

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 11-K
ANNUAL REPORT
Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

(Mark One)

/ X / ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934
For the fiscal year ended December 31, 1996.

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934
For the transition period from _____ to _____

Commission file number 33-64647

A. Full title of the plan and the address of the plan, if different
from that of the issuer named below:

SAVINGS PLAN FOR THE EMPLOYEES
OF TREDEGAR INDUSTRIES, INC.

B. Name of the issuer of the securities held pursuant to the plan and
the address of its principal executive office:

Tredegar Industries, Inc.
1100 Boulders Parkway
Richmond, Virginia 23225

REQUIRED INFORMATION

See Appendix 1.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act
of 1934, the trustees (or other persons who administer the employee benefit
plan) have duly caused this annual report to be signed on its behalf by the
undersigned hereunto duly authorized.

SAVINGS PLAN FOR THE EMPLOYEES
OF TREDEGAR INDUSTRIES, INC.

By: /s/ N. A. Scher

N. A. Scher, Chairman
Employee Savings Plan Committee

Dated: June 19, 1997

SAVINGS PLAN FOR THE EMPLOYEES OF
TREDEGAR INDUSTRIES, INC.

ANNUAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 1996

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.
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Independent Auditors' Report

To the Plan Administrator, Savings Plan for
the Employees of Tredegar Industries, Inc.

We have audited the accompanying statements of net assets available for benefits of the Savings Plan for the Employees of Tredegar Industries, Inc. (Plan) as of December 31, 1996 and 1995, and the related statements of changes in net assets available for benefits for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1996 and 1995, and the changes in net assets available for benefits for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles.

PLOTT & WALTON, PC

Richmond, Virginia
June 9, 1997

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 1996

| | Total ----- | Active (Note 3) ----- | Inactive (Note 4) ----- |
|--|-----------------------|-----------------------------|-------------------------------|
| Assets: | | | |
| Investments (Note 6): | | | |
| Money market funds: | | | |
| Wachovia Bank Diversified Trust Fund (cost \$686,481) | \$ 686,481 | \$ 202,836 | \$ 483,645 |
| Frank Russell Short Term Investment Fund (cost \$237) | 237 | 237 | - |
| Common stocks: | | | |
| Albemarle Corporation (cost \$615,585) | 2,153,141 | - | 2,153,141 |
| Ethyl Corporation (cost \$1,133,967) | 2,132,959 | - | 2,132,959 |
| Tredegar Industries, Inc. (cost \$13,861,815) | 57,966,983 | 57,966,983 | - |
| Actively managed commingled funds: | | | |
| Frank Russell Investment Contract Fund (cost \$4,418,321) | 4,545,748 | 4,545,748 | - |
| Frank Russell Global Balanced Fund (cost \$3,168,424) | 3,486,211 | 3,486,211 | - |
| Frank Russell Equity I Fund (cost \$3,578,047) | 4,027,405 | 4,027,405 | - |
| Frank Russell Equity II Fund (cost \$422,874) | 456,556 | 456,556 | - |
| Loans to participants | 156,328 | 156,328 | - |
| | ----- | ----- | ----- |
| Total investments | 75,612,049 | 70,842,304 | 4,769,745 |
| Receivables: | | | |
| Interest and dividends | 166,379 | 117,969 | 48,410 |
| Due from brokers for securities trades | 104,425 | - | 104,425 |
| | ----- | ----- | ----- |
| Total receivables | 270,804 | 117,969 | 152,835 |
| Cash | 37,159 | 36,800 | 359 |
| | ----- | ----- | ----- |
| | 75,920,012 | 70,997,073 | 4,922,939 |
| Liabilities: | | | |
| Cash overdrafts | 1,200 | 1,200 | - |
| Accrued administrative expenses | 292 | 39 | 253 |
| Loans committed not paid | 36,800 | 36,800 | - |
| Due to brokers for securities trades | 33,202 | 33,202 | - |
| | ----- | ----- | ----- |
| | 71,494 | 71,241 | 253 |
| | ----- | ----- | ----- |
| Net assets available for benefits | \$75,848,518 ===== | \$70,925,832 ===== | \$4,922,686 ===== |

The accompanying notes are an integral part of these financial statements.

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 1995

| | Total ----- | Active (Note 3) ----- | Inactive (Note 4) ----- |
|--|-----------------------|-----------------------------|-------------------------------|
| Assets: | | | |
| Investments (Note 6): | | | |
| Money market funds: | | | |
| Wachovia Bank Diversified Trust Fund (cost \$2,521,648) | \$ 2,521,648 | \$ 2,521,501 | \$ 147 |
| Common stocks: | | | |
| Albemarle Corporation (cost \$927,405) | 3,530,978 | - | 3,530,978 |
| Ethyl Corporation (cost \$1,791,937) | 4,615,145 | - | 4,615,145 |
| First Colony Corporation (cost \$1,353,267) | 3,017,973 | - | 3,017,973 |
| Tredegar Industries, Inc. (cost \$14,463,055) | 34,933,135 | 34,933,135 | - |
| United States government obligations (cost \$5,733,986) | 5,736,347 | 5,736,347 | - |
| Total investments | 54,355,226 | 43,190,983 | 11,164,243 |
| Interest and dividends receivable | 293,215 | 224,592 | 68,623 |
| | 54,648,441 | 43,415,575 | 11,232,866 |
| Liabilities: | | | |
| Accrued administrative expenses | 45,151 | 34,780 | 10,371 |
| Net assets available for benefits | \$54,603,290 ===== | \$43,380,795 ===== | \$11,222,495 ===== |

The accompanying notes are an integral part of these financial statements.

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 1996

| | Total ----- | Active (Note 3) ----- | Inactive (Note 4) ----- |
|---|----------------|-----------------------------|-------------------------------|
| Additions to net assets attributed to: | | | |
| Investment income: | | | |
| Interest | \$ 190,342 | \$ 163,115 | \$ 27,227 |
| Dividends | 604,707 | 398,583 | 206,124 |
| Net appreciation (depreciation) in the fair value of investments | 29,454,043 | 29,754,217 | (300,174) |
| | ----- | ----- | ----- |
| | 30,249,092 | 30,315,915 | (66,823) |
| Contributions: | | | |
| Employer | 1,681,868 | 1,681,868 | - |
| Participants | 3,753,198 | 3,753,198 | - |
| | ----- | ----- | ----- |
| | 5,435,066 | 5,435,066 | - |
| | ----- | ----- | ----- |
| Total additions | 35,684,158 | 35,750,981 | (66,823) |
| Deductions from net assets attributed to: | | | |
| Administrative expenses (Note 9) | 106,781 | 99,151 | 7,630 |
| Withdrawals paid to participating employees | 14,253,450 | 13,026,873 | 1,226,577 |
| | ----- | ----- | ----- |
| Total deductions | 14,360,231 | 13,126,024 | 1,234,207 |
| | ----- | ----- | ----- |
| | 21,323,927 | 22,624,957 | (1,301,030) |
| Transfers: | | | |
| Intraplan transfers | - | 4,997,810 | (4,997,810) |
| To successor plan | (78,699) | (77,730) | (969) |
| | ----- | ----- | ----- |
| Total transfers | (78,699) | 4,920,080 | (4,998,779) |
| | ----- | ----- | ----- |
| Net increase (decrease) for the year | 21,245,228 | 27,545,037 | (6,299,809) |
| Net assets available for benefits: | | | |
| Beginning of year | 54,603,290 | 43,380,795 | 11,222,495 |
| | ----- | ----- | ----- |
| End of year | \$75,848,518 | \$70,925,832 | \$ 4,922,686 |
| | ===== | ===== | ===== |

The accompanying notes are an integral part of these financial statements.

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 1995

| | Total ----- | Active (Note 3) ----- | Inactive (Note 4) ----- |
|--|----------------|-----------------------------|-------------------------------|
| Additions to net assets attributed to: | | | |
| Investment income: | | | |
| Interest | \$ 474,531 | \$ 473,102 | \$ 1,429 |
| Dividends | 574,514 | 292,430 | 282,084 |
| Net appreciation in the fair value of investments | 18,565,114 | 16,096,989 | 2,468,125 |
| | ----- | ----- | ----- |
| | 19,614,159 | 16,862,521 | 2,751,638 |
| Contributions: | | | |
| Employer | 1,635,515 | 1,635,515 | - |
| Participants | 3,974,257 | 3,974,257 | - |
| | ----- | ----- | ----- |
| | 5,609,772 | 5,609,772 | - |
| | ----- | ----- | ----- |
| Total additions | 25,223,931 | 22,472,293 | 2,751,638 |
| Deductions from net assets attributed to: | | | |
| Administrative expenses (Note 9) | 51,839 | 39,551 | 12,288 |
| Withdrawals paid to participating employees | 6,093,709 | 5,373,021 | 720,688 |
| | ----- | ----- | ----- |
| Total deductions | 6,145,548 | 5,412,572 | 732,976 |
| | ----- | ----- | ----- |
| | 19,078,383 | 17,059,721 | 2,018,662 |
| Intraplan transfers | - | 415,309 | (415,309) |
| | ----- | ----- | ----- |
| Net increase for the year | 19,078,383 | 17,475,030 | 1,603,353 |
| Net assets available for benefits: | | | |
| Beginning of year | 35,524,907 | 25,905,765 | 9,619,142 |
| | ----- | ----- | ----- |
| End of year | \$54,603,290 | \$43,380,795 | \$11,222,495 |
| | ===== | ===== | ===== |

The accompanying notes are an integral part of these financial statements.

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 1994

| | Total ----- | Active (Note 3) ----- | Inactive (Note 4) ----- |
|---|----------------|-----------------------------|-------------------------------|
| Additions to net assets attributed to: | | | |
| Investment income: | | | |
| Interest | \$ 364,526 | \$ 361,133 | \$ 3,393 |
| Dividends | 551,686 | 254,775 | 296,911 |
| Net appreciation (depreciation) in the fair value of investments | 1,724,285 | 2,433,538 | (709,253) |
| | ----- | ----- | ----- |
| | 2,640,497 | 3,049,446 | (408,949) |
| Contributions: | | | |
| Employer | 1,920,910 | 1,920,910 | - |
| Participants | 3,970,019 | 3,970,019 | - |
| | ----- | ----- | ----- |
| | 5,890,929 | 5,890,929 | - |
| | ----- | ----- | ----- |
| Total additions | 8,531,426 | 8,940,375 | (408,949) |
| Deductions from net assets attributed to: | | | |
| Administrative expenses (Note 9) | 25,786 | 20,050 | 5,736 |
| Withdrawals paid to participating employees | 7,813,136 | 5,634,058 | 2,179,078 |
| | ----- | ----- | ----- |
| Total deductions | 7,838,922 | 5,654,108 | 2,184,814 |
| | ----- | ----- | ----- |
| | 692,504 | 3,286,267 | (2,593,763) |
| Intraplan transfers | - | 207,871 | (207,871) |
| | ----- | ----- | ----- |
| Net increase (decrease) for the year | 692,504 | 3,494,138 | (2,801,634) |
| Net assets available for benefits: | | | |
| Beginning of year | 34,832,403 | 22,411,627 | 12,420,776 |
| | ----- | ----- | ----- |
| End of year | \$35,524,907 | \$25,905,765 | \$ 9,619,142 |
| | ===== | ===== | ===== |

The accompanying notes are an integral part of these financial statements.

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

1. Summary of significant accounting policies

General - Tredegar Industries, Inc. (Tredegar), which engages directly or through subsidiaries in plastics and aluminum businesses, is a Virginia corporation that was organized in 1988 as a wholly owned subsidiary of Ethyl Corporation. On or about July 10, 1989 (Record Date), Ethyl Corporation distributed all of the outstanding shares of Tredegar common stock to the holders of common stock of Ethyl Corporation at the rate of one share of Tredegar common stock for every ten shares of Ethyl Corporation common stock held on the Record Date.

The Savings Plan for the Employees of Tredegar Industries, Inc. (Plan) was adopted by the Board of Directors of Tredegar on June 14, 1989, and was approved by Ethyl Corporation, Tredegar's sole shareholder, on June 19, 1989. The Plan was effective as of July 1, 1989. In connection with the establishment of the Plan and the distribution of Tredegar's common stock, the accounts of Tredegar employees in the Savings Plan for the Employees of Ethyl Corporation (Ethyl Plan) were transferred to the Plan.

The Plan is subject to Titles I, II and III and is exempt from Title IV of the Employee Retirement Income Security Act of 1974 (ERISA). Title IV of ERISA provides for federally sponsored insurance for plans that terminate with unfunded benefits. No such insurance is provided to participants in this Plan, however, because the benefits that participants are entitled to receive are always equal to the value of their account balances and, for that reason, the Plan is always fully funded. The value of a participant's account may change from time to time. Each participant assumes the risk of fluctuations in the value of his account.

The accompanying financial statements of the Plan have been prepared in conformity with generally accepted accounting principles.

Security valuation - Investments are stated at fair value determined as follows:

| | |
|--------------------------------------|--|
| Money market funds | - market price which is equivalent to cost |
| Common stocks | - last published sale price on the New York Stock Exchange |
| United States government obligations | - last bid price |
| Actively managed commingled funds | - provided in the audited annual report of the Frank Russell Trust Company |

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

1. Summary of significant accounting policies (Continued)

Security transactions and related investment income - Security transactions are accounted for on the trade date and dividend income is recorded as earned on the ex-dividend date. Interest income is recorded as earned on the accrual basis. Premiums and discounts on securities are not being amortized or accreted because the effect on the financial statements would not be significant and would have no effect on net asset values. In determining the realized net gain or loss on securities sold, the cost of securities is determined on an average cost basis. The Plan presents in the statements of changes in net assets available for benefits the net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the change in unrealized appreciation (depreciation) on those investments.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. Description of Plan

The Plan is a defined contribution plan. Information regarding plan benefits and vesting is provided in the Plan and related documents which are available at Tredegar's main office at 1100 Boulders Parkway, Richmond, Virginia 23225.

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

3. Active funds (Continued)

As of December 31, 1995, the following net assets were available for benefits:

| | Short-Term Investment Fund | Government Obligations Fund | Tredegar Industries Inc. Common Stock Fund | Total |
|---|----------------------------------|-----------------------------------|---|--------------|
| | ----- | ----- | ----- | ----- |
| Assets: | | | | |
| Investments: | | | | |
| Money market funds: | | | | |
| Wachovia Bank Diversified Trust Fund | \$2,247,466 | \$ 95,917 | \$ 178,118 | \$ 2,521,501 |
| Common stocks: | | | | |
| Tredegar Industries, Inc. | - | - | 34,933,135 | 34,933,135 |
| United States government obligations | - | 5,736,347 | - | 5,736,347 |
| Total investments | 2,247,466 | 5,832,264 | 35,111,253 | 43,190,983 |
| Interest and dividends receivable | 10,913 | 115,802 | 97,877 | 224,592 |
| Intraplan transfer receivable (payable) | 66,377 | 24,724 | (91,101) | - |
| | 2,324,756 | 5,972,790 | 35,118,029 | 43,415,575 |
| Liabilities: | | | | |
| Accrued administrative expenses | 2,518 | 5,248 | 27,014 | 34,780 |
| Net assets available for benefits | \$2,322,238 | \$5,967,542 | \$35,091,015 | \$43,380,795 |
| | ===== | ===== | ===== | ===== |

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

3. Active funds (Continued)

For the year ended December 31, 1995, net assets available for benefits changed as follows:

| | Short-Term Investment Fund | Government Obligations Fund | Tredegar Industries Inc. Common Stock Fund | Total |
|--|----------------------------------|-----------------------------------|---|--------------|
| | ----- | ----- | ----- | ----- |
| Additions to net assets attributable to: | | | | |
| Investment income: | | | | |
| Interest | \$ 101,744 | \$ 363,179 | \$ 8,179 | \$ 473,102 |
| Dividends | - | - | 292,430 | 292,430 |
| Net appreciation in the fair value of investments | - | 50,283 | 16,046,706 | 16,096,989 |
| | ----- | ----- | ----- | ----- |
| | 101,744 | 413,462 | 16,347,315 | 16,862,521 |
| Contributions: | | | | |
| Employer | - | - | 1,635,515 | 1,635,515 |
| Participants | 1,913,990 | 853,612 | 1,206,655 | 3,974,257 |
| | ----- | ----- | ----- | ----- |
| | 1,913,990 | 853,612 | 2,842,170 | 5,609,772 |
| | ----- | ----- | ----- | ----- |
| Total additions | 2,015,734 | 1,267,074 | 19,189,485 | 22,472,293 |
| Deductions from net assets attributed to: | | | | |
| Administrative expenses | 4,674 | 6,407 | 28,470 | 39,551 |
| Withdrawals paid to participating employees | 1,968,318 | 1,526,571 | 1,878,132 | 5,373,021 |
| | ----- | ----- | ----- | ----- |
| Total deductions | 1,972,992 | 1,532,978 | 1,906,602 | 5,412,572 |
| | ----- | ----- | ----- | ----- |
| | 42,742 | (265,904) | 17,282,883 | 17,059,721 |
| Intraplan transfers | (55,978) | 1,547,120 | (1,075,833) | 415,309 |
| | ----- | ----- | ----- | ----- |
| Net increase (decrease) for the year | (13,236) | 1,281,216 | 16,207,050 | 17,475,030 |
| Net assets available for benefits: | | | | |
| Beginning of year | 2,335,474 | 4,686,326 | 18,883,965 | 25,905,765 |
| | ----- | ----- | ----- | ----- |
| End of year | \$2,322,238 | \$5,967,542 | \$35,091,015 | \$43,380,795 |
| | ===== | ===== | ===== | ===== |

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

3. Active funds (Continued)

For the year ended December 31, 1994, net assets available for benefits changed as follows:

| | Short-Term Investment Fund | Government Obligations Fund | Tredegar Industries Inc. Common Stock Fund | Total |
|---|----------------------------------|-----------------------------------|---|--------------|
| | ----- | ----- | ----- | ----- |
| Additions to net assets attributable to: | | | | |
| Investment income: | | | | |
| Interest | \$ 73,037 | \$ 280,300 | \$ 7,796 | \$ 361,133 |
| Dividends | - | - | 254,775 | 254,775 |
| Net appreciation (depreciation) in the fair value of investments | - | (144,435) | 2,577,973 | 2,433,538 |
| | ----- | ----- | ----- | ----- |
| | 73,037 | 135,865 | 2,840,544 | 3,049,446 |
| Contributions: | | | | |
| Employer | - | - | 1,920,910 | 1,920,910 |
| Participants | 2,010,352 | 871,024 | 1,088,643 | 3,970,019 |
| | ----- | ----- | ----- | ----- |
| | 2,010,352 | 871,024 | 3,009,553 | 5,890,929 |
| | ----- | ----- | ----- | ----- |
| Total additions | 2,083,389 | 1,006,889 | 5,850,097 | 8,940,375 |
| Deductions from net assets attributed to: | | | | |
| Administrative expenses | 1,635 | 10,121 | 8,294 | 20,050 |
| Withdrawals paid to participating employees | 2,048,437 | 1,669,153 | 1,916,468 | 5,634,058 |
| | ----- | ----- | ----- | ----- |
| Total deductions | 2,050,072 | 1,679,274 | 1,924,762 | 5,654,108 |
| | ----- | ----- | ----- | ----- |
| | 33,317 | (672,385) | 3,925,335 | 3,286,267 |
| Intraplan transfers | (54,228) | 595,274 | (333,175) | 207,871 |
| | ----- | ----- | ----- | ----- |
| Net increase (decrease) for the year | (20,911) | (77,111) | 3,592,160 | 3,494,138 |
| Net assets available for benefits: | | | | |
| Beginning of year | 2,356,385 | 4,763,437 | 15,291,805 | 22,411,627 |
| | ----- | ----- | ----- | ----- |
| End of year | \$2,335,474 | \$4,686,326 | \$18,883,965 | \$25,905,765 |
| | ===== | ===== | ===== | ===== |

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

4. Inactive funds

As of December 31, 1996, the following net assets were available for benefits:

| | Short-Term Investment Fund | Ethyl Corporation Common Stock Fund | First Colony Corporation Common Stock Fund | Albemarle Corporation Common Stock Fund | Total |
|--|----------------------------------|--|---|--|-------------|
| | ----- | ----- | ----- | ----- | ----- |
| Assets: | | | | | |
| Investments: | | | | | |
| Money market funds: | | | | | |
| Wachovia Bank Diversified Trust Fund | \$186,463 | \$ 6,533 | \$290,067 | \$ 582 | \$ 483,645 |
| Common stocks: | | | | | |
| Albemarle Corporation | - | - | - | 2,153,141 | 2,153,141 |
| Ethyl Corporation | - | 2,132,959 | - | - | 2,132,959 |
| Total investments | 186,463 | 2,139,492 | 290,067 | 2,153,723 | 4,769,745 |
| Receivables: | | | | | |
| Interest and dividends | 899 | 29,002 | 9,959 | 8,550 | 48,410 |
| Due from broker | - | 63,162 | - | 41,263 | 104,425 |
| Total receivables | 899 | 92,164 | 9,959 | 49,813 | 152,835 |
| Cash | - | - | 359 | - | 359 |
| | 187,362 | 2,231,656 | 300,385 | 2,203,536 | 4,922,939 |
| Liabilities: | | | | | |
| Accrued administrative expenses | 20 | 2 | 230 | 1 | 253 |
| Net assets available for benefits | \$187,342 | \$2,231,654 | \$300,155 | \$2,203,535 | \$4,922,686 |
| | ===== | ===== | ===== | ===== | ===== |

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

4. Inactive funds (Continued)

As of December 31, 1995, the following net assets were available for benefits:

| | Ethyl Corporation Common Stock Fund | First Colony Corporation Common Stock Fund | Albemarle Corporation Common Stock Fund | Total |
|---|--|---|--|---------------------|
| | ----- | ----- | ----- | ----- |
| Assets: | | | | |
| Investments: | | | | |
| Money market funds: | | | | |
| Wachovia Bank Diversified Trust Fund | \$ 74 | \$ 54 | \$ 19 | \$ 147 |
| Common stocks: | | | | |
| Albemarle Corporation | - | - | 3,530,978 | 3,530,978 |
| Ethyl Corporation | 4,615,145 | - | - | 4,615,145 |
| First Colony Corporation | - | 3,017,973 | - | 3,017,973 |
| | ----- | ----- | ----- | ----- |
| Total investments | 4,615,219 | 3,018,027 | 3,530,997 | 11,164,243 |
| Interest and dividends receivable | 46,618 | 11,982 | 10,023 | 68,623 |
| | ----- | ----- | ----- | ----- |
| | 4,661,837 | 3,030,009 | 3,541,020 | 11,232,866 |
| Liabilities: | | | | |
| Accrued administrative expenses | 4,247 | 2,972 | 3,152 | 10,371 |
| | ----- | ----- | ----- | ----- |
| Net assets available for benefits | <u>\$4,657,590</u> | <u>\$3,027,037</u> | <u>\$3,537,868</u> | <u>\$11,222,495</u> |

For the year ended December 31, 1996, net assets available for benefits changed as follows:

| | Short-Term Investment Fund | Ethyl Corporation Common Stock Fund | First Colony Corporation Common Stock Fund | Albemarle Corporation Common Stock Fund | Total |
|---|----------------------------------|--|---|--|-----------|
| | ----- | ----- | ----- | ----- | ----- |
| Additions to net assets attributable to: | | | | | |
| Investment income: | | | | | |
| Interest | \$ 12,802 | \$ 2,032 | \$ 11,093 | \$ 1,300 | \$ 27,227 |
| Dividends | - | 139,990 | 31,187 | 34,947 | 206,124 |
| Net appreciation (depreciation) in the fair value of investments | - | (982,805) | 715,983 | (33,352) | (300,174) |
| | ----- | ----- | ----- | ----- | ----- |
| Total additions | 12,802 | (840,783) | 758,263 | 2,895 | (66,823) |

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

4. Inactive funds (Continued)

| | Short-Term Investment Fund | Ethyl Corporation Common Stock Fund | First Colony Corporation Common Stock Fund | Albemarle Corporation Common Stock Fund | Total |
|---|----------------------------------|--|---|--|--------------|
| | ----- | ----- | ----- | ----- | ----- |
| Deductions from net assets attributed to: | | | | | |
| Administrative expenses | 4,817 | 538 | 1,312 | 963 | 7,630 |
| Withdrawals paid to participating employees | 155,333 | 376,912 | 317,682 | 376,650 | 1,226,577 |
| Total deductions | 160,150 | 377,450 | 318,994 | 377,613 | 1,234,207 |
| | (147,348) | (1,218,233) | 439,269 | (374,718) | (1,301,030) |
| Transfers: | | | | | |
| Intraplan transfers | 334,722 | (1,207,374) | (3,165,898) | (959,260) | (4,997,810) |
| To successor plan | (32) | (329) | (253) | (355) | (969) |
| Total transfers | 334,690 | (1,207,703) | (3,166,151) | (959,615) | (4,998,779) |
| Net increase (decrease) for the year | 187,342 | (2,425,936) | (2,726,882) | (1,334,333) | (6,299,809) |
| Net assets available for benefits: | | | | | |
| Beginning of year | - | 4,657,590 | 3,027,037 | 3,537,868 | 11,222,495 |
| End of year | \$187,342 | \$2,231,654 | \$ 300,155 | \$2,203,535 | \$ 4,922,686 |
| | ===== | ===== | ===== | ===== | ===== |

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

4. Inactive funds (Continued)

For the year ended December 31, 1995, net assets available for benefits changed as follows:

| | Ethyl Corporation Common Stock Fund | First Colony Corporation Common Stock Fund | Albemarle Corporation Common Stock Fund | Total |
|---|--|---|--|--------------|
| | ----- | ----- | ----- | ----- |
| Additions to net assets attributable to: | | | | |
| Investment income: | | | | |
| Interest | \$ 1,024 | \$ 190 | \$ 215 | \$ 1,429 |
| Dividends | 192,411 | 49,957 | 39,716 | 282,084 |
| Net appreciation in the fair value of investments | 1,060,532 | 379,799 | 1,027,794 | 2,468,125 |
| | ----- | ----- | ----- | ----- |
| Total additions | 1,253,967 | 429,946 | 1,067,725 | 2,751,638 |
| Deductions from net assets attributed to: | | | | |
| Administrative expenses | 4,940 | 3,580 | 3,768 | 12,288 |
| Withdrawals paid to participating employees | 313,567 | 198,667 | 208,454 | 720,688 |
| | ----- | ----- | ----- | ----- |
| Total deductions | 318,507 | 202,247 | 212,222 | 732,976 |
| | ----- | ----- | ----- | ----- |
| | 935,460 | 227,699 | 855,503 | 2,018,662 |
| Intraplan transfers | (195,126) | (129,549) | (90,634) | (415,309) |
| | ----- | ----- | ----- | ----- |
| Net increase for the year | 740,334 | 98,150 | 764,869 | 1,603,353 |
| Net assets available for benefits: | | | | |
| Beginning of year | 3,917,256 | 2,928,887 | 2,772,999 | 9,619,142 |
| | ----- | ----- | ----- | ----- |
| End of year | \$4,657,590 | \$3,027,037 | \$3,537,868 | \$11,222,495 |
| | ===== | ===== | ===== | ===== |

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

4. Inactive funds (Continued)

For the year ended December 31, 1994, net assets available for benefits changed as follows:

| | Ethyl Corporation Common Stock Fund | First Colony Corporation Common Stock Fund | Albemarle Corporation Common Stock Fund | Total |
|--|--|---|--|--------------|
| | ----- | ----- | ----- | ----- |
| Additions to net assets attributable to: | | | | |
| Investment income: | | | | |
| Interest | \$ 1,577 | \$ 896 | \$ 920 | \$ 3,393 |
| Dividends | 213,930 | 40,093 | 42,888 | 296,911 |
| Net appreciation (depreciation) in the fair value of investments | (446,864) | (472,817) | 210,428 | (709,253) |
| Total additions | (231,357) | (431,828) | 254,236 | (408,949) |
| Deductions from net assets attributed to: | | | | |
| Administrative expenses | 2,914 | 1,600 | 1,222 | 5,736 |
| Withdrawals paid to participating employees | 1,060,799 | 603,816 | 514,463 | 2,179,078 |
| Total deductions | 1,063,713 | 605,416 | 515,685 | 2,184,814 |
| | (1,295,070) | (1,037,244) | (261,449) | (2,593,763) |
| Intraplan transfers | (3,184,531) | (57,788) | 3,034,448 | (207,871) |
| Net increase (decrease) for the year | (4,479,601) | (1,095,032) | 2,772,999 | (2,801,634) |
| Net assets available for benefits: | | | | |
| Beginning of year | 8,396,857 | 4,023,919 | - | 12,420,776 |
| End of year | \$3,917,256 | \$2,928,887 | \$2,772,999 | \$ 9,619,142 |
| | ===== | ===== | ===== | ===== |

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

5. Contributions and investment options

As of December 31, 1996 and 1995, there were 1,422 and 1,558 employees, respectively, participating in the Plan. Participation in each fund was as follows:

| | Number of Participants | |
|--|------------------------|-------|
| | December 31, 1996 | 1995 |
| Short-Term Investment Fund | 143 | 593 |
| Government Obligations Fund | - | 673 |
| Tredegear Industries, Inc. Common Stock Fund | 1,375 | 1,555 |
| Albemarle Corporation Common Stock Fund | 243 | 411 |
| Ethyl Corporation Common Stock Fund | 234 | 410 |
| First Colony Corporation Common Stock Fund | -* | 410 |
| Stable Value Fund | 540 | - |
| Balanced Fund | 533 | - |
| Equity Fund | 807 | - |

*This Fund was terminated as of December 31, 1996; however, the funds were not transferred until January 1997.

As of December 31, 1996 and 1995, 1,971 and 1,847 employees, respectively, were eligible to participate in the Plan.

Participants in the Plan currently may select a program for investment in the Stable Value Fund, Balanced Fund, Equity Fund, Tredegear Industries, Inc. Common Stock Fund, or in any combination thereof in even multiples of 10%. Each participant may contribute a percentage of his or her base pay (as defined) ranging from a minimum of 1% to a maximum of 10%. The contribution paid on behalf of the participant by Tredegear is generally 50% of each participant's contribution. Contributions made by Tredegear are invested in the Tredegear Industries, Inc. Common Stock Fund.

No additional contributions may be invested in either the Ethyl Corporation Common Stock Fund (which was an investment option under the Ethyl Plan) or the Albemarle Corporation Common Stock Fund (which was created during 1994 as the result of a distribution to Ethyl Corporation stockholders). However, existing investments in these Funds may continue or the participants may direct the transfer of their investment in these Funds to the Stable Value Fund, Balanced Fund, Equity Fund, or the Tredegear Industries, Inc. Common Stock Fund.

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

5. Contributions and investment options (Continued)

Investments in the Short-Term Investment Fund are selected by Wachovia Bank, N.A. (Trustee), from fund securities maturing within one year or revolving credit arrangements that are completely liquid investments. Investments in the other active funds are made primarily in various actively managed commingled funds managed by the Frank Russell Trust Company and Tredegar common stock. Investments in the common stock of Ethyl Corporation and Albemarle Corporation are now held until liquidation or distribution under the Plan. The Trustee is permitted under the trust agreement to invest monies held by it until such time as the funds are invested in accordance with participants' directions or disbursed in accordance with the terms of the Plan. These permitted investments include certain commercial paper, variable notes, certificates of deposit and money market funds.

The cost basis assigned to the Albemarle Corporation common stock received from the distribution by Ethyl Corporation was 34.99% of the cost basis of the Ethyl Corporation common stock. The market value of Albemarle Corporation common stock on February 28, 1994, was \$1,889,293 in excess of the cost basis assigned.

6. Investments

The following tables present the fair value of investments as of December 31, 1996 and 1995. Investments that represent five percent or more of the Plan's net assets are separately identified.

FAIR VALUE OF INVESTMENTS

December 31, 1996

| Name of issuer and title of each issue | Number of shares or units - principal bonds and notes | Cost | Fair Value (1) |
|--|---|------------|-------------------|
| Investments at fair value as determined | | | |
| by quoted market price: | | | |
| Money market funds: | | | |
| Wachovia Bank Diversified Trust Fund | | \$ 686,481 | \$ 686,481 |
| Frank Russell Short Term Investment Fund | | 237 | 237 |
| Common stocks: | | | |
| Albemarle Corporation | 118,794 | 615,585 | 2,153,141 |
| Ethyl Corporation | 224,522 | 1,133,967 | 2,132,959 |
| Tredegar Industries, Inc. | 1,444,660 | 13,861,815 | 57,966,983 |
| | | 16,298,085 | 62,939,801 |

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

6. Investments (Continued)

| Name of issuer and title of each issue ----- | Number of shares or units - principal bonds and notes ----- | Cost ----- | Fair Value (1) ----- |
|---|--|---------------|----------------------------|
| Investments estimated at fair value: | | | |
| Actively managed commingled funds: | | | |
| Frank Russell Investment Contract Fund | 246,810 | 4,418,321 | 4,545,748 |
| Frank Russell Global Balanced Fund | 191,582 | 3,168,424 | 3,486,211 |
| Frank Russell Equity I Fund | 186,566 | 3,578,047 | 4,027,405 |
| Frank Russell Equity II Fund | 12,847 | 422,874 | 456,556 |
| Loans to participants | \$156,328 | 156,328 | 156,328 |
| | | ----- | ----- |
| | | 11,743,994 | 12,672,248 |
| | | ----- | ----- |
| Total investments | | \$28,042,079 | \$75,612,049 |
| | | ===== | ===== |

(1) Investments are carried in the statement of net assets available for benefits at fair value.

FAIR VALUE OF INVESTMENTS

December 31, 1995

| Name of issuer and title of each issue ----- | Number of shares or units - principal bonds and notes ----- | Cost ----- | Fair Value (1) ----- |
|---|--|---------------|----------------------------|
| Money market funds: | | | |
| Wachovia Bank Diversified Trust Fund | | \$ 2,521,648 | \$ 2,521,648 |
| Common stocks: | | | |
| Albemarle Corporation | 182,244 | 927,405 | 3,530,978 |
| Ethyl Corporation | 372,941 | 1,791,937 | 4,615,145 |
| First Colony Corporation | 118,935 | 1,353,267 | 3,017,973 |
| Tredegar Industries, Inc. | 1,083,198 | 14,463,055 | 34,933,135 |
| United States government obligations | \$5,650,000 | 5,733,986 | 5,736,347 |
| | | ----- | ----- |
| Total investments | | \$26,791,298 | \$54,355,226 |
| | | ===== | ===== |

(1) Investments are carried in the statement of net assets available for benefits at fair value.

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

6. Investments (Continued)

Closing stock prices as of December 31, 1996 and 1995, were as follows:

| | 1996 | 1995 |
|--|----------|----------|
| Albemarle Corporation common stock | \$18.125 | \$19.375 |
| Ethyl Corporation common stock | 9.500 | 12.375 |
| First Colony Corporation common stock | - | 25.375 |
| Tredegear Industries, Inc. common stock(1) | 40.125 | 21.500 |
| Frank Russell Investment Contract Fund | 18.418 | - |
| Frank Russell Global Balanced Fund | 18.197 | - |
| Frank Russell Equity I Fund | 21.587 | - |
| Frank Russell Equity II Fund | 19.983 | - |

(1) On January 1, 1996, Tredegear effected a 3 for 2 stock split. The stock prices listed above for 1995 have been adjusted to reflect the effects of the split.

During the years ended December 31, 1996 and 1995, the Plan's investment portfolio (including investments bought, sold and held during the year) appreciated in value by \$29,454,043 and \$18,565,114 as follows:

| Net change in fair value | 1996 | 1995 |
|---|--------------|--------------|
| ----- | ---- | ---- |
| Investments at fair value as determined by quoted market price: | | |
| United States government obligations | \$ (59,855) | \$ 50,283 |
| Tredegear Industries, Inc. common stock | 28,867,859 | 16,046,706 |
| Albemarle Corporation common stock | (33,352) | 1,027,794 |
| Ethyl Corporation common stock | (982,804) | 1,060,532 |
| First Colony Corporation common stock | 715,983 | 379,799 |
| | ----- | ----- |
| | 28,507,831 | 18,565,114 |
| Investments at estimated fair value: | | |
| Frank Russell Investment Contract Fund | 135,033 | - |
| Frank Russell Global Balanced Fund | 322,243 | - |
| Frank Russell Equity I Fund | 455,074 | - |
| Frank Russell Equity II Fund | 33,862 | - |
| | ----- | ----- |
| | 946,212 | - |
| | ----- | ----- |
| Net change in fair value | \$29,454,043 | \$18,565,114 |
| | ===== | ===== |

SAVINGS PLAN FOR THE EMPLOYEES OF TREDEGAR INDUSTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1996

7. Federal income taxes

The Internal Revenue Service has determined and informed Tredegar by a letter dated January 22, 1996, that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

8. Annual Short-Term Investment Fund distribution

The Plan provides that an annual distribution of 75% of each participant's interest in the Short-Term Investment Fund as of the end of the preceding plan year will be made as promptly as practicable after the beginning of the new plan year unless a participant elects to transfer this distribution to the Stable Value Fund, Balanced Fund, Equity Fund, or the Tredegar Industries, Inc. Common Stock Fund. Annual distributions in the amount of \$140,036, \$1,822,924, and \$1,665,194 were paid from the Short-Term Investment Fund in February 1997, 1996, and 1995, respectively. The remaining balance, if any, is carried over in the Short-Term Investment Fund.

9. Administrative expenses

Trustee expenses are borne by the Plan. Effective January 1, 1996, all other expenses exceeding the annual limit of \$75,000 (which are borne by Tredegar) are also borne by the Plan.

10. Forfeitures

Employees who leave Tredegar before becoming fully vested in Tredegar contributions forfeit the value of their nonvested account. Forfeitures are applied against Tredegar's contributions throughout the year. Forfeitures were as follows:

| | |
|------|-----------|
| 1996 | \$100,102 |
| 1995 | 76,280 |
| 1994 | 64,113 |

EXHIBIT INDEX

24.1

Consent of Independent Auditors

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement of Tredegar Industries, Inc. on Form S-8 (File Number 33-64647) of our report dated June 9, 1997, appearing in this Annual Report on Form 11-K of the Savings Plan for the Employees of Tredegar Industries, Inc. for the year ended December 31, 1996.

PLOTT & WALTON, PC

June 19, 1997