

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

 /X /
 - - - -

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

For the quarterly period ended September 30, 2000

OR

 / /
 - - - -

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

For the transition period from _____ to _____

Commission file number 1-10258

Tredegar Corporation

(Exact Name of Registrant as Specified in its Charter)

Virginia

54-1497771

 (State or Other Jurisdiction
 of Incorporation or Organization)

 (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

Indicate by check whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No
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The number of shares of Common Stock, no par value, outstanding as of October 31, 2000: 38,018,017.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	Sept. 30, 2000	Dec. 31, 1999
	-----	-----
Assets		
Current assets:		
Cash and cash equivalents	\$ 47,158	\$ 25,752
Receivable from securities brokers	16,213	-
Accounts and notes receivable	109,800	121,820
Inventories	47,063	53,129
Deferred income taxes	12,189	11,230
Prepaid expenses and other	2,283	2,657
Total current assets	----- 234,706	----- 214,588
Property, plant and equipment, at cost	503,597	467,565
Less accumulated depreciation and amortization	240,582	224,158
Net property, plant and equipment	----- 263,015	----- 243,407
Venture capital investments	358,104	140,698

Other assets and deferred charges	46,816	41,250
Goodwill and other intangibles	137,939	152,544
	-----	-----
Total assets	\$ 1,040,580	\$ 792,487
	=====	=====
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 59,699	\$ 61,476
Accrued expenses	39,912	45,030
Income taxes payable	15,266	1,736
	-----	-----
Total current liabilities	114,877	108,242
Long-term debt	265,000	270,000
Deferred income taxes	92,925	33,205
Other noncurrent liabilities	9,224	8,812
	-----	-----
Total liabilities	482,026	420,259
	-----	-----
Shareholders' equity:		
Common stock, no par value	107,037	103,327
Common stock held in trust for savings restoration plan	(1,212)	(1,212)
Unrealized gain on available-for-sale securities	107,342	8,330
Foreign currency translation adjustment	(5,383)	(1,672)
Retained earnings	350,770	263,455
	-----	-----
Total shareholders' equity	558,554	372,228
	-----	-----
Total liabilities and shareholders' equity	\$1,040,580	\$ 792,487
	=====	=====

See accompanying notes to financial statements.

Tredegar Corporation
Consolidated Statements of Income
(In Thousands)
(Unaudited)

	Third Quarter Ended September 30		Nine Months Ended September 30	
	2000	1999	2000	1999
Revenues:				
Net sales	\$215,627	\$215,911	\$671,358	\$590,292
Other income (expense), net	79,641	(3,889)	113,567	(4,907)
Total	295,268	212,022	784,925	585,385
Costs and expenses:				
Cost of goods sold	177,170	171,389	542,172	465,614
Selling, general and administrative	15,236	11,991	41,161	34,513
Research and development	6,910	5,969	18,887	15,819
Amortization of intangibles	1,276	1,275	3,828	2,144
Interest	4,455	3,047	13,057	4,853
Unusual items	16,870	(712)	21,829	3,916
Total	221,917	192,959	640,934	526,859
Income before income taxes	73,351	19,063	143,991	58,526
Income taxes	26,313	6,748	52,122	20,723
Net income	\$ 47,038	\$ 12,315	\$ 91,869	\$ 37,803
Earnings per share:				
Basic	\$ 1.24	\$.33	\$ 2.43	\$ 1.02
Diluted	1.21	.32	2.36	.97
Shares used to compute earnings per share:				
Basic	37,944	37,098	37,859	36,893
Diluted	38,847	38,718	38,952	38,754
Dividends per share	\$.04	\$.04	\$.12	\$.12

See accompanying notes to financial statements.

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

Nine Months Ended
September 30

	2000	1999
Cash flows from operating activities:		
Net income	\$ 91,869	\$ 37,803
Adjustments for noncash items:		
Depreciation	23,734	20,146
Amortization of intangibles	3,828	2,144
Write-off of goodwill and in-process R&D acquired	9,950	3,725
Deferred income taxes	1,661	(1,071)
Accrued pension income and postretirement benefits	(5,703)	(2,331)
(Gain) loss on sale of venture capital investments	(112,839)	4,994
Loss on equipment writedowns and divestitures	11,689	458
Changes in assets and liabilities, net of effects from acquisitions and divestitures:		
Accounts and notes receivable	9,673	(10,208)
Inventories	3,630	4,806
Prepaid expenses and other	329	1,624
Accounts payable	(1,020)	10,502
Accrued expenses and income taxes payable	7,020	1,347
Other, net	(378)	(2,117)
Net cash provided by operating activities	43,443	71,822
Cash flows from investing activities:		
Capital expenditures	(60,418)	(32,792)
Acquisitions	-	(215,227)
Venture capital investments	(74,783)	(55,727)
Proceeds from the sale of venture capital investments	112,131	2,234
Proceeds from property disposals and divestitures	9,205	905
Other, net	(2,328)	(841)
Net cash used in investing activities	(16,193)	(301,448)
Cash flows from financing activities:		
Dividends paid	(4,554)	(4,428)
Net increase (decrease) in borrowings	(5,000)	225,000
Proceeds from exercise of stock options (including related income tax benefits realized)	3,710	3,079
Net cash provided by (used in) financing activities	(5,844)	223,651
Increase (decrease) in cash and cash equivalents	21,406	(5,975)
Cash and cash equivalents at beginning of period	25,752	25,409
Cash and cash equivalents at end of period	\$ 47,158	\$ 19,434

See accompanying notes to financial statements.

TREDEGAR CORPORATION

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited)

1. In the opinion of management, the accompanying consolidated financial statements of Tredegar Corporation and Subsidiaries ("Tredegar") contain all adjustments necessary to present fairly, in all material respects, Tredegar's consolidated financial position as of September 30, 2000, and the consolidated results of operations and cash flows for the nine months ended September 30, 2000 and 1999. All such adjustments are deemed to be of a normal recurring nature. These financial statements should be read in conjunction with the consolidated financial statements and related notes included in Tredegar's Annual Report on Form 10-K for the year ended December 31, 1999. The results of operations for the nine months ended September 30, 2000 are not necessarily indicative of the results to be expected for the full year.

2. See pages 10 through 12 for information on unusual items recognized during the quarter and the nine months ended September 30, 2000 and 1999.

In the third quarter we recognized a net after-tax charge of \$10.8 million (28 cents per share) related primarily to a write-off of excess capacity and associated goodwill in our plastic films business.

On October 13, 2000, we announced the completion of the acquisition of the stock of ADMA and Promea, film and film equipment manufacturers located in Italy. The combined companies have annual sales of approximately \$9 million.

3. A summary of our venture capital activities for the quarter and nine months ended September 30, 2000 and 1999, is provided below:

	(In Thousands)			
	Third Quarter		Nine Months	
	Ended September 30		Ended September 30	
	2000	1999	2000	1999
Carrying value, beginning of period	\$262,277	\$ 85,154	\$140,698	\$ 60,024
Activity for period (pre-tax):				
New investments	27,772	23,890	74,783	55,727
Proceeds from the sale of investments	(84,909)	(45)	(128,344)	(2,234)
Realized gains	80,301	35	117,306	1,961
Realized losses, write-offs and write-downs	(1,003)	(3,846)	(4,467)	(6,955)
Transfer of carrying value of Therics out of portfolio (acquired by Tredegar)	-	-	-	(3,380)
Increase in net unrealized gain on available-for-sale securities	73,666	2,688	158,128	2,733
Carrying value, end of period	\$358,104	\$107,876	\$358,104	\$107,876

Our remaining unfunded commitments to private venture capital funds totaled approximately \$57 million at September 30, 2000, and \$30 million at December 31, 1999.

A schedule of investments is provided on the following two pages.

Tredegar Corporation
Schedule of Investments at September 30, 2000 and December 31, 1999
(In Thousands, Except Per-Share Amounts)

Investment	Symbol	Yrs. Held (a)	Description	Web Site (www.)
Securities of Public Companies Held:				
Illumina, Inc. (e)	ILMN	1.9	Fiber optic sensor technology for drug screening	illumina.com
SignalSoft Corporation (e)	SGSF	2.6	Wireless caller location detection software	signalsoftcorp.com
Rosetta Inpharmatics, Inc. (e)	RSTA	3.3	Gene function/drug screening on a chip	rii.com
Eprise Corporation (e)	EPRS	2.8	Web site maintenance & development tool	eprise.com
Superconductor Tech, Inc.	SCON	1.3	Manufactures filters for wireless networks	suptech.com
Vascular Solutions (e)	VASC	2.8	Vascular access sit closure system	vascularsolutions.com
Nortel Networks Corp. (f)	NT	2.5	Networking solutions and services	nortelnetworks.com
Lucent Technologies, Inc. (f)	LU	2.5	Developer and manufacturer of communications systems	lucent.com
Software.com, Inc. (f)	SWCM	.9	Infrastructure applications for the Internet	software.com
Cobalt Networks, Inc.	COBT	3.0	Network servers	cobalt.com
Tut Systems, Inc.	TUTS	7.2	Local area network products	tutsys.com
Siebel Systems, Inc. (f)	SEBL	2.3	Provider of eBusiness applications	siebel.com
Eclipse Surgical Tech., Inc.	ESTI	6.3	Coronary revascularization	eclipsesurg.com
Avaya Inc. (f)	AV	2.5	Communications systems	avaya.com
Cisco Systems (f)	CSCO	1.2	Networking for the Internet	cisco.com
Tibco Software, Inc. (f)	TIBX	2.5	eBusiness infrastructure software products	tibco.com
Yahoo! Inc. (f)	YHOO	1.6	Internet media company	yahoo.com
DSL.net Inc.	DSLN	1.5	High speed data communications technology	dsl.net
BCE Emergis Inc. (f)	IFM.TO	2.5	E-commerce solutions	emergis.com
Telaxis Communications	TLXS	2.9	High speed wireless access equipment	telaxiscomm.com
America Online, Inc. (f)	AOL	1.3	Internet services	aol.com
Copper Mountain Networks	CMTN	.4	Digital subscriber line communication products	coppermountain.com
Caliper Technologies Corp.	CALP	2.9	Lab on a chip	calipertech.com
Akamai Technologies, Inc.	AKAM	1.1	Global delivery service of Internet content	akamai.com

Total securities of public companies held

Securities of Private Companies Held:

CyroGen	5.0	Micro-cryogenic catheters for medical applications	cyrogen-inc.com
Sensitech Inc.	3.6	Perishable product management solutions	sensitech.com
Bell Geospace	3.3	Presentation of 3D data to the oil & gas industry	bellgeo.com
Songbird Medical, Inc.	3.2	Disposable hearing aids	
RedCreek Communications	3.1	Internet and intranet security	redcreek.com
Appliant, Inc.	3.0	Software tools for managing executable software	appliant.com
Ellipsys Technologies, Inc.	2.9	Telephone system error detection	ellipsystech.com
HemoSense	2.9	Point of care blood coagulation time test device	hemosense.com
Moai Technologies, Inc.	2.8	System for holding auctions on the Internet	moai.com
Babycare, Ltd.	2.6	Direct retailing of baby care products in China	
Novalux, Inc.	2.4	Blue-green light lasers	novalux.com
IRSI	2.3	Optical inspection systems	irsinc.com
Xycte Therapies, Inc.	2.2	Develops drugs to treat cancer & other disorders	xyctetherapies.com
Advanced Diagnostics, Inc.	1.9	3-D medical imaging equipment	
Adolor Corporation	1.8	Develops pain-management therapeutic drugs	adolor.com
Praxon, Inc.	1.8	Integrated business communications equipment	praxon.com
AdiCom Wireless, Inc.	1.7	Wireless local loop technology	adicomwireless.com
EndoVasix, Inc.	1.7	Device for treatment of ischemic strokes	endovasix.com
eWireless, inc.	1.7	Technology linking cell phone users & advertising	ewireless.com
Cooking.com, Inc.	1.5	Sales of cooking-related items over the Internet	cooking.com
MediaFlex.com	1.5	Internet-based printing & publishing	mediaflex.com
eBabyCare Ltd.	1.3	Sales of babycare products over the Internet in China	
Kodiak Technologies, Inc.	1.3	Cooling products for organ & pharma transport	kodiaktech.com
Genesis Medical, Inc.	1.2	Medical devices for breast cancer surgery	
CEPTYR, Inc.	1.2	Develops small molecule drugs	ceptyr.com
GreaterGood.com	1.2	Internet marketing targeted at donors to charities	greatergood.com
Etera Corporation	1.1	Sales of branded perennial plants over the Internet	etera.com

Subtotal securities of private companies held

See notes on page 7.

Tredegar Corporation
Schedule of Investments at September 30, 2000 and December 31, 1999
(In Thousands, Except Per-Share Amounts)

Investment	Public Common Stock or Equivalents at 9/30/00		9/30/00 (g)		12/31/99 (g)				
	Shares Held	Closing Price	Estimated Restricted Stock Dis-count (c)	Estimated Fair Value (b)	Carrying Value (b)	Cost Basis	Estimated Fair Value (b)	Carrying Value (b)	Cost Basis
Securities of Public Companies Held:									
Illumina, Inc. (e)	1,659	\$ 45.38	20%	\$ 60,244	\$ 60,244	\$ 3,925	6,853	3,925	3,925
SignalSoft Corporation (e)	922	40.62	20%	29,959	29,959	3,006	5,624	2,996	2,996
Rosetta Inpharmatics, Inc. (e)	1,044	27.89	20%	23,299	23,299	4,745	4,558	3,000	3,000
Eprise Corporation (e)	1,900	8.62	1%	16,156	16,156	3,057	7,309	2,900	2,900
Superconductor Tech, Inc.	776	18.06	3%	13,577	13,577	2,160	4,613	3,000	3,000
Vascular Solutions (e)	854	18.77	20%	12,825	12,825	2,450	4,409	2,450	2,450
Nortel Networks Corp. (f)	185	60.38	3%	10,888	10,888	883	2,945	750	750
Lucent Technologies, Inc. (f)	318	30.50	n/a	9,693	9,693	212	-	-	-

Software.com, Inc. (f)	43	181.44	20%	6,185	6,185	348	2,000	2,000	2,000
Cobalt Networks, Inc.	54	57.88	n/a	3,101	3,101	99	-	-	-
Tut Systems, Inc.	29	86.31	n/a	2,481	2,481	145	-	-	-
Siebel Systems, Inc. (f)	22	111.31	2%	2,412	2,412	156	-	-	-
Eclipse Surgical Tech., Inc.	453	4.00	n/a	1,813	1,813	2,464	3,342	3,342	2,464
Avaya Inc. (f)	26	22.94	n/a	607	607	-	-	-	-
Cisco Systems (f)	13	55.25	17%	572	572	200	6,276	6,276	2,000
Tibco Software, Inc. (f)	6	84.44	3%	479	479	67	-	-	-
Yahoo! Inc. (f)	3	91.00	4%	288	288	50	-	-	-
DSL.net Inc.	90	3.06	n/a	276	276	170	-	-	-
BCE Emergis Inc. (f)	6	47.78	13%	272	272	20	-	-	-
Telaxis Communications	34	6.09	n/a	205	205	145	-	-	-
America Online, Inc. (f)	3	53.65	n/a	135	135	20	-	-	-
Copper Mountain Networks	-	-	20%	-	-	-	1,460	1,460	1,460
Caliper Technologies Corp.	-	-	20%	-	-	-	8,386	8,386	1,000
Akamai Technologies, Inc.	-	-	20%	-	-	-	536	536	57

Total securities of public companies held				195,467	195,467	24,322	58,311	41,021	28,002
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Securities of Private Companies Held:

CyroGen				4,213	3,054	3,054	3,759	2,553	2,553
Sensitech Inc.				3,100	2,333	2,333	2,000	2,000	2,000
Bell Geospace				-	-	3,500	-	-	3,500
Songbird Medical, Inc.				5,859	3,960	3,960	5,922	3,960	3,960
RedCreek Communications				549	549	2,256	2,071	2,071	2,256
Appliant, Inc.				6,243	3,899	3,899	5,036	2,599	2,599
Ellipsys Technologies, Inc.				-	-	2,275	1,987	1,987	2,737
HemoSense				2,686	2,485	2,485	1,735	1,485	1,485
Moai Technologies, Inc.				30,817	2,021	2,021	7,389	2,021	2,021
Babycare, Ltd.				1,009	1,009	1,009	1,009	1,009	1,009
NovaLux, Inc.				50,624	10,149	10,149	5,193	3,183	3,183
IRSI				7,780	3,325	4,200	2,848	2,825	3,700
Xycte Therapies, Inc.				5,578	3,795	3,795	3,000	3,000	3,000
Advanced Diagnostics, Inc.				1,316	1,371	1,371	705	705	705
Adolor Corporation				5,324	3,000	3,000	2,613	2,000	2,000
Praxon, Inc.				2,577	2,309	2,309	2,661	2,309	2,309
AdiCom Wireless, Inc.				4,093	4,062	4,062	3,000	3,000	3,000
EndoVasix, Inc.				4,255	4,000	4,000	2,500	2,500	2,500
eWireless, inc.				31,593	2,250	2,250	2,250	2,250	2,250
Cooking.com, Inc.				6,801	4,500	4,500	7,021	4,500	4,500
MediaFlex.com				3,998	3,500	3,500	1,500	1,500	1,500
eBabyCare Ltd.				314	314	314	120	120	120
Kodiak Technologies, Inc.				1,694	1,694	1,694	1,194	1,194	1,194
Genesis Medical, Inc.				3,133	2,467	2,467	800	800	800
CEPTYR, Inc.				1,750	1,750	1,750	1,750	1,750	1,750
GreaterGood.com				4,905	3,749	3,749	3,200	3,200	3,200
Etera Corporation				3,952	4,000	4,000	3,000	3,000	3,000

Subtotal securities of private companies held				194,163	75,545	83,902	74,263	57,521	62,831
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See notes on page 7.

Tredegar Corporation

Schedule of Investments at September 30, 2000 and December 31, 1999
(In Thousands, Except Per-Share Amounts)

Investment	Yrs. Held (a)	Description	Web Site (www.)
Total securities of public companies held (from page 6)			
Subtotal securities of private companies held (from page 6)			
ThinkFree.com	1.0	Java-based software complementary to Microsoft Office	thinkfree.com
PurePacket Communications, Inc.	.9	Next generation packet-based CLEC (phone carrier)	purepacket.com
Quarry Technologies, Inc.	.9	Technology for delivery of differentiated service level	quarrytech.com
Norborn Medical, Inc.	.8	Device for treatment of cardiovascular disease	
FastTrack Systems, Inc.	.7	Clinical trial data management information systems	
Riveon	.6	Web-based data mining software for business managers	
Medmanage Systems, Inc.	.5	Management of prescription drug sampling program	
Linx Communications, Inc.	.3	Unified communications and messaging system	
Infinicon, Inc.	.3	Manufacturer of infiniband input/output products	
Cbyon, Inc.	.2	Provider of software image data to assist surgeons	
Extreme Devices	-	Manufacturer of integrated, solid-state electron source	
Total securities of private companies held			
Limited partnership interests in private venture capital funds (period held of .1 - 7.5 years) (d)			
Total investments			
Estimated taxes on assumed disposal at fair value			
Estimated net asset value ("NAV")			

Tredegar Corporation

Schedule of Investments at September 30, 2000 and December 31, 1999
(In Thousands, Except Per-Share Amounts)

Investment	9/30/00 (g)			12/31/99 (g)		
	Estimated Fair Value (b)	Carrying Value (b)	Cost Basis	Estimated Fair Value (b)	Carrying Value (b)	Cost Basis
Total securities of public companies held (from page 6)						
Subtotal securities of private companies held (from page 6)						
ThinkFree.com	1,491	1,491	1,491	1,001	1,001	1,001
PurePacket Communications, Inc.	8,943	4,779	4,779	1,797	1,797	1,797
Quarry Technologies, Inc.	3,000	3,000	3,000	3,000	3,000	3,000
Norborn Medical, Inc.	-	-	188	188	188	188
FastTrack Systems, Inc.	3,000	3,000	3,000	-	-	-
Riveon	1,200	1,200	1,200	-	-	-
Medmanage Systems, Inc.	4,000	4,000	4,000	-	-	-
Linx Communications, Inc.	3,000	3,000	3,000	-	-	-
Infinicon, Inc.	3,485	3,485	3,485	-	-	-
Cbyon, Inc.	3,500	3,500	3,500	-	-	-
Extreme Devices	5,000	5,000	5,000	-	-	-
Total securities of private companies held						
Limited partnership interests in private venture capital funds (period held of .1 - 7.5 years) (d)						
Total investments						
Estimated taxes on assumed disposal at fair value						
Estimated net asset value ("NAV")						

Notes:

(a) The period held for an investment in a company or a venture capital fund is computed using the initial investment date and the current valuation date. If a company has merged with another company, then the initial investment date is the date of the investment in the predecessor company.

(b) Amounts are shown net of carried interest estimated using realized and unrealized net gains to date. Amounts may change due to changes in estimated carried interest, and such changes are not expected to be material. Carried interest is the portion of value payable to portfolio managers based on realized net gains and is a customary incentive in the venture capital industry.

(c) Restricted securities are securities for which an agreement exists not to sell shares for a specified period of time, usually 180 days. Also included within the category of restricted securities are unregistered securities, the sale of which must comply with an exemption to the Securities Act of 1933 (usually SEC Rule 144). These unregistered securities are either the same class of stock that is registered and publicly traded or are convertible into a class

of stock that is registered and publicly traded.

(d) At September 30, 2000, Tredegar had ownership interests in 27 venture capital funds, including an indirect interest in the following public companies, among others (disposition of shares held by venture funds, including distributions to limited partners, is at the sole discretion of the general partner of the fund):

Indirect Investment	Symbol	Description
Cosine Communications	SCON	Communications platforms for network service providers (cosinecom.com)
Illumina, Inc.	ILMN	Fiber optic sensor technology for drug screening
Sonus Networks	SONS	Provider of voice infrastructure products (sonusnet.com)
Universal Access, Inc.	UAXS	Wholesale provider of high bandwidth services (universalaccessinc.com)
Paradigm Genetics, Inc.	PDGM	Industrialization of the process of determining gene function (paragen.com)
Lucent Technologies, Inc.	LU	Developer and manufacturer of communications systems
SignalSoft Corporation	SGSF	Wireless caller location detection software
Rosetta Inpharmatics, Inc.	RSTA	Gene function/drug screening on a chip
Digital Island	ISLD	Web site management (digisle.net)
Loudeye Technologies, Inc.	LOUD	Internet media infrastructure services and applications (loudeye.com)
ASAR Holdings Limited	ASTT	Provider of semiconductor assembly and testing services (asat.com)

Indirect Investment	Indirect		Average	Indirect	
	Interest in Common Shares	Closing Price	Restricted Stock Dis- count	Estimated Fair Value	Cost Basis
Cosine Communications	396	\$ 55.56	20%	\$ 17,580	\$ 562
Illumina, Inc.	192	45.38	20%	6,978	333
Sonus Networks	49	126.38	0%	6,191	63
Universal Access, Inc.	600	11.75	20%	5,639	521
Paradigm Genetics, Inc.	114	23.88	20%	2,184	212
Lucent Technologies, Inc.	70	30.50	n/a	2,124	152
SignalSoft Corporation	46	40.62	20%	1,498	162
Rosetta Inpharmatics, Inc.	56	27.89	20%	1,253	253
Digital Island	69	18.75	20%	1,036	131
Loudeye Technologies, Inc.	169	6.81	20%	920	437
ASAR Holdings Limited	164	6.56	20%	863	365

4. Comprehensive income, defined as net income and other comprehensive income, was \$89 million for the third quarter of 2000 and \$14 million for the third quarter of 1999. Comprehensive income was \$187.2 million for the first nine months of 2000 and \$40.4 million for the first nine months of 1999. Other comprehensive income includes changes in unrealized gains and losses on available-for-sale securities and foreign currency translation adjustments recorded net of deferred income taxes directly in shareholders' equity.

5. The components of inventories are as follows:

(In Thousands)

	Sept. 30 2000	Dec. 31 1999
Finished goods	\$7,098	\$9,928
Work-in-process	4,462	4,322
Raw materials	25,136	29,174
Stores, supplies and other	10,367	9,705
Total	\$47,063	\$53,129

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

(In Thousands)

	Third Quarter Ended Sept. 30		Nine Months Ended Sept. 30	
	2000	1999	2000	1999
Weighted average shares outstanding used to compute basic earnings per share	37,944	37,098	37,859	36,893
Incremental shares issuable upon the assumed exercise of stock options	903	1,620	1,093	1,861
Shares used to compute diluted earnings per share	38,847	38,718	38,952	38,754

Incremental shares issuable upon the assumed exercise of outstanding stock options are computed using the average market price during the related period.

7. The Financial Accounting Standards Board has issued a new standard affecting the accounting for derivative instruments and hedging activities. This standard is not expected to significantly change our operating results, financial condition or disclosures. The new standard will be adopted in the first quarter of 2001.

In December 1999, the Securities and Exchange Commission issued a new bulletin regarding the recognition of revenue in the financial statements. This bulletin is not expected to significantly change our operating results, financial condition or disclosures. The new standard will be adopted in the fourth quarter of 2000.

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

Results of Operations

Third Quarter 2000 Compared with Third Quarter 1999

Net income for the third quarter of 2000 was \$47 million, up from \$12.3 million in 1999 (\$1.21 per share versus 32 cents per share). Results in the third quarter of 2000 include \$49.8 million (\$1.28 per share) of realized after-tax gains from venture capital investments compared to an after-tax loss of \$2.8 million (7 cents per share) in the third quarter of 1999. Results in the third quarter of 2000 also include a net after tax charge of \$10.8 million (28 cents per share) related primarily to a write-off of excess capacity and associated goodwill in the company's plastic films business.

On October 23, 2000, we announced a series of strategic initiatives aimed at accelerating the growth of the two operating companies in our technology segment, Therics, Inc., and Molecumetics, Ltd. We will significantly increase Therics' product development spending and are exploring external financing and other strategic alternatives to fund the growth of Molecumetics.

We will use cash generated by our existing venture capital investments to support more aggressive spending in our Therics subsidiary. As part of the plan, we will reduce future investments in our venture portfolio, which is expected to yield significant positive cash flows over the next few years. This cash is expected to be more than adequate to fund the increased spending at Therics. Excess cash may be used for stock repurchases, debt reduction and acquisitions. We are currently authorized by our board of directors to repurchase up to four million shares of our common stock in the open market or in privately negotiated transactions.

We plan to invest approximately \$60 million (\$40 million net of expected tax benefits) in Therics over the next three years, with the goal of achieving substantial revenue and profit growth by 2004. We believe Therics is making encouraging progress in its development of bone replacement and reconstructive products as well as implantable and oral drugs. Therics' operating losses could reach \$25 million per year in 2001 and 2002. Our goal is for Therics to begin generating revenue and reducing losses in 2003, with rapid growth in sales and profits thereafter.

Therics' technology can take very sensitive, biologically compatible materials and fabricate them into anatomically accurate bone replacement products with precise internal micro-architectures. We plan to use this unique capability to gain access to a potential multi-billion dollar market for more sophisticated tissue-engineered products. Our initial efforts are aimed at surgical procedures that require relatively simple combinations of materials and strength. Subsequent products will be designed to facilitate full incorporation into a patient's body tissue.

Our plan is to pursue the quickest route to profitability by focusing on commercializing our bone replacement products while continuing to develop our drug delivery and tissue engineering technologies. We expect the first of our bone replacement products to clear FDA regulatory hurdles by the end of 2001. Full-scale marketing efforts are planned to begin in 2002.

We also announced the exploration of external financing and other strategic alternatives for Molecumetics. Molecumetics uses proprietary chemistry and an integrated set of drug discovery capabilities to accelerate the identification of novel drug candidates. External financing would

fund higher spending levels and reduce new cash outlays from Tredegar. However, due to accounting rules, our earnings may reflect up to \$10 million per year in operating losses from Molecumetics in 2001 and 2002.

In order to accelerate efforts to build our technology operations, we have decided to harvest our existing venture portfolio. We intend to fund existing commitments and support existing portfolio companies, but will not make any new direct investments in 2001.

Some of the information contained herein may constitute forward-looking information. Although we believe that all such statements are based on reasonable assumptions within the bounds of our knowledge of our businesses, actual results may differ materially from expectations.

Pretax realized gains and losses from venture capital investment activities are included in "Other income (expense), net" in the consolidated statements of income on page 3 and "Venture capital investments" in the operating profit table on page 13. Operating expenses (primarily employee compensation, benefits and leased office space and equipment) for our venture capital investment activities are classified in "Selling, general and administrative expenses" ("SG&A") in the consolidated statements of income and "Venture capital investments" in the operating profit table.

After-tax appreciation in the net asset value ("NAV") of the venture capital investment portfolio during the third quarter was \$101.5 million. At September 30, 2000, the NAV of the portfolio was \$420.6 million. For more information on our venture capital investment activities, see pages 14 through 16 and Note 3 on pages 5 through 7.

Net sales in the third quarter of 2000 were \$215.6 million versus \$215.9 million in the third quarter of 1999. An overall volume decrease was offset by higher selling prices which were driven by higher raw material costs. See the business segment review beginning on page 13.

The gross profit margin during the third quarter of 2000 declined to 17.8% from 20.6% in 1999 due primarily to lower volume and higher production costs for new products in Film Products.

SG&A expenses in the third quarter of 2000 were \$15.2 million, up from \$12 million in 1999 due primarily to a \$3.5 million charge for a provision for doubtful accounts related to two diaper film customers. As a percentage of sales, SG&A expenses increased to 7.1% in the third quarter of 2000 compared with 5.6% in 1999.

R&D expenses increased to \$6.9 million from \$6 million in the third quarter of 1999 due to higher spending at Molecumetics in support of collaboration programs and higher spending at Therics in support of its development of bone replacement and reconstructive products.

Unusual items in the third quarter of 2000 totaled \$16.9 million (\$10.8 million after income taxes) and included:

- - a charge of \$17.9 million (\$11.4 million after income taxes) for the write-off of excess production capacity at our plastic film plants in Lake Zurich, Illinois, and Terre Haute, Indiana, including an impairment loss for equipment of \$7.9 million and an impairment loss for the related goodwill of \$10 million; and

- - a reversal of \$1 million (\$640,000 after income taxes) related to the first quarter charge for the shutdown of the Manchester, Iowa, production facility due to revised estimates.

Unusual items in the third quarter of 1999 include a gain of \$712,000 on the sale of corporate real estate (\$465,000 after income taxes).

Interest income, which is included in "Other income (expense), net" in the consolidated statements of income, was \$494,000 in the third quarter of 2000 and \$310,000 in 1999. The average tax-equivalent yield earned on cash equivalents was approximately 6.5% in the third quarter of 2000 and 5.1% in the third quarter of last year. Our policy permits investment of excess cash in marketable securities that have the highest credit ratings and maturities of less than one year. The primary objectives of our policy are safety of principal and liquidity.

Interest expense increased to \$4.5 million in the third quarter of 2000 from \$3 million in 1999, due to higher average debt outstanding (up \$36 million) from acquisitions and investments made in 1999. The average rate on variable-rate debt (\$259.8 million in 2000 versus \$218.6 million in 1999) was 7% in the third quarter of 2000 versus 5.54% in 1999. The average rate on fixed-rate debt (\$15 million in the third quarter of 2000 and \$20 million in the third quarter of 1999) was 7.2% in both periods.

The effective tax rate on manufacturing operations, excluding unusual items, increased to 36.5% in the third quarter of 2000 from 35.4% in 1999 due to higher taxes accrued on income from foreign operations. The overall effective tax rate, excluding unusual items was 36.2% due to the increased investment gains.

Nine Months 2000 Compared with Nine Months 1999

Net income for the first nine months of 2000 was \$91.9 million, up from \$37.8 million in 1999 (\$2.36 per share versus 97 cents per share). Results for 2000 include \$69.8 million (\$1.79 per share) of realized after-tax gains from venture capital investments compared to a loss of \$4.3 million (11 cents per share) in 1999.

The after-tax appreciation in the NAV through the first nine months of this year was \$250.1 million.

Net sales for the nine months ended September 30, 2000, increased 13.7% over the same period of last year. The improved net sales are due primarily to the acquisition of Exxon Films and overall higher selling prices driven by higher raw material costs. On a pro forma basis, net sales increased 6%.

For more information on net sales, see the business segment review beginning on page 13.

The gross profit margin for the first nine months of 2000 decreased to 19.2% from 21.1% in 1999 due to lower volume and higher production costs for new products in Film Products.

SG&A expenses were \$41.2 million in 2000, up from \$34.5 million in 1999 due primarily to the acquisition of Exxon Films, a \$3.5 million provision for doubtful accounts related to two diaper film customers, and increased operating expenses relative to our venture capital portfolio. As a percentage of sales, SG&A expenses increased to 6.1% in the first nine months of 2000 compared with 5.8% in the same period of 1999.

R&D expenses increased to \$18.9 million in 2000 from \$15.8 million in 1999 due to the acquisition of Therics (impact of \$2.3 million), higher spending at Molecumetics in support of collaboration programs (up \$700,000) and slightly higher product development spending at Film Products (up \$115,000).

Unusual items for the nine months ended September 30, 2000, totaled \$21.8 million (\$14 million after income taxes) and included:

- a charge of \$5.3 million (\$3.4 million after income taxes) for the shutdown of a plastic films manufacturing facility in Manchester, Iowa, including an impairment loss for building and equipment (\$4.1 million), severance costs (\$700,000), and excess inventory and other items (\$450,000);
- a charge of \$191,000 (\$122,000 after income taxes) for costs associated with the evaluation of financing and structural options for the Technology Group;
- a gain of \$525,000 (\$336,000 after income taxes) for the sale of the assets of Fiberlux, Inc.;
- a charge of \$17.9 million (\$11.4 million after income taxes) for the write-off of excess production capacity at our plastic film plants in Lake Zurich, Illinois, and Terre Haute, Indiana, including an impairment loss for equipment of \$7.9 million and write-off of the related goodwill of \$10 million; and
- a reversal of \$1 million (\$640,000 after income taxes) related to the first quarter charge for the shutdown of the Manchester, Iowa, production facility due to revised estimates.

Unusual items for the nine months ended September 30, 1999, totaled \$3.9 million (\$2.5 million after income taxes) and included:

- a charge of \$3.5 million (\$2.2 million after income taxes) related to the write-off of purchased in-process research and development expenses associated with the Therics acquisition;
- a charge of \$1.2 million (\$749,000 after income taxes) for the write-off of excess packaging film capacity; and
- a gain of \$712,000 (\$456,000 after income taxes) on the sale of corporate real estate.

Interest income for 2000 was \$1.4 million versus \$892,000 in 1999. The average tax-equivalent yield earned on cash equivalents was approximately 6.2% for 2000 and 4.95% for 1999.

Interest expense increased to \$13.1 million in 2000 from \$4.9 million in 1999 due to higher average debt outstanding (up \$141.5 million) from acquisitions and investments made in 1999. The average rate on variable-rate debt (\$254.3 million in 2000 and \$107.8 million in 1999) was 7.1% in 2000 versus 5.5% in 1999. The average rate on fixed-rate debt (\$18 million in 2000 and \$23 million in 1999) was 7.2% in both periods.

The effective income tax rate on manufacturing operations, excluding unusual items, increased to 36.5% in 2000 from 35.4% in 1999 due to higher taxes accrued on income from foreign operations. The overall effective tax rate, excluding unusual items, was 36.2% due to the increased investment gains.

Business Segment Review

The following tables present Tredegar's net sales and operating profit by segment for the third quarter and nine months ended September 30, 2000 and 1999.

Net Sales by Segment
(In Thousands)
(Unaudited)

	Third Quarter Ended September 30		Nine Months Ended September 30	
	2000	1999	2000	1999
Film Products	\$ 95,058	\$ 93,548	\$288,448	\$236,567
Fiberlux	-	2,620	1,856	7,098
Aluminum Extrusions	118,622	118,022	375,467	341,141
Technology:				
Molecumetics	1,826	1,626	5,278	5,391
Therics	121	95	309	95
Total net sales	\$215,627	\$215,911	\$671,358	\$590,292

Operating Profit by Segment
(In Thousands)
(Unaudited)

	Third Quarter Ended September 30		Nine Months Ended September 30	
	2000	1999	2000	1999
Film Products:				
Ongoing operations	\$ 7,675	\$ 16,235	\$36,206	\$ 41,783
Unusual items	(16,870)	-	(22,163)	(1,170)
Total Film Products	(9,195)	16,235	14,043	40,613
Fiberlux:				
Ongoing operations	-	160	(264)	19
Unusual items	-	-	525	-
Total Fiberlux	-	160	261	19
Aluminum Extrusions	12,941	14,107	45,786	42,587
Technology:				
Molecumetics	(1,014)	(1,078)	(3,521)	(2,825)
Therics	(1,930)	(1,746)	(5,783)	(3,343)
Venture capital investments	77,843	(4,420)	109,046	(6,767)
Unusual items	-	-	(191)	(3,458)
Total technology	74,899	(7,244)	99,551	(16,393)
Total operating profit	78,645	23,258	159,641	66,826
Interest income	494	310	1,391	892
Interest expense	4,455	3,047	13,057	4,853
Corporate expenses, net	1,333	1,458	3,984	4,339
Income before income taxes	73,351	19,063	143,991	58,526
Income taxes	26,313	6,748	52,122	20,723
Net income	\$ 47,038	\$ 12,315	\$ 91,869	\$ 37,803

Third quarter sales in Film Products were \$95.1 million, up slightly from \$93.5 million in 1999 due to raw material-driven price increases. Operating profit for the quarter (excluding unusual items) was \$7.7 million, down from \$16.2 million in the prior year's quarter, while volume declined 8.5%. In addition to the declining volume, ongoing results in films were adversely affected by manufacturing inefficiencies associated with the roll-out of cloth-like breathable film backsheets for diapers, lower volumes in regular backsheets due to the transition to cloth-like breathable materials, lower customer market share and the loss of some regular backsheet export business to foreign customers. Operating results were also negatively affected by a \$3.5 million provision for doubtful accounts related to two diaper film customers.

Third quarter results in Film Products also include a charge of \$16.9 million (\$10.8 million after income taxes or 28 cents per share) related primarily to the write-off of excess production capacity and associated goodwill at our plastic film plants in Lake Zurich, Illinois, and Terre Haute, Indiana. The charge includes: an impairment loss of fixed assets related to excess capacity in the films business of \$7.9 million; an impairment loss of related goodwill of \$10 million; offset by the reversal of \$1 million related to the first quarter charge for the shutdown of the Manchester, Iowa, production facility due to revisions of estimates. This charge reflects continuing efforts to reduce costs and consolidate operations in response to rapidly changing market conditions. Diaper manufacturers are increasingly demanding softer, more cloth-like and breathable films to replace traditional embossed materials.

On a year-to-date basis, sales in Film Products increased 21.9% to \$288.5 million while operating profit (excluding unusual items) was \$36.2 million, down 13.3%. The increase in sales was due primarily to the mid-1999 acquisition of Exxon Films. On a pro forma basis (i.e., assuming the acquisition had occurred at the beginning of 1999), year-to-date sales increased 3.1% due to raw material-driven price increases. On a pro forma basis, year-to-date operating profit decreased by 7.5% due to lower volume (down 7.5%) and for reasons similar to those noted above for the third quarter.

In Aluminum Extrusions, third quarter sales were \$118.6 million versus \$118 million in 1999 while operating profit was \$12.9 million, down from \$14.1 million in the third quarter of 1999. Operating results for the quarter were adversely affected by softer demand (volume declined 9%) in residential, construction, transportation and distribution markets. On a year-to-date basis, sales rose 10% to \$375.5 million while operating profit was \$45.8 million, up 7.5% compared to the same period of the prior year. Sales and operating profit increased on a year-to-date basis due primarily to more favorable pricing driven by higher raw material costs. Volume for the first nine months of the year was up less than 1%.

For the technology operating companies, revenue was relatively flat for both the quarter and nine months ended September 30, 2000, compared to the same periods of the prior year. The third quarter operating loss for the technology operating companies in 2000 was \$2.9 million versus \$2.8 million in 1999. On a year-to-date basis, excluding unusual items, the operating loss was \$9.3 million in 2000 versus \$6.2 million in 1999. The higher losses in 2000 were due primarily to the acquisition of Therics in April 1999. See pages 9 through 10 for more information on our strategic initiatives announced for Therics and Molecumetics.

The appreciation in NAV related to venture capital investment activities for the third quarter and nine months ended September 30, 2000 and 1999 is summarized below:

	(In Millions)			
	Third Quarter Ended September 30		Nine Months Ended September 30	
	2000	1999	2000	1999
Net realized gains, losses, write-downs and related operating expenses for venture capital investments reflected in Tredegar's consolidated statements of income (net of tax)	\$ 49.8	\$ (2.8)	\$ 69.8	\$ (4.3)
Change in unrealized appreciation of venture capital investments (net of tax)	51.7	12.8	180.3	14.4
Appreciation (depreciation) in net asset value ("NAV") related to investment performance	\$ 101.5	\$ 10.0	\$ 250.1	\$ 10.1

The appreciation was driven by a combination of events including acquisitions, IPOs, and private investment asset write-ups. The following companies held directly in the portfolio, or indirectly through our interests in other venture capital funds, accounted for most of the net appreciation in NAV during the quarter and nine months ended September 30, 2000:

Investment	Reason for Change	(In Millions) Appreciation (Depreciation) in Estimated NAV	
		3rd Quarter Ended 9/30/00	Nine Months Ended 9/30/00
Public companies:			
Software.com, Inc	Acquisition of @mobile.com, Inc., a direct holding	\$ 12.4	\$ 38.9
Illumina, Inc.	Initial public offering, a direct holding	37.7	37.7
SignalSoft Corporation	Initial public offering, a direct holding	16.2	16.1
Lucent Technologies, Inc.	Acquisition of Chromatis Networks, indirect holding	(5.1)	14.5
Superconductor Tech., Inc.	Change in stock price	(7.2)	14.0
Rosetta Inpharmatics, Inc.	Initial public offering, a direct holding	9.1	11.3
Cosine Communications	Initial public offering, an indirect holding	10.7	10.7
Copper Mountain Networks	Acquisition of OnPrem Networks, Inc, a direct holding	-	8.4
Eprise Corporation	Initial public offering, a direct holding	(6.0)	5.6
Vascular Solutions	Initial public offering, a direct holding	5.5	5.5
Nortel Networks Corporation	Acquisition of EPiCON, a direct holding	5.0	5.0
Sonus Networks	Initial public offering, an indirect holding	-	4.5
Cisco Systems, Inc.	Change in stock price	-	3.9
Universal Access, Inc.	Change in stock price	(3.9)	3.0
Digital Island, Inc.	Change in stock price	(1.0)	(2.6)
Private companies:			
NovaLux, Inc.	New round of financing at higher valuation	24.2	24.1
eWireless, Inc.	New round of financing at higher valuation	(.7)	19.8
Moai Technologies, Inc.	New round of financing at higher valuation	(.3)	14.7
Venture capital funds	Various	1.3	10.9
IRSI	New round of financing at higher valuation	(.1)	2.8
PurePacket Communications, Inc.	New round of financing at higher valuation	2.6	2.6
Other public and private companies	Various	3.8	2.8
Appreciation in NAV before operating expenses		104.2	254.2
After-tax operating and other expenses		(2.7)	(4.2)
Appreciation in NAV related to investment performance		\$ 101.5	\$ 250.1

The cost basis, carrying value and NAV of the venture capital portfolio is reconciled below:

	(In Millions)	
	Sept. 30, 2000	Dec. 31, 1999
Cost basis of investments	\$ 199.2	\$ 135.5
Write-downs taken on securities held (charged to earnings)	(12.2)	(7.8)
Unrealized appreciation on public securities held by Tredegar (reflected directly in equity net of deferred income taxes)	171.1	13.0
Carrying value of investments reflected in the balance sheet	358.1	140.7
Unrealized appreciation in private securities held by Tredegar and in its indirect interest in all securities held by venture capital funds	194.1	64.7
Estimated fair value of venture capital investments	552.2	205.4
Estimated income taxes on assumed disposal at fair value	(131.6)	(25.2)
NAV of venture capital investments	\$ 420.6	\$ 180.2

Changes in NAV for the quarter and nine months ended September 30, 2000 and 1999 are summarized below:

	(In Millions)			
	Third Quarter Ended September 30		Nine Months Ended September 30	
	2000	1999	2000	1999
NAV at beginning of period	\$ 347.2	\$ 94.0	\$ 180.2	\$ 67.2
After-tax appreciation (depreciation) in NAV related to investment performance (net of operating expenses)	101.5	10.0	250.1	10.1
After-tax operating expenses funded by Tredegar	1.1	.4	2.6	1.1
New investments	27.8	23.9	74.8	55.7
Transfer of the NAV of Therics out of portfolio (acquired by Tredegar)	-	-	-	(4.3)
Reduction in NAV due to the sale of investments	(57.0)	-	(87.1)	(1.5)
Increase in NAV	73.4	34.3	240.4	61.1
NAV at end of the period	\$ 420.6	\$ 128.3	\$ 420.6	\$ 128.3

Our portfolio is subject to risks typically associated with investments in technology start-up companies, which include business failure, illiquidity and stock market volatility. See pages 9 through 10 for more information on strategic changes announced for our venture capital investment activities.

Liquidity and Capital Resources

Tredegar's total assets increased to \$1.04 billion at September 30, 2000, from \$792.5 million at December 31, 1999, due primarily to an increase in the carrying value of venture capital investments and cash and cash equivalents. The carrying value of venture capital investments increased compared to December 31, 1999, due to an increase in unrealized gains on available-for-sale securities of \$158.1 million and an increase in the cost basis of investments of \$59.3 million, net of write-downs taken.

The reasons for the change in cash and cash equivalents are summarized below:

	(In Thousands)	
	Nine Months	
	Ended Sept. 30	
	2000	1999
Cash and cash equivalents, beginning of period	\$ 25,752	\$ 25,409
Cash provided by operating activities, net of capital expenditures and dividends	(21,529)	34,602
Proceeds from the exercise of stock options	3,710	3,079
Net increase (decrease) in borrowings	(5,000)	225,000
Acquisitions	-	(215,227)
New venture capital investments, net of proceeds from disposals	37,348	(53,493)
Other, net	6,877	64
Net increase (decrease) in cash and cash equivalents	21,406	(5,975)
Cash and cash equivalents, end of period	\$ 47,158	\$ 19,434

Cash provided by operating activities decreased from \$71.8 million in 1999 to \$43.4 million in 2000 due mainly to higher working capital and higher income taxes (approximately \$15.1 million) on realized gains from venture capital activities. Capital expenditures have increased from \$32.8 million in 1999 to \$60.4 million in 2000. Capital expenditures in 2000 reflect the normal replacement of machinery and equipment and the following key capital projects:

- - A new feminine pad topsheet film production line at the plant in Terre Haute, Indiana;
- - Machinery and equipment purchased for the manufacture of breathable and elastomeric films (these films are replacing conventional diaper backsheet and other components in order to improve comfort and fit);
- - Expansion of capacity in Brazil for disposable films for hygiene products, such as feminine pads and diapers;
- - Continued expansion of capacity at the Hungary facility, which produces disposable films for hygiene products marketed in Europe;
- - A new plastic film manufacturing facility in Shanghai, China (this plant, which is expected to begin production in the second quarter of 2001, will make film used primarily for hygiene products); and
- - The second phase of a modernization program at the aluminum extrusion plant in Newnan, Georgia.

Quantitative and Qualitative Disclosures About Market Risk

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

Changes in resin prices, and the timing of those changes, could have a significant impact on profit margins in Film Products; however, those changes are generally followed by a corresponding change in selling prices. Profit margins in Aluminum Extrusions are sensitive to fluctuations in aluminum ingot and scrap prices but are also generally followed by a corresponding change in selling prices; however, there is no assurance that higher ingot costs can be passed along to customers.

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

We sell to customers in foreign markets through our foreign operations and through exports from U.S. plants. The percentage of consolidated pretax income earned by geographic area for the nine months ended September 30, 2000 and 1999 are presented below:

Percentage of Consolidated Pretax Income Earned by Geographic Area*		

Nine Months Ended Sept. 30		

	2000	1999

United States	39 %	57 %
Canada	25	19
Europe	12	9
Latin America	15	8
Asia	9	7

Total	100 %	100 %
=====		

* Based on consolidated pretax income from continuing operations excluding venture capital activities and unusual items.

We attempt to match the pricing and cost of our products in the same currency and generally view the volatility of foreign currencies and emerging markets, and the corresponding impact on earnings and cash flow, as part of the overall risk of operating in a global environment. Exports from the U.S. are generally denominated in U.S. Dollars. Our foreign operations in emerging markets have agreements with certain customers that index the pricing of our products to the U.S. Dollar, the German Mark or the Euro. Our foreign currency exposure on income from foreign operations in Europe primarily relates to the German Mark and the Euro. We believe that our exposure to the Canadian Dollar has been substantially neutralized by the U.S. Dollar-based spread (the difference between selling prices and aluminum costs) generated from Canadian casting operations and exports from Canada to the U.S.

We have investments in private venture capital fund limited partnerships and early-stage technology companies, including the stock of privately-held companies and the restricted and unrestricted stock of companies that have recently registered shares in initial public offerings. The portfolio is subject to risks typically associated with investments in technology start-up companies, which include business failure, illiquidity and stock market volatility. Furthermore, publicly traded stocks of emerging, technology-based companies have higher volatility and risk than the U.S. stock market as a whole. See pages 14 through 16 and Note 3 on pages 5 through 7 for more information.

New Accounting Standards

The Financial Accounting Standards Board has issued a new standard affecting the accounting for derivative instruments and hedging activities. This standard is not expected to significantly change our operating results, financial condition or disclosures. The new standard will be adopted in the first quarter of 2001.

In December 1999, the Securities and Exchange Commission issued a new bulletin regarding the recognition of revenue in the financial statements. This bulletin is not expected to significantly change our operating results, financial condition or disclosures. The new standard will be adopted in the fourth quarter of 2000.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

PART II - OTHER INFORMATION

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

27 Financial Data Schedule

(b) Reports on Form 8-K. No reports on Form 8-K have been filed for the quarter ended September 30, 2000.

SIGNATURES

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

Tredegar Corporation
(Registrant)

Date: November 14, 2000 /s/ N. A. Scher

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

Date: November 14, 2000 /s/ Michelle O. Mosier

Michelle O. Mosier
Corporate Controller
(Principal Accounting Officer)

EXHIBIT INDEX

Exhibit No.	Description
27	Financial Data Schedule

THE SCHEDULE CONTAINS UNAUDITED SUMMARY FINANCIAL INFORMATION FOR TREDEGAR CORPORATION AND SUBSIDIARIES EXTRACTED FROM THE BALANCE SHEET FOR THE PERIOD ENDED SEPTEMBER 30, 2000, AND THE STATEMENT OF INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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DEC-31-2000	
SEP-30-2000	
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	133,026
	7,013
	47,063
	234,706
	503,597
	240,582
	1,040,580
114,877	
	265,000
0	
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	107,037
1,040,580	451,517
	671,358
784,925	
	542,172
	542,172
	81,695
	4,010
13,057	
	143,991
	52,122
91,869	
	0
	0
	0
	91,869
	2.43
	2.36