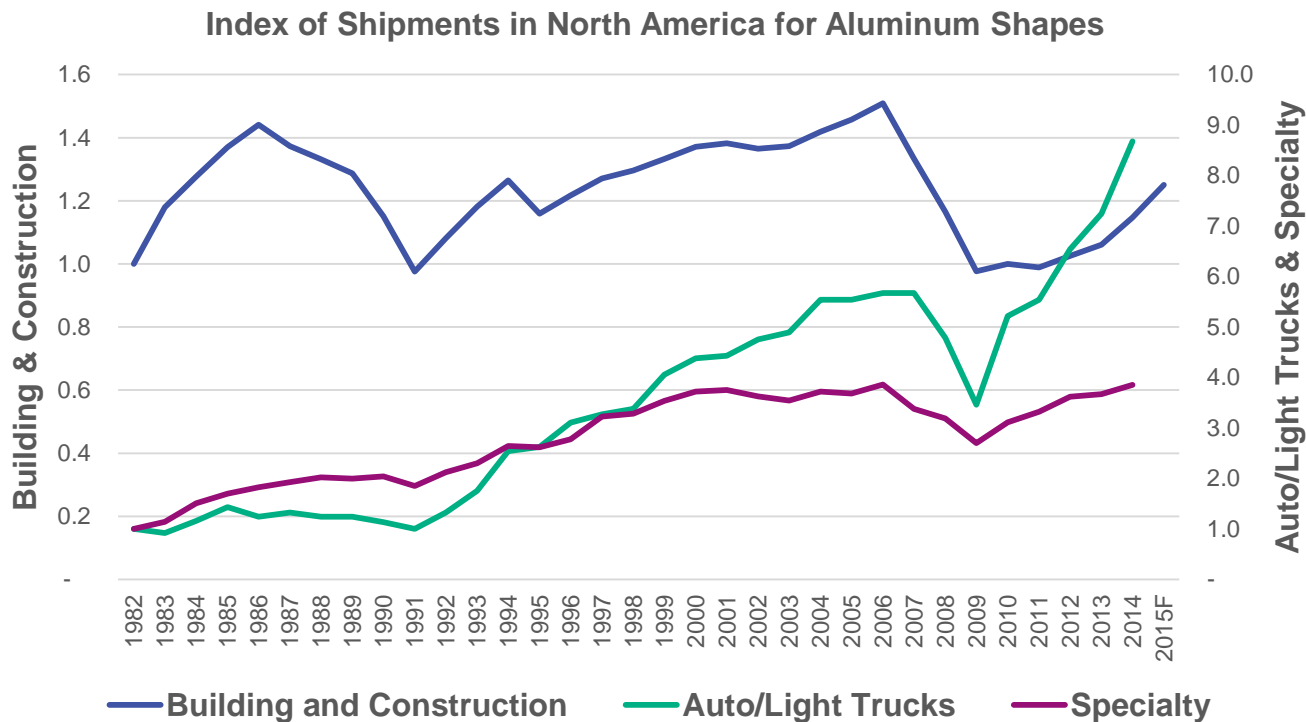
Bonnell Aluminum

Strengths

- Industry-leading position in nonresidential building and construction sector of North American extrusions market with four U.S. manufacturing locations
- Market-focused manufacturing operations and world-class capabilities in extrusion and finishing services – fabrication, painting and anodizing
- Positive dynamics and growth trends in building and construction and automotive markets are driving demand

Bonnell Aluminum

Key Markets



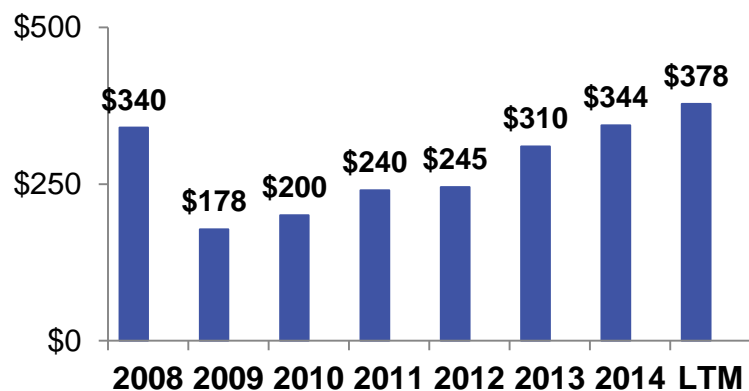
Source: Company's index computations based on Aluminum Association data (2015)

Note: Specialty includes aluminum extrusions sold to the consumer, electrical and machinery markets.

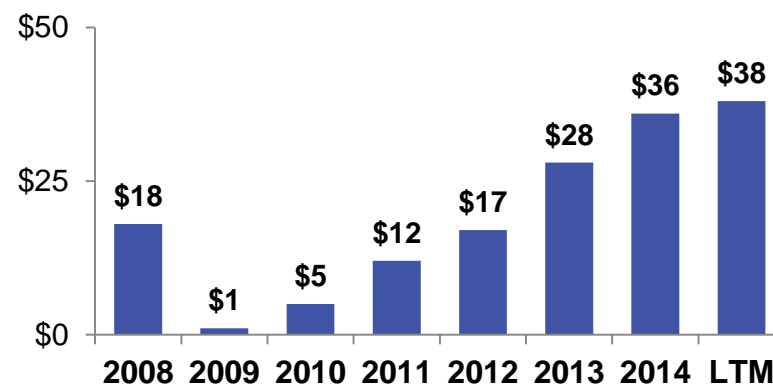
Bonnell Aluminum

Annual Historical Financials

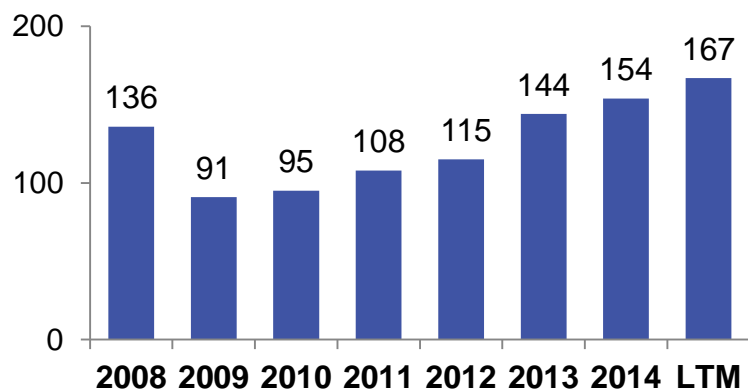
Net Sales¹ (\$ in millions)



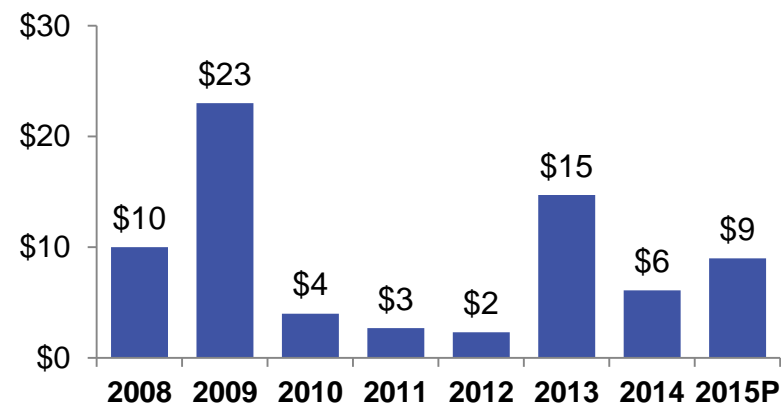
Adjusted EBITDA² (\$ in millions)



Volume (lbs. in millions)



Capital Expenditures (\$ in millions)



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

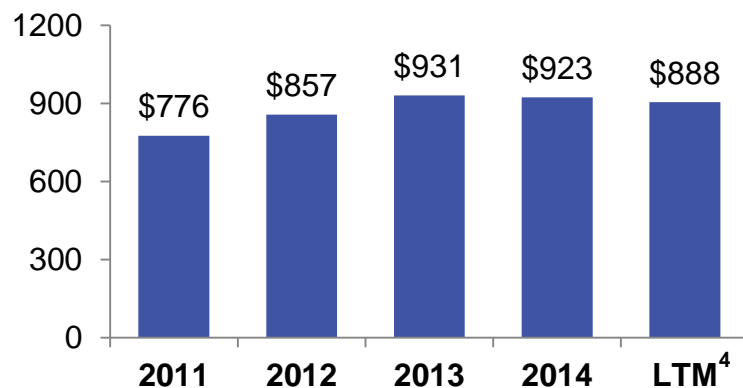
¹ Net sales represent sales less freight. See Note 1 in GAAP to Non-GAAP Reconciliations for more information on this non-GAAP financial measure.

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

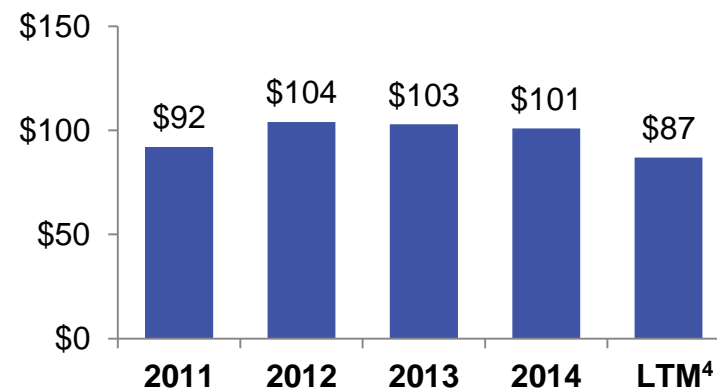
Tredegar Corporation

Annual Historical Financials

Net Sales¹ (\$ in millions)



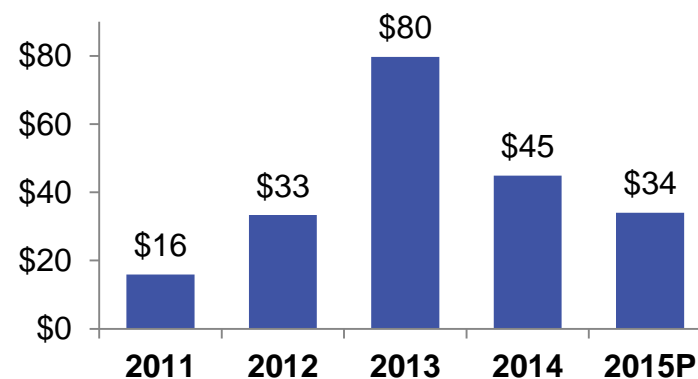
Adjusted EBITDA² (\$ in millions)



Earnings Per Share from Ongoing Ops³



Capital Expenditures (\$ in millions)



Reflects inclusion of acquisitions of Terphane (subsequent to the acquisition date of 10/24/11) and AACOA (subsequent to the acquisition date of 10/1/12).

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

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

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

⁴ See PE Films Annual Historical Financials (pg. 16) and Flexible Packaging Films Annual Historical Financials (pg. 19) for additional information on impacts to adj. EBITDA and net sales.

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Capital Expenditures History



(\$ in millions)						
Capital Expenditures	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015 Projection²</u>
PE Films	15.8	10.8	6.0	15.6	17.0	21.0
Flexible Packaging		2.3	24.5	49.3	21.8	4.0
Bonnell Aluminum	4.3	2.7	2.3	14.7	6.1	9.0
Corporate	0.3	0.1	0.5	0.1	-	
Total	20.4	15.9	33.3	79.7	44.9	34.0
% Net Sales ¹	2.8%	2.0%	3.9%	8.6%	4.9%	

2015 capital expenditures are projected to include routine capital expenditures of approximately \$10M for PE Films, \$3M for PET Films and \$5M for Bonnell Aluminum

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

² Represents management's current expectation, which is subject to change.

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Cash Flow

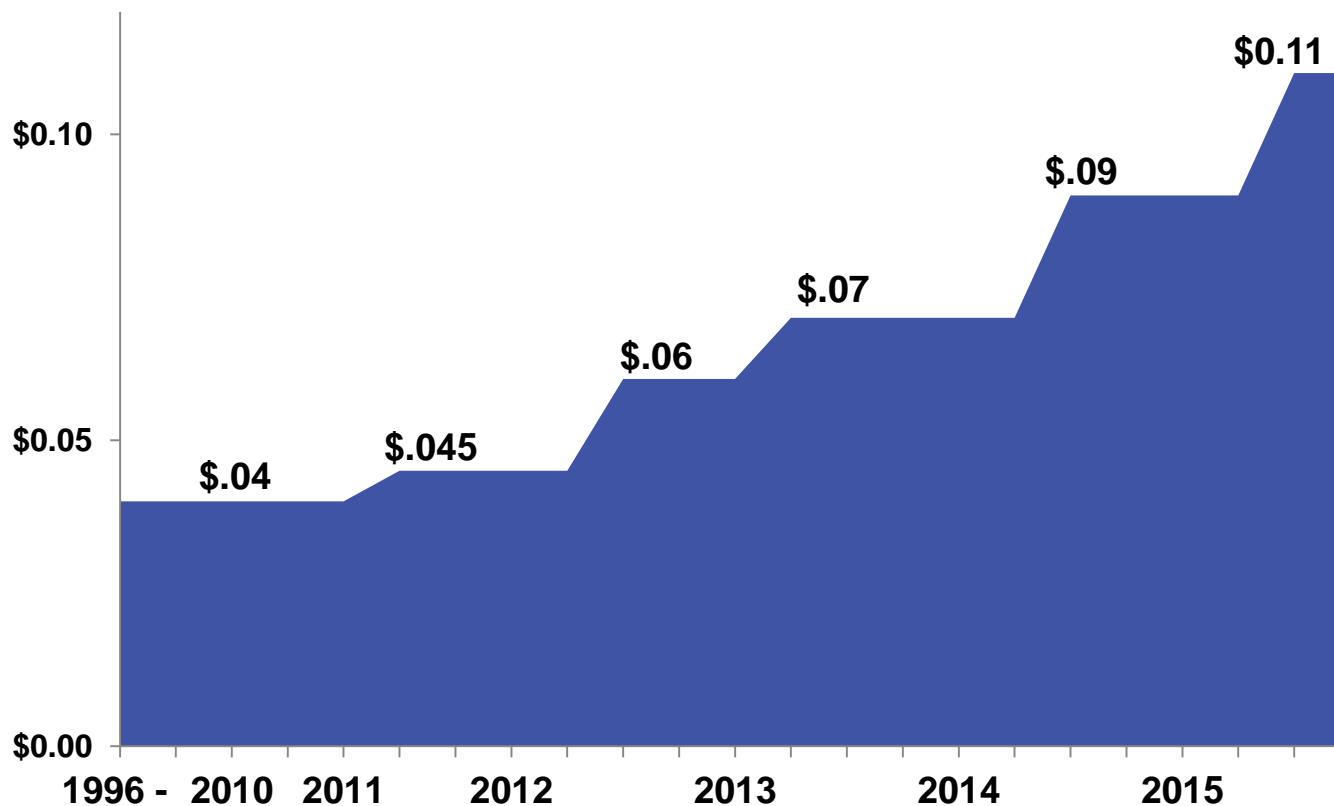


(\$ in millions)	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>LTM</u>
Cash Flows from Operations	\$46	\$72	\$83	\$77	\$51	\$47
Capital Expenditures	20	16	33	80	45	36
Free Cash Flow¹	26	56	50	(3)	6	11
Dividends	5	6	31	9	11	13
Acquisitions	6	181	58	0	0	0
Share Repurchases	35	0	0	0	0	0

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

Tredegar Corporation

Quarterly Cash Dividend History



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



GAAP to Non-GAAP Reconciliations

GAAP to Non-GAAP Reconciliations

PE Films includes personal care materials, surface protection films, polyethylene over wrap films and films for other markets. Flexible Packaging Films is comprised of our polyester films business, Terphane Holdings LLC. Bonnell Aluminum results include the acquisition of AACOA, Inc. on October 1, 2012.

Notes:

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

(In millions)	QTD Q3 2014	QTD Q4 2014	QTD Q1 2015	QTD Q2 2015	QTD Q3 2015
PE Films	\$115.2	\$109.4	106.4	92.0	93.9
Flexible Packaging Films	\$27.9	\$31.0	26.8	23.3	27.2
Aluminum Extrusions	89.6	90.9	93.6	98.2	94.8
Total net sales	232.7	231.3	226.8	213.5	215.9
Add back freight	7.7	7.9	7.3	7.7	7.9
Sales as shown in consolidated statements of income	\$240.4	\$239.2	\$234.2	\$221.2	\$223.8

(In millions)	2008	2009	2010	2011	2012	2013	2014	LTM Q3 2015
PE Films	\$522.8	\$455.0	\$520.8	\$507.3	\$473.9	\$495.4	\$464.3	\$401.7
Flexible Packaging Films	-	-	-	28.2	138.0	125.8	114.3	108.3
Aluminum Extrusions	340.3	177.5	199.6	240.4	245.5	309.5	344.3	377.5
Total net sales	863.1	632.5	720.4	775.9	857.3	930.7	923.0	887.5
Add back freight	20.8	16.1	17.8	18.5	24.8	28.6	28.8	30.8
Sales as shown in consolidated statements of income	\$883.9	\$648.6	\$738.2	\$794.4	\$882.2	\$959.3	\$951.8	\$918.3

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

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

A reconciliation of ongoing operating profit (loss) from continuing operations to Adjusted EBITDA is shown on the next page. Amounts relating to corporate overhead for the prior years have been reclassified to conform with the current year's presentation. Adjusted EBITDA in the third quarter and first nine months of 2015 includes an adjustment of \$0.2 million for accelerated depreciation associated with the consolidation of PE Films manufacturing facilities in North America. Adjusted EBITDA for Aluminum Extrusions in 2012 includes an adjustment of \$2.4 million for accelerated depreciation associated with the shutdown of its manufacturing facility in Kentland, IN. Accelerated depreciation associated with the shutdown of the Kentland manufacturing facility was excluded from operating profit from ongoing operations. This amount has therefore been subtracted from the amount of depreciation expense added back in calculating Adjusted EBITDA.

GAAP to Non-GAAP Reconciliations

	PE Films	Flexible Packaging Films	Aluminum Extrusions	Total
2014				
Operating profit (loss) from ongoing operations	\$ 610	\$ (2.9)	\$ 25.7	\$ 83.8
Add back depreciation & amortization	214	9.3	9.9	40.6
Adjusted EBITDA before corporate overhead	82.4	6.4	35.6	124.4
Corporate overhead	-	-	-	(23.4)
Adjusted EBITDA	\$ 82.4	\$ 6.4	\$ 35.6	\$ 101.0
2013				
Operating profit (loss) from ongoing operations	\$ 619	\$ 9.1	\$ 18.3	\$ 89.3
Add back depreciation & amortization	25.6	9.7	9.2	44.5
Adjusted EBITDA before corporate overhead	87.5	18.8	27.5	133.8
Corporate overhead	-	-	-	(31.3)
Adjusted EBITDA	\$ 87.5	\$ 18.8	\$ 27.5	\$ 102.5
2012				
Operating profit (loss) from ongoing operations	\$ 50.8	\$ 11.2	\$ 9.0	\$ 79.0
Add back depreciation & amortization	29.0	10.2	10.0	49.2
Less accelerated depreciation associated with plant shutdown	-	-	(2.4)	(2.4)
Adjusted EBITDA before corporate overhead	79.8	29.4	16.6	125.8
Corporate overhead	-	-	-	(22.3)
Adjusted EBITDA	\$ 79.8	\$ 29.4	\$ 16.6	\$ 103.5
2011				
Operating profit (loss) from ongoing operations	\$ 56.5	\$ 3.0	\$ 3.5	\$ 63.0
Add back depreciation & amortization	34.2	2.1	8.3	44.6
Adjusted EBITDA before corporate overhead	90.7	5.1	11.8	107.6
Corporate overhead	-	-	-	(15.5)
Adjusted EBITDA	\$ 90.7	\$ 5.1	\$ 11.8	\$ 92.1
2010				
Operating profit (loss) from ongoing operations	\$ 66.7	\$ -	\$ (4.2)	\$ 62.5
Add back depreciation & amortization	34.4	-	9.1	43.5
Adjusted EBITDA before corporate overhead	101.1	-	4.9	106.0
2009				
Operating profit (loss) from ongoing operations	\$ 64.4	\$ -	\$ (6.5)	\$ 57.9
Add back depreciation & amortization	32.4	-	7.6	40.0
Adjusted EBITDA before corporate overhead	96.8	-	1.1	97.9
2008				
Operating profit (loss) from ongoing operations	\$ 53.9	\$ -	\$ 10.1	\$ 64.0
Add back depreciation & amortization	34.6	-	8.0	42.6
Adjusted EBITDA before corporate overhead	88.5	-	18.1	106.6
Quarter Ended September 30, 2015				
Operating profit (loss) from ongoing operations	\$ 9.7	\$ 4.1	\$ 7.3	\$ 21.1
Add back depreciation & amortization	4.3	2.3	2.4	9.0
Less accelerated depreciation associated with plant consolidation	(0.2)	-	-	(0.2)
Adjusted EBITDA before corporate overhead	13.8	6.4	9.7	29.9
Corporate overhead	-	-	-	(6.6)
Adjusted EBITDA	\$ 13.8	\$ 6.4	\$ 9.7	\$ 23.3
Quarter Ended September 30, 2014				
Operating profit (loss) from ongoing operations	\$ 14.5	\$ (1.3)	\$ 5.8	\$ 19.0
Add back depreciation & amortization	5.0	2.2	2.6	9.8
Adjusted EBITDA before corporate overhead	19.5	0.9	8.4	28.8
Corporate overhead	-	-	-	(5.3)
Adjusted EBITDA	\$ 19.5	\$ 0.9	\$ 8.4	\$ 23.5
Nine Months Ended September 30, 2015				
Operating profit (loss) from ongoing operations	\$ 35.8	\$ 1.8	\$ 20.9	\$ 58.5
Add back depreciation & amortization	12.2	7.5	7.3	27.0
Less accelerated depreciation associated with plant consolidation	(0.2)	-	-	(0.2)
Adjusted EBITDA before corporate overhead	47.8	9.3	28.2	85.3
Corporate overhead	-	-	-	(21.7)
Adjusted EBITDA	\$ 47.8	\$ 9.3	\$ 28.2	\$ 63.6
Nine Months Ended September 30, 2014				
Operating profit (loss) from ongoing operations	\$ 47.2	\$ (2.3)	\$ 18.6	\$ 63.5
Add back depreciation & amortization	16.6	6.5	7.5	30.6
Adjusted EBITDA before corporate overhead	63.8	4.2	26.1	94.1
Corporate overhead	-	-	-	(16.4)
Adjusted EBITDA	\$ 63.8	\$ 4.2	\$ 26.1	\$ 77.7
Last Twelve Months Ended September 30, 2015				
Operating profit (loss) from ongoing operations	\$ 49.6	\$ 1.1	\$ 28.0	\$ 78.7
Add back depreciation & amortization	17.0	10.3	9.7	37.0
Less accelerated depreciation associated with plant consolidation	(0.2)	-	-	(0.2)
Adjusted EBITDA before corporate overhead	66.4	11.4	37.7	115.5
Corporate overhead	-	-	-	(28.6)
Adjusted EBITDA	\$ 66.4	\$ 11.4	\$ 37.7	\$ 86.9

GAAP to Non-GAAP Reconciliations

Notes (continued):

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

(in millions, except per share data)

	2011	2012	2013	2014	LTM Q3 2015
Net income (loss) from continuing operations as reported under U.S. GAAP	\$ 28.5	\$ 43.2	\$ 35.9	\$ 36.0	\$ (13.2)
After tax effects of:					
(Gains) losses associated with plant shutdowns, asset impairments and restructurings	1.2	3.2	0.9	2.0	1.9
(Gains) losses from sale of assets and other	(1.8)	(7.9)	0.5	(1.2)	(3.7)
Goodwill impairment charge	-	-	-	-	44.5
Net income from ongoing operations	\$ 27.9	\$ 38.5	\$ 37.3	\$ 36.8	\$ 29.5
Earnings (loss) from continuing operations per share under GAAP (diluted)	\$ 0.89	\$ 1.34	\$ 1.10	\$ 1.11	\$ (0.40)
After tax effects of:					
(Gains) losses associated with plant shutdowns, asset impairments and restructurings	0.04	0.10	0.03	0.06	0.06
(Gains) losses from sale of assets and other	(0.06)	(0.24)	0.02	(0.04)	(0.12)
Goodwill impairment charge	-	-	-	-	1.36
Earnings per share from ongoing operations (diluted)	\$ 0.87	\$ 1.20	\$ 1.15	\$ 1.13	\$ 0.90

(in millions, except per share data)

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Net income (loss) from continuing operations as reported under U.S. GAAP	\$ 10.7	\$ 13.1	\$ 9.9	\$ 0.6	\$ (36.7)
After tax effects of:					
(Gains) losses associated with plant shutdowns, asset impairments and restructurings	0.3	0.3	(0.1)	0.2	1.5
(Gains) losses from sale of assets and other	(2.2)	(6.0)	(0.2)	2.4	-
Goodwill impairment charge	-	-	-	-	44.5
Net income from ongoing operations	\$ 8.8	\$ 7.4	\$ 9.6	\$ 3.2	\$ 9.3
Earnings (loss) from continuing operations per share under GAAP (diluted)	\$ 0.33	\$ 0.40	\$ 0.30	\$ 0.02	\$ (1.13)
After tax effects of:					
(Gains) losses associated with plant shutdowns, asset impairments and restructurings	0.01	0.01	-	0.01	0.05
(Gains) losses from sale of assets and other	(0.07)	(0.18)	(0.01)	0.07	-
Goodwill impairment charge	-	-	-	-	1.36
Earnings per share from ongoing operations (diluted)	\$ 0.27	\$ 0.23	\$ 0.29	\$ 0.10	\$ 0.28

GAAP to Non-GAAP Reconciliations

Notes (continued):

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

(In millions)	September 30, 2015
Debt	\$ 134.0
Less: Cash and cash equivalents	(46.6)
Net debt	\$ 87.4

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

(In millions except percentages)	September 30, 2015
Net debt (see note 4) (a)	\$ 87.4
Shareholders' equity (b)	281.8
Net debt-to-capitalization [(a) / (a+b)]	23.7%

GAAP to Non-GAAP Reconciliations

Notes (continued):

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

Operating profit (loss):

(in thousands)

	2008	2009	2010	2011	2012	2013	2014	Q3 2014	Q3 2015	Q3 YTD 2014	Q3 YTD 2015
PE Films:											
Ongoing operations	\$ 53,914	\$ 64,379	\$ 66,718	\$ 56,521	\$ 50,814	\$ 61,866	\$ 60,971	\$ 14,471	\$ 9,745	\$ 47,174	\$ 35,849
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	(11,297)	(1,846)	(758)	(901)	1,011	(671)	(12,238)	(113)	(2,044)	(12,281)	(2,051)
Flexible Packaging Films:											
Ongoing operations	-	-	-	2,972	19,136	9,100	(2,917)	(1,265)	4,102	(2,283)	1,793
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	-	-	-	(5,906)	(1,120)	-	(589)	(297)	-	(297)	(185)
Goodwill Impairment charge	-	-	-	-	-	-	-	-	(44,465)	-	(44,465)
Aluminum Extrusions:											
Ongoing operations	10,132	(6,494)	(4,154)	3,457	9,037	18,291	25,664	5,752	7,272	18,563	20,863
Plant shutdowns, asset impairments and restructurings, gain from sale of assets and other items	(687)	(639)	493	58	(5,427)	(2,748)	(976)	(126)	(331)	(300)	(364)
Goodwill Impairment charge	-	(30,559)	-	-	-	-	-	-	-	-	-
AFBS (formerly Therics):											
Gain on sale of investments in Theken Spine and Therics, LLC	1,499	1,968	-	-	-	-	-	-	-	-	-
Total	53,561	26,809	62,299	56,201	73,451	85,838	69,915	18,422	(25,721)	50,576	11,440
Interest income	1,006	806	709	1,023	418	594	588	117	76	419	247
Interest expense	2,393	783	1,136	1,926	3,590	2,870	2,713	590	901	1,751	2,679
Gain on sale of investment property	1,001	404	-	-	-	-	1,208	-	-	1,208	-
Unrealized loss on investment property	-	-	-	-	-	(1,018)	-	-	-	-	-
Gain (loss) from an investment accounted for under the fair value method	5,600	5,100	(2,200)	1,600	16,100	3,400	2,000	4,000	-	2,900	-
Stock option-based compensation costs	782	1,692	2,064	1,940	1,432	1,155	1,272	358	73	944	571
Corporate expenses, net	8,866	13,334	17,118	16,169	23,443	31,857	24,310	5,477	6,722	17,291	25,632
Income (loss) from continuing operations before income taxes	49,127	17,310	40,490	38,789	61,504	52,932	45,416	16,114	(33,341)	35,117	(17,195)
Income taxes	19,486	18,663	13,649	10,244	18,319	16,995	9,387	5,369	3,382	12,141	9,064
Income (loss) from continuing operations	29,641	(1,353)	26,841	28,545	43,185	35,937	36,029	10,745	(36,723)	22,976	(26,259)
Income (loss) from discontinued operations, net of tax	(705)	-	186	(3,690)	(14,934)	(13,990)	850	850	-	850	-
Net income (loss)	\$ 28,936	\$ (1,353)	\$ 27,027	\$ 24,855	\$ 28,251	\$ 21,947	\$ 36,879	\$ 11,595	\$ (36,723)	\$ 23,826	\$ (26,259)

GAAP to Non-GAAP Reconciliations

Notes (continued):

7. Sales volumes in 2015 have declined as a result of the wind down of shipments for certain personal care materials due to various product transitions and business lost, primarily with PE Films' largest customer. In addition, efforts to consolidate domestic manufacturing facilities commenced in the third quarter of 2015. This restructuring project is not expected to be completed until the middle of 2017, and once complete, annual pre-tax cash cost savings are expected to be \$5-6 million. The tables below summarize the pro forma sales volume, net sales and operating profit from ongoing operations for the quarters and nine months ended September 30, 2015 and 2014 as well as the twelve months ended September 30, 2015 had the impact of these events noted above been fully realized:

	Quarter Ended		Nine Months Ended		LTM
	September 30,		September 30,		2015
	2015	2014	2015	2014	2015
Volume (lbs)	40,023	44,283	121,866	133,871	163,198
Contributions to operation profit from ongoing operations associated with business lost:					
Certain baby care elastic films sold in North America	-	260	-	5,144	-
Product transitions & other losses before restructurings & fixed cost reduction	2,164	4,458	9,138	15,007	12,572
Pro forma volume (lbs)	37,859	39,565	112,728	113,720	150,626
Net Sales	\$ 93,943	\$ 115,115	\$ 292,259	\$ 354,892	\$ 401,707
Contributions to operation profit from ongoing operations associated with business lost:					
Certain baby care elastic films sold in North America	-	865	-	17,075	-
Product transitions & other losses before restructurings & fixed cost reduction	8,398	16,078	32,053	51,965	47,741
Pro forma net sales	\$ 85,545	\$ 98,172	\$ 260,206	\$ 285,852	\$ 353,966
Operating profit from ongoing operations, as reported	\$ 9,745	\$ 14,471	\$ 35,849	\$ 47,174	\$ 49,646
Contributions to operation profit from ongoing operations associated with business lost:					
Certain baby care elastic films sold in North America	-	248	-	2,106	-
Product transitions & other losses before restructurings & fixed cost reduction	3,023	5,182	10,638	17,746	15,579
Operating profit from ongoing operations, net of the impact of business that will be fully eliminated in future periods	6,722	9,041	25,211	27,322	34,067
Estimated future benefit of North American facility consolidation	1,300	1,300	3,900	3,900	5,200
Pro forma estimated operating profit from ongoing operations	\$ 8,022	\$ 10,341	\$ 29,111	\$ 31,222	\$ 39,267
Add: Depreciation & amortization expense	4,085	4,988	11,979	16,636	16,745
Less: Depreciation & amortization associated with certain baby care elastic films sold in North America	-	-	-	(378)	-
Less: Depreciation & amortization associated with future benefit of North American facility consolidation	(514)	(693)	(1,724)	(2,213)	(2,401)
Proforma Adjusted EBITDA	\$ 11,593	\$ 14,636	\$ 39,366	\$ 45,267	\$ 53,611