

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K/A

AMENDMENT NO. 1

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

Date of Report (Date of earliest event reported): June 11, 1998

Tredegar Industries, Inc.

(Exact Name of Registrant as Specified in its Charter)

Virginia	1-10258	54-1497771
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)
1100 Boulders Parkway Richmond, Virginia		23225
(Address of Principal Executive Offices)		(Zip Code)

Registrant's telephone number, including area code: (804) 330-1000

Item 7 of the Current Report on Form 8-K dated June 23, 1998, filed by Tredegar Industries, Inc. ("Tredegar") on June 26, 1998, is hereby amended as set forth below.

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

(a) Financial Statements of Business Acquired.

Financial statements of businesses acquired are not required to be filed by Item 7.

(b) Pro Forma Financial Information.

Set forth below are certain selected historical and pro forma consolidated financial information with respect to recent acquisitions by Tredegar. Historical financial information was excerpted or derived from the audited financial statements contained in Tredegar's Annual Report on Form 10-K for the year ended December 31, 1997, and the unaudited financial statements contained in the Tredegar's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998. The historical information below is qualified in its entirety by reference to such reports and the information contained therein.

On June 11, 1998, Tredegar acquired Canada-based Exal Aluminum Inc. ("Exal"). Exal operates two aluminum extrusion plants in Pickering, Ontario and Aurora, Ontario. Both facilities manufacture extrusions for distribution, transportation, electrical, machinery and equipment, and building and construction markets. The Pickering facility also produces aluminum logs and billet for internal use and for sale to customers.

On February 6, 1998, Tredegar acquired two Canada-based aluminum extrusion and fabrication plants ("ReyCan") from Reynolds Metals Company ("Reynolds"). The plants are located in Ste-Therese, Quebec, and Richmond Hill, Ontario. Both facilities manufacture products used primarily in building and construction, transportation, electrical, machinery and equipment, and consumer durables markets.

On May 30, 1997, Tredegar acquired an aluminum extrusion and fabrication plant in El Campo, Texas, from Reynolds. The El Campo facility extrudes and fabricates products used primarily in transportation, electrical and consumer durables markets.

These acquisitions were accounted for using the purchase method. The operating results and financial position of the five plants have been included in Tredegar's consolidated financial statements since the dates acquired.

The pro forma information for the six months ended June 30, 1998, and the year ended December 31, 1997, assumes that, at the beginning of 1997, Tredegar made these acquisitions by using available cash and cash equivalents of \$75.5 million and by issuing Class I Shares of Tredegar's Bon L Canada subsidiary valued at \$11.2 million (see Note (1) on page 4).

Excluded from the pro forma results are cost savings and efficiencies expected from the consolidation of aluminum extrusion operations. Accordingly, the pro forma financial information does not purport to be indicative of the future results or the financial position of Tredegar or the net income and financial position that would actually have been attained had the pro forma transactions occurred on the dates or for the periods indicated. The pro forma financial information is unaudited.

Tredegar Industries, Inc.
Selected Historical and Pro Forma Financial Information
(In Thousands)
(Unaudited)

Six Months Ended June 30, 1998					
----- Pro Forma Adjustments (1) -----					
	Tredegar Historical	Historical for Preacquisition Periods		Purchase Account- ing and Other Adjust- ments	Tredegar Pro Forma
		ReyCan 1/1/98 to 2/6/98	Exal 1/1/98 to 6/11/98		
Results of Operations					
Revenues:					
Net sales	\$ 326,606	\$ 5,022	\$ 43,179	\$ (2,402)(2)	\$ 372,405
Other income (expense), net	3,301	-	-	(872)(3)	2,429
Total	329,907	5,022	43,179	(3,274)	374,834
Costs and expenses:					
Cost of goods sold	257,571	5,122	39,385	685 (1) (2,402)(2)	300,361
Selling, general and administrative	18,976	199	1,341	(61)(4)	20,455
Research and development	6,947	-	-	-	6,947
Interest	686	-	742	(742)(3)	686
Unusual items	(765)	-	-	-	(765)
Total	283,415	5,321	41,468	(2,520)	327,684
Income (loss) before income taxes	46,492	(299)	1,711	(754)	47,150
Income taxes	14,035	(108)	616	(140)(5)	14,403
Net income (loss)	\$ 32,457	\$ (191)	\$ 1,095	\$ (614)	\$ 32,747
Earnings per share:					
Basic	\$.90				\$.90
Diluted	.84				.84
Shares used to compute earnings per share:					
Basic	36,150		340 (1)		36,490
Diluted	38,788		340 (1)		39,128
Other Financial Data Excluding Unusual Items and Technology- Related Investment Activities (6)					
EBIT	\$ 42,947	\$ (299)	\$ 2,453	\$ (624)	\$ 44,477
EBITDA	53,366	(223)	2,923	61	56,127
Depreciation	10,385	76	470	541 (1)	11,472
Amortization of intangibles	34	-	-	144 (1)	178
Capital expenditures	13,604	36	317	-	13,957
Net income (loss)	28,588	(191)	1,095	(614)	28,878
Diluted earnings per share	.74				.74

See accompanying notes to pro forma financial information.

Year Ended December 31, 1997						
----- Pro Forma Adjustments (1) -----						
	Tredegar Historical	Historical for Preacquisition Periods			Purchase Account- ing and Other Adjust- ments	Tredegar Pro Forma
		El Campo 1/1/97 to 5/30/97	ReyCan 1/1/97 to 12/31/97	Exal 1/1/97 to 12/31/97		
Results of Operations						
Revenues:						
Net Sales	\$ 581,004	\$ 18,121	\$ 54,715	\$ 93,934	\$ (4,548)(2)	\$ 743,226
Other income (expense), net	17,015	-	-	-	(2,835)(3)	14,180
Total	598,019	18,121	54,715	93,934	(7,383)	757,406

Costs and expenses:							
Cost of goods sold	457,946	17,915	50,254	85,647	2,203 (1)	609,417	
					(4,548)(2)		
Selling, general and administrative	37,035	595	2,419	3,041	(144)(4)	42,946	
Research and development	13,170	-	-	-	-	13,170	
Interest	1,952	-	-	1,740	(1,740)(3)	1,952	
Unusual items	(2,250)	-	-	-	-	(2,250)	
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Total	507,853	18,510	52,673	90,428	(4,229)	665,235	
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Income (loss) before income taxes	90,166	(389)	2,042	3,506	(3,154)	92,171	
Income taxes	31,720	(140)	735	1,262	(341)(5)	33,236	
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Net income (loss)	\$ 58,446	\$ (249)	\$ 1,307	\$ 2,244	\$ (2,813)	\$ 58,935	
	=====	=====	=====	=====	=====	=====	
Earnings per share:							
Basic	\$ 1.59					\$ 1.58	
Diluted	1.48					1.48	
Shares used to compute earnings							
per share							
Basic	36,864			380 (1)		37,244	
Diluted	39,534			380 (1)		39,914	
Other Financial Data Excluding							
Unusual Items and Technology-							
Related Investment Activities (6)							
EBIT	\$ 71,029	\$ (389)	\$ 2,042	\$ 5,246	\$ (2,059)	\$ 75,869	
EBITDA	89,443	(30)	2,979	6,345	144	98,881	
Depreciation	18,364	359	937	1,099	1,876 (1)	22,635	
Amortization of intangibles	50	-	-	-	327 (1)	377	
Capital expenditures	22,655	72	477	355	-	23,559	
Net income (loss)	48,124	(249)	1,307	2,244	(2,813)	48,613	
Diluted earnings per share	1.22					1.22	

See accompanying notes to pro forma financial information.

Notes to Pro Forma Financial Information

(1) Set forth below are the net assets of the operations acquired and the capital used by Tredegar to fund the acquisitions:

Tredegar Industries, Inc.

Net Assets of Operations Acquired and Capital Used by Tredegar to Fund Acquisitions
(In Thousands Except Share Information)
(Unaudited)

	Historical Basis at Dates Acquired			Combined Purchase Accounting Adjust- ments	Combined Value at Dates Acquired
	El Campo 5/30/97	ReyCan 2/6/98	Exal 6/11/98		
Net Assets of Operations Acquired					
Cash and cash equivalents	\$ -	\$ -	\$ 1,097	\$ -	\$ 1,097
Accounts and notes receivable	6,659	7,178	14,622	-	28,459
Inventories	3,344	5,731	5,038	127	14,240
Prepaid expenses and other assets	1	160	482	(456)	187
Net property, plant and equipment	3,842	7,304	15,329	27,134	53,609
Prepaid pension assets	-	3,115	-	178	3,293
Goodwill and other intangibles	-	-	-	13,071	13,071
Accounts payable, accrued expenses and other liabilities	(3,476)	(4,799)	(11,294)	(879)	(20,448)
Deferred income taxes, net	-	-	(1,702)	(5,138)	(6,840)
Net assets of operations acquired	<u>\$ 10,370</u>	<u>\$ 18,689</u>	<u>\$ 23,572</u>	<u>\$ 34,037</u>	<u>\$ 86,668</u>
Capital Used by Tredegar to Fund Acquisitions					
Cash used to:					
Pay sellers	\$ 12,702	\$ 28,343	\$ 12,297		\$ 53,342
Repay debt assumed	-	-	18,811		18,811
Pay transaction costs	767	750	1,779		3,296
Issuance of 380,172 Class I Shares to sellers (economically equivalent to shares of Tredegar common stock)	-	-	11,219		11,219
Total capital used to fund acquisi- tions	<u>\$ 13,469</u>	<u>\$ 29,093</u>	<u>\$ 44,106</u>		<u>\$ 86,668</u>

In connection with the acquisition of Exal, 380,172 shares of Class I non-voting preferred shares of Tredegar's Bon L Canada subsidiary were issued to Exal's former shareholders (the "Class I Shares"). The Class I Shares are exchangeable into shares of Tredegar common stock on a one-for-one basis. Each Class I Share is economically equivalent to one share of Tredegar common stock and accordingly accounted for in the same manner.

The combined purchase accounting adjustments reflect the revaluation of the historical basis of identifiable net assets acquired to estimated fair value and the recognition of deferred income taxes for differences between the financial reporting and tax basis of related net assets. The revaluation of property, plant and equipment is being depreciated over the estimated remaining useful lives of related assets. No goodwill arose from the acquisitions of the former Reynolds plants since the estimated fair value of the identifiable net assets acquired equaled the purchase price. Goodwill (the excess of the purchase price over the estimated fair value of identifiable net assets acquired) of \$13 million was recorded on the acquisition of Exal and is being amortized on a straight-line basis over 40 years.

(2) The pro forma adjustments to net sales and cost of goods sold reflect the sale of aluminum logs and billet by Exal to ReyCan during the preacquisition periods. Related intercompany profit in inventory is immaterial.

(3) The pro forma adjustments to "Other income (expense), net" relate to interest income removed from the results of operations due to the assumed use of cash and cash equivalents at the beginning of the period to fund the acquisitions.

Information used to compute the pro forma interest income adjustments are as follows:

(Dollars In Thousands)

	Pro Forma Preacquisition Periods				
	ReyCan 1/1/98 to 2/6/98	Exal 1/1/98 to 6/11/98	El Campo 1/1/97 to 5/30/97	ReyCan 1/1/97 to 12/31/97	Exal 1/1/97 to 12/31/97
Pro forma average cash outflows related to acquisitions	\$ 29,093	\$ 32,900	\$ 13,469	\$ 29,093	\$ 32,909
Average annualized interest rates used for computing pro forma interest income adjustments:					
Actual yield	5.10%	5.00%	4.20%	4.20%	4.20%
Tax-equivalent yield	5.70%	5.70%	5.70%	5.70%	5.70%
Average actual interest yield earned for pro forma preacquisition period	.50%	2.21%	1.71%	4.20%	4.20%
Pro forma interest income removed	\$ 146	\$ 726	\$ 231	\$ 1,222	\$ 1,382

Pro forma average cash outflows include average dividends applicable to the Bon L Canada Class I Shares issued in connection with the Exal acquisition. Exal's interest expense has been eliminated on a pro forma basis since its debt was paid-off by Tredegar with available cash on the acquisition date.

(4) The pro forma adjustment to selling, general and administrative expenses represents management fees paid pursuant to agreements with two companies related to former shareholders of Exal that were terminated at the acquisition date.

(5) The pro forma income tax benefit related to purchase accounting and other adjustments was computed as follows:

	(In Thousands)	
	For the Six Months Ended 6/30/98	For the Year Ended 12/31/97
Pro forma impact on income before income taxes of purchase accounting and other adjustments	\$ (754)	\$ (3,154)
Related pro forma permanent differences:		
Goodwill amortization	144	327
Tax-exempt interest income removed	221	1,880
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Pro forma impact on book taxable income of purchase accounting and other adjustments	\$ (389)	\$ (947)
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Related pro forma income tax benefit at 36%	\$ (140)	\$ (341)
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(6) Other financial data, excluding unusual items and technology-related investment activities affecting the comparability of historical and pro forma operating results, has been presented and computed in a manner consistent with selected financial information included in Tredegar's Annual Report on Form 10-K for the year ended December 31, 1997, and the unaudited financial statements contained in the Tredegar's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998.

(c) Exhibits.

None.

SIGNATURES

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

TREDEGAR INDUSTRIES, INC.

Date: August 19, 1998

By: /s/ N. A. Scher

Norman A. Scher
Executive Vice President