

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
AMENDMENT NO. 1

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

Date of report (Date of earliest event reported): May 17, 1999

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

Virginia
(State or Other Jurisdiction
of Incorporation)

1-10258
(Commission
File Number)

54-1497771
(IRS Employer
Identification No.)

1100 Boulders Parkway Richmond, Virginia
(Address of Principal Executive Offices)

23225
(Zip Code)

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

Item 2. Acquisition or Disposition of Assets

This Amendment No. 1 to the Form 8-K dated May 25, 1999, is being filed by Tredegar Corporation ("Tredegar") to provide required financial statements and pro forma financial information related to its acquisition of Exxon Chemical Company's plastic films business ("Exxon Films") on May 17, 1999. This acquisition was structured as an asset purchase. This amendment also includes selected pro forma financial information on the effects of other acquisitions made by Tredegar from the beginning of 1998 through the acquisition of Exxon Films.

Information provided in this Form 8-K amendment includes forward-looking statements based on Tredegar's beliefs, assumptions and currently available information. Due to potential changes in a variety of business and economic conditions, actual results may differ materially from those anticipated in forward-looking statements.

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

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(c) Exhibits.

None.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of Tredegar Corporation:

In our opinion, the accompanying statements of net assets and the related statements of income and cash flows present fairly, in all material respects, the financial position of the films business of Exxon Chemical Company ("Exxon Films"), a division of Exxon Corporation, at December 31, 1998 and 1997, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 1998, in conformity with generally accepted accounting principles. These financial statements are the responsibility of Exxon Films' management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP
Richmond, Virginia
March 4, 1999

The Films Business of Exxon Chemical Company
 Statements of Income
 (In Thousands)

	Three Months Ended March 31 (Unaudited)		12 Months Ended March 31, 1999 (Unaudited)	Years Ended December 31	
	1999	1998		1998	1997
Net sales	\$ 30,345	\$ 25,156	\$ 114,327	\$ 109,138	\$ 107,511
Costs and expenses:					
Cost of goods sold	21,700	19,550	84,842	82,692	85,535
Selling, general and administrative	1,702	1,674	7,092	7,064	6,859
Research and development	567	484	2,010	1,927	1,905
Loss on property disposals	-	-	-	-	2,644
Total	23,969	21,708	93,944	91,683	96,943
Income before income taxes	6,376	3,448	20,383	17,455	10,568
Income taxes	2,385	1,290	7,623	6,528	3,952
Net income	\$ 3,991	\$ 2,158	\$ 12,760	\$ 10,927	\$ 6,616

See accompanying notes to financial statements.

The Films Business of Exxon Chemical Company
 Statements of Net Assets
 (In Thousands)

	March 31, 1999 (Unaudited)	December 31, 1998	December 31, 1997
	-----	-----	-----
Assets:			
Current assets:			
Accounts and notes receivable	\$ 12,620	\$ 11,890	\$ 9,820
Inventories	9,709	8,804	5,171
Prepaid expenses and other	230	490	970
	-----	-----	-----
Total current assets	22,559	21,184	15,961
	-----	-----	-----
Property, plant and equipment, at cost	100,015	99,527	98,940
Less accumulated depreciation and amortization	35,774	34,891	33,144
	-----	-----	-----
Net property, plant and equipment	64,241	64,636	65,796
	-----	-----	-----
Total assets	86,800	85,820	81,757
	-----	-----	-----
Liabilities:			
Current liabilities:			
Accounts payable	2,370	2,190	890
Accrued expenses:			
Vacation	976	1,122	1,196
Other	220	170	210
	-----	-----	-----
Total current liabilities	3,566	3,482	2,296
Deferred income taxes	18,489	19,139	17,543
	-----	-----	-----
Total liabilities	22,055	22,621	19,839
	-----	-----	-----
Net assets	\$ 64,745	\$ 63,199	\$ 61,918
	=====	=====	=====

See accompanying notes to financial statements.

The Films Business of Exxon Chemical Company
 Statements of Cash Flows
 (In Thousands)

	Three Months Ended March 31 (Unaudited)		12 Months Ended March 31, 1999 (Unaudited)	Years Ended December 31	
	1999	1998		1998	1997
Cash flows from operating activities:					
Net income	\$ 3,991	\$ 2,158	\$ 12,760	\$ 10,927	\$ 6,616
Adjustments for noncash items:					
Depreciation	1,158	1,142	4,603	4,587	4,634
Deferred income taxes	(650)	(77)	1,023	1,596	(211)
Loss on property disposals	-	-	-	-	2,644
Changes in assets and liabilities:					
Accounts and notes receivable	(730)	(1,440)	(1,360)	(2,070)	3,200
Inventories	(905)	(2,909)	(1,629)	(3,633)	(955)
Prepaid expenses and other	260	800	(60)	480	930
Accounts payable	180	820	660	1,300	530
Accrued expenses	(96)	30	(240)	(114)	92
Net cash provided by operating activities	3,208	524	15,757	13,073	17,480
Cash flows from investing activities:					
Capital expenditures	(760)	(1,289)	(2,774)	(3,303)	(3,141)
Proceeds from property disposals	-	-	18	18	446
Net cash used in investing activities	(760)	(1,289)	(2,756)	(3,285)	(2,695)
Cash flows from financing activities:					
Net (distributions to) contributions from Exxon Chemical Company	(2,448)	765	(13,001)	(9,788)	(14,785)
Net cash (used in) provided by financing activities	(2,448)	765	(13,001)	(9,788)	(14,785)
Increase (decrease) in cash	-	-	-	-	-
Cash at beginning of period	-	-	-	-	-
Cash at end of period	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

The Films Business of Exxon Chemical Company, a Division of Exxon Corporation (Quarterly Data, 12 Months Ended March 31 1999, Information and Note 6 Unaudited) (In Thousands)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations. The films business of Exxon Chemical Company ("Exxon Films"), a division of Exxon Corporation, manufactures plastic films primarily used in consumer disposables, paper products packaging and medical applications. The business has two plants located in Lake Zurich, Illinois and Pottsville, Pennsylvania. Tredegar Corporation ("Tredegar") acquired the business on May 17, 1999 (see pages 12-25 for more information).

Basis of Presentation and Transactions with Exxon Corporation. The financial statements include the accounts and operations of Exxon Films. Intercompany accounts and transactions within Exxon Films have been eliminated.

Exxon Films engaged in various transactions with Exxon Corporation and its affiliates that are characteristic of a group of companies under common control. Exxon Films has no separate capital structure of its own and utilized Exxon Corporation's centralized treasury system, pursuant to which substantially all disbursements, including capital expenditures, payroll and other expense items, were funded by Exxon Corporation. Transactions with Exxon Corporation and its affiliates were deemed settled immediately and there were no amounts due to or from Exxon Corporation and its affiliates at the end of any period. The financial statements include allocations of general corporate expenses incurred by Exxon Corporation on behalf of Exxon Films. However, these allocations do not necessarily represent the level of expenses Exxon Films would have incurred had it operated on a stand-alone basis.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. The results of operations for the three months ended March 31, 1999, are not necessarily indicative of the results to be expected for the full year (see Note 6).

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 operating results, financial condition or disclosures. The new standard will be adopted in the first quarter of 2001.

Revenue Recognition. Revenue from the sale of products is recognized when title and risk of loss have transferred to the buyer, which is generally when product is shipped.

Inventories. Inventories are stated at the lower of cost or market, with cost determined on the last-in, first-out ("LIFO") basis for all inventories except stores and supplies. The cost of stores and supplies inventories is determined on the first-in, first-out ("FIFO") basis. Cost elements included in work-in-process and finished goods inventories are raw materials, direct labor and manufacturing overhead.

Property, Plant and Equipment. Accounts include costs of assets constructed or purchased, related delivery and installation costs and interest incurred on significant capital projects during their construction periods. Expenditures for renewals and betterments also are capitalized, but expenditures for repairs and maintenance are expensed as incurred.

Depreciation is computed primarily by the straight-line method based on the estimated useful lives of the assets as follows:

	March 31, 1999	Depreciation Period
Property, plant and equipment, at cost:		
Land	\$ 63	
Buildings and improvements	12,456	30 years
Machinery and equipment	84,749	16 - 20 years
Furniture and fixtures	775	16 years
Computers	1,791	5 - 7 years
Vehicles	181	5 - 8 years
Total	100,015	
Accumulated depreciation	35,774	
Net property, plant and equipment	\$ 64,241	

Impairment of Long-Lived Assets. For assets to be held and used in operations, if events indicate that an asset may be impaired, management estimates the future unlevered cash flows expected to result from the use of the asset and its eventual disposition. Assets are grouped for this purpose at the lowest level for which there are identifiable and independent cash flows. If the sum of these undiscounted cash flows is less than the carrying amount of the asset, an impairment loss is recognized. Measurement of the impairment loss is based on the estimated fair value of the asset.

Assets to be disposed of are reported at the lower of their carrying amount or estimated fair value less cost to sell, with an impairment loss recognized for any write-downs required.

Employee Benefit Plans. Eligible salaried employees of Exxon Films participated in the benefit plans of Exxon Corporation, including its health and dental assistance program, defined benefit pension plan, savings plan with company match, disability plan and life insurance plan. Eligible hourly employees participated in separate plans covering similar benefits. The estimated costs for these employee benefit programs have been allocated to Exxon Films and included in the statements of income.

Income Taxes. Exxon Films is included in Exxon Corporation's consolidated federal income tax return. Income tax expense for Exxon Films has been calculated and recognized on a separate return basis. Deferred income taxes arise from temporary differences between financial reporting and income tax reporting of various items, principally depreciation, inventories, accrued vacation and allowance for doubtful accounts.

Earnings Per Share. Earnings per share is not applicable to Exxon Films since it has no capital structure of its own.

2 MAJOR CUSTOMERS, CREDIT CONCENTRATION AND RECEIVABLES

A significant portion of Exxon Film's sales are concentrated with four customers ranked as follows:

Customer rank:	1998		1997	
	Sales	% of Total	Sales	% of Total
1	\$ 15,719	14.4 %	\$ 15,003	14.0 %
2	14,011	12.8	12,443	11.6
3	13,755	12.6	4,734	4.4
4	12,117	11.1	17,010	15.8
Total	\$ 55,602	50.9 %	\$ 49,190	45.8 %

Plastic film supplied to customers ranked 1 and 2 were converted into materials used in products manufactured by the third customer, The Procter & Gamble Company (P&G), Tredegar's largest customer. Management performs ongoing evaluations of customers and generally does not require collateral for trade receivables. Accounts and notes receivable include an allowance for doubtful accounts of \$280 at March 31, 1999, \$280 at December 31, 1998 and \$180 at December 31, 1997.

3 INVENTORIES

Inventories consist of the following:

	March 31,	December 31,	
	1999	1998	1997
Finished goods	\$ 2,312	\$ 1,750	\$ 876
Raw materials and work-in process	5,219	4,866	2,167
Total finished goods, raw materials and work-in process inventories stated at LIFO value	7,531	6,616	3,043
Stores and supplies stated at FIFO value	2,178	2,188	2,128
Total	\$ 9,709	\$ 8,804	\$ 5,171

Inventories stated on a LIFO basis are below replacement costs by approximately \$5,100 at March 31, 1999, \$4,600 at December 31, 1998 and \$4,900 at December 31, 1997.

Income before income taxes and income taxes are as follows:

	Three Months Ended March 31,		12 Mos. Ended 3/31/99	Years Ended December 31,	
	1999	1998		1998	1997
Income before income taxes	\$ 6,376	\$ 3,448	\$ 20,383	\$ 17,455	\$ 10,568
Current income taxes:					
Federal	\$ 2,815	\$ 1,268	6,121	\$ 4,574	\$ 3,860
State	220	99	479	358	303
Total	3,035	1,367	6,600	4,932	4,163
Deferred income taxes:					
Federal	(603)	(72)	949	1,480	(195)
State	(47)	(5)	74	116	(16)
Total	(650)	(77)	1,023	1,596	(211)
Total income taxes	\$ 2,385	\$ 1,290	\$ 7,623	\$ 6,528	\$ 3,952

The effective income tax rate for each period of 37.4% is comprised principally of the federal income tax rate of 35% and a state income tax rate of 2.7% (net of federal benefit).

Deferred income taxes result from temporary differences between financial and income tax reporting of various items. The source of these differences and the tax effects are as follows:

	Three Months Ended March 31,		12 Mos Ended 3/31/99	Years Ended December 31,	
	1999	1998		1998	1997
Depreciation	\$ (113)	\$ 40	\$ 531	\$ 684	\$ (1,215)
Inventories	(592)	(79)	408	921	1,039
Accrued vacation	55	-	84	29	(35)
Allowance for doubtful accounts	-	(38)	-	(38)	-
Total	\$ (650)	\$ (77)	\$ 1,023	\$ 1,596	\$ (211)

Deferred tax assets and liabilities at March 31, 1999 and December 31, 1998 and 1997, are as follows:

5 LOSS ON PROPERTY DISPOSALS

Loss on property disposals in 1997 of \$2,644 relates principally to the sale of a plastic films plant in Wentzville, Missouri, following the consolidation of a portion of its business into the Pottsville plant.

6 ANALYSIS OF RECENT OPERATING RESULTS (UNAUDITED)

Operating profit (income before income taxes) increased to \$6,376, a record level, in the first quarter of 1999 from \$3,448 in the first quarter of 1998, due primarily to higher volume of breathable diaper backsheet film and packaging film supplied to P&G, and lower costs.

Operating profit increased to \$17,455 in 1998 from \$10,568 in 1997 due mainly to:

- o The loss on property disposals recognized in 1997 (see Note 5)
- o Savings from the consolidation of business from the Wentzville plant into the Pottsville plant (see Note 5)
- o The commercialization and ramp-up of breathable diaper backsheet film supplied to P&G

INTRODUCTION TO PRO FORMA FINANCIAL INFORMATION (UNAUDITED)

Tredegar Corporation (In Thousands)

Set forth below is certain pro forma consolidated financial information for Tredegar's acquisition of Exxon Films, and other selected pro forma financial information for acquisitions made by Tredegar from the beginning of 1998 through the acquisition of Exxon Films. Historical financial information on Tredegar was excerpted or derived from the audited financial statements contained in our 1998 Annual Report on Form 10-K and the unaudited financial statements contained in our Quarterly Report on Form 10-Q for the first quarter of 1999. The historical information below is qualified in its entirety by reference to such reports.

On May 17, 1999, Tredegar acquired the assets of Exxon Films for cash consideration of \$203,693 (including estimated transaction costs of \$3,693) using borrowed funds. During the 12 months ended March 31, 1999, Exxon Films had pro forma revenues of \$110,999 and generated pro forma EBITDA (earnings before interest, taxes, depreciation and amortization and excluding potential synergies) of \$24,618. The asset-purchase structure, unlike a stock-purchase transaction, allows Tredegar to deduct over time the full value of depreciable fixed assets and intangibles (goodwill). We estimate the present value of these tax benefits to be worth \$28,000 based on the following assumptions:

- o A step-up in the basis of depreciable property, plant and equipment and intangibles of \$119,132, which we estimate will be amortized for tax purposes over 15 years at \$7,942 per year (estimated tax benefits of \$2,994 per year assuming a combined federal and state income tax rate of 37.7%)
- o A discount rate of 6.65%, our estimated current average cost of debt and the rate we believe reflects the low risk that future taxable income will not be sufficient for the ultimate realization of these benefits

The pro forma consolidated statements of income on pages 14-17 (and related notes) assume that Tredegar acquired Exxon Films at the beginning of 1998. The pro forma consolidated balance sheet on page 18 (and related notes) assumes that Tredegar acquired Exxon Films on March 31, 1999. The pro forma information excludes cost reductions, efficiencies and technology enhancements expected from the integration of Exxon Films into existing operations. Tredegar expects that, by 2001, the annual ongoing benefits from these synergies will range from \$7,000 - \$9,000.

Other selected pro forma financial information on pages 19-22 (and related notes) assumes that all of Tredegar's acquisitions from the beginning of 1998 through the acquisition of Exxon Films were made at the beginning of 1998. In addition to Exxon Films, Tredegar acquired:

- o The assets of Therics, Inc. ("Therics") on April 8, 1999
- o The stock of Canadian-based Exal Aluminum Inc. ("Exal") on June 11, 1998
- o Two Canadian-based aluminum extrusion and fabrication plants from Reynolds Metals Company ("Reynolds") on February 6, 1998

The assets of Therics were acquired for cash consideration of \$13,600 (including transaction costs). Before the acquisition, Tredegar owned approximately 19 percent of Therics. Upon the final liquidation of the former Therics, Tredegar will have paid approximately \$10,220 to effectively acquire the remaining 81% ownership interest. Therics is developing a new microfabrication technology that has potential applications in drug delivery and a variety of other medical markets. The company's primary focus is on commercializing its TheriForm(TM) technology, a novel process for manufacturing tablets, capsules and implantables with drug release profiles that are expected to provide therapeutic advantages over currently available products. Therics employs 43 people and is part of our Technology Group, which already includes Molecumetics, our drug discovery subsidiary, and Tredegar Investments, our venture capital subsidiary. We plan to recognize a nonrecurring charge of \$3,458 in the second quarter of 1999 related to the write-off of in-process research and development acquired. The amount of the charge was determined through an independent, third-party analysis.

Exal was acquired for \$44,106 (including transaction costs), which was comprised of:

- o Cash consideration of \$32,887 (\$31,790 net of cash acquired)
- o 380,172 shares of Class I non-voting preferred shares of Tredegar's Bon L Canada subsidiary (the "Class I Shares")

The Class I Shares are exchangeable into shares of Tredegar common stock on a one-for-one basis. Each Class I Share is economically equivalent to one share of Tredegar common stock and accordingly accounted for in the same manner. Tredegar funded the cash portion of the purchase price with available cash on hand. Exal operates aluminum extrusion plants in Pickering, Ontario and Aurora, Ontario. Both facilities manufacture extrusions for distribution, transportation, electrical, machinery and equipment, and building and construction markets. The Pickering facility also produces aluminum logs and billet for internal use and for sale to customers.

The former Reynolds plants in Canada were acquired for cash consideration of \$29,093 (including transaction costs) using available cash on hand. The plants are located in Ste-Therese, Quebec, and Richmond Hill, Ontario. Both facilities manufacture extruded and fabricated aluminum products used primarily in building and construction, transportation, electrical, machinery and equipment, and consumer durables markets.

Each acquisition was accounted for using the purchase method, and related operating results have been included in Tredegar's consolidated statements of income since the dates acquired. Excluded from the pro forma results are synergies expected from the integration of acquired and existing operations. Accordingly, the pro forma financial information does not purport to be indicative of the future results or the financial position of Tredegar or the net income and financial position that would actually have been attained had the pro forma transactions occurred on the dates or for the periods indicated. The pro forma financial information is unaudited.

Tredegar Corporation
Pro Forma Statement of Income for the Three Months Ended March 31, 1999 (Unaudited)
(In Thousands, Except Per-Share Amounts)

	Tredegar Historical	Historical	Exxon Films		Tredegar
			Pro Forma Adjust- ments	Pro Forma	Pro Forma for Exxon Films Acquis.
Revenues:					
Net sales	\$ 179,541	\$ 30,345	\$ (814)(1)	\$ 29,531	\$ 209,072
Other income (expense), net	259	-	-	-	259
Total	179,800	30,345	(814)	29,531	209,331
Costs and expenses:					
Cost of goods sold	140,239	21,700	26 (2)	21,726	161,965
Selling, general and administrative	11,373	1,702	(85)(3)	1,617	12,990
Research and development	4,097	567	-	567	4,664
Amortization of intangibles	87	-	949 (2)	949	1,036
Interest	289	-	3,341 (4)	3,341	3,630
Unusual items	-	-	-	-	-
Total	156,085	23,969	4,231	28,200	184,285
Income (loss) before income taxes	23,715	6,376	(5,045)	1,331	25,046
Income taxes	8,417	2,385	(1,902)(5)	483	8,900
Net income (loss)	\$ 15,298	\$ 3,991	\$ (3,143)	\$ 848	\$ 16,146
Earnings per share:					
Basic	\$.42				\$.44
Diluted	.39				.42
Shares used to compute earnings					
per share:					
Basic	36,724				36,724
Diluted	38,800				38,800

See accompanying notes to pro forma financial information.

Tredegar Corporation
Pro Forma Statement of Income for the Three Months Ended March 31, 1998 (Unaudited)
(In Thousands, Except Per-Share Amounts)

	Exxon Films			Tredegar	
Tredegar Historical	Historical	Pro Forma Adjust- ments	Pro Forma	Pro Forma for Exxon Films Acquis.	
Revenues:					
Net sales	\$ 156,660	\$ 25,156	\$ (653)(1)	\$ 24,503	\$ 181,163
Other income (expense), net	1,390	-	-	-	1,390
Total	158,050	25,156	(653)	24,503	182,553
Costs and expenses:					
Cost of goods sold	123,088	19,550	187 (2)	19,737	142,825
Selling, general and administrative	8,840	1,674	(85)(3)	1,589	10,429
Research and development	3,347	484	-	484	3,831
Amortization of intangibles	8	-	949 (2)	949	957
Interest	394	-	3,341 (4)	3,341	3,735
Unusual items	(765)	-	-	-	(765)
Total	134,912	21,708	4,392	26,100	161,012
Income (loss) before income taxes	23,138	3,448	(5,045)	(1,597)	21,541
Income taxes	5,842	1,290	(1,902)(5)	(612)	5,230
Net income (loss)	\$ 17,296	\$ 2,158	\$ (3,143)	\$ (985)	\$ 16,311
Earnings per share:					
Basic	\$.48				\$.45
Diluted	.44				.42
Shares used to compute earnings					
per share:					
Basic	36,396				36,396
Diluted	39,000				39,000

See accompanying notes to pro forma financial information.

Tredegar Corporation
Pro Forma Statement of Income for the 12 Months Ended March 31, 1999 (Unaudited)
(In Thousands, Except Per-Share Amounts)

	Tredegar Historical	Exxon Films		Tredegar Pro Forma for Exxon Films Acquis.	
		Historical	Pro Forma Adjust- ments		Pro Forma
Revenues:					
Net sales	\$ 722,677	\$ 114,327	\$ (3,328)(1)	\$ 110,999	\$ 833,676
Other income (expense), net	2,884	-	-	-	2,884
Total	725,561	114,327	(3,328)	110,999	836,560
Costs and expenses:					
Cost of goods sold	570,335	84,842	439 (2)	85,281	655,616
Selling, general and administrative	42,026	7,092	(340)(3)	6,752	48,778
Research and development	15,252	2,010	-	2,010	17,262
Amortization of intangibles	284	-	3,797 (2)	3,797	4,081
Interest	1,213	-	13,548 (4)	13,548	14,761
Unusual items	664	-	-	-	664
Total	629,774	93,944	17,444	111,388	741,162
Income from continuing operations before income taxes	95,787	20,383	(20,772)	(389)	95,398
Income taxes	33,629	7,623	(7,831)(5)	(208)	33,421
Income from continuing operations	\$ 62,158	\$ 12,760	\$ (12,941)	\$ (181)	\$ 61,977
Earnings per share from continuing operations:					
Basic	\$ 1.71				\$ 1.70
Diluted	1.61				1.60
Shares used to compute earnings per share:					
Basic	36,377				36,377
Diluted	38,629				38,629

See accompanying notes to pro forma financial information.

Tredegar Corporation
Pro Forma Statement of Income for the Year Ended December 31, 1998 (Unaudited)
(In Thousands, Except Per-Share Amounts)

	Tredegar Historical	Exxon Films		Tredegar Pro Forma for Exxon Films Acquis.	
		Historical	Pro Forma Adjust- ments		Pro Forma
Revenues:					
Net sales	\$ 699,796	\$ 109,138	\$ (3,167)(1)	\$ 105,971	\$ 805,767
Other income (expense), net	4,015	-	-	-	4,015
Total	703,811	109,138	(3,167)	105,971	809,782
Costs and expenses:					
Cost of goods sold	553,184	82,692	600 (2)	83,292	636,476
Selling, general and administrative	39,493	7,064	(340)(3)	6,724	46,217
Research and development	14,502	1,927	-	1,927	16,429
Amortization of intangibles	205	-	3,797 (2)	3,797	4,002
Interest	1,318	-	13,548 (4)	13,548	14,866
Unusual items	(101)	-	-	-	(101)
Total	608,601	91,683	17,605	109,288	717,889
Income from continuing operations before income taxes	95,210	17,455	(20,772)	(3,317)	91,893
Income taxes	31,054	6,528	(7,831)(5)	(1,303)	29,751
Income from continuing operations	\$ 64,156	\$ 10,927	\$ (12,941)	\$ (2,014)	\$ 62,142
Earnings per share from continuing operations:					
Basic	\$ 1.77				\$ 1.71
Diluted	1.66				1.61
Shares used to compute earnings per share:					
Basic	36,286				36,286
Diluted	38,670				38,670

See accompanying notes to pro forma financial information.

Tredegar Corporation
Pro Forma Consolidated Balance Sheet (Unaudited)
March 31, 1999
(In Thousands)

	Exxon Films			Tredegar Pro Forma for Exxon Films Acquis.	
	Tredegar Historical	Historical	Pro Forma Adjust- ments		Pro Forma
Assets					
Current assets:					
Cash and cash equivalents	\$ 27,991	\$ -	\$ -	\$ -	\$ 27,991
Accounts and notes receivable	95,509	12,620	-	12,620	108,129
Inventories	33,670	9,709	5,574 (2)	15,283	48,953
Deferred income taxes	8,800	-	-	-	8,800
Prepaid expenses and other	2,914	230	-	230	3,144
Total current assets	168,884	22,559	5,574	28,133	197,017
Property, plant & equipment, at cost	366,655	100,015	(28,441) (2)	71,574	438,229
Less accumulated depreciation and amortization	205,633	35,774	(35,774) (2)	-	205,633
Net property, plant & equipment	161,022	64,241	7,333 (2)	71,574	232,596
Venture capital investments	73,311	-	-	-	73,311
Other assets and deferred charges	43,689	-	(6,275) (2)	(6,275)	37,414
Goodwill and other intangibles	32,828	-	113,915 (2)	113,915	146,743
Total assets	\$ 479,734	\$ 86,800	\$ 120,547	\$ 207,347	\$ 687,081
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable	\$ 48,673	\$ 2,370	\$ -	\$ 2,370	\$ 51,043
Accrued expenses	39,786	1,196	88 (2)	1,284	41,070
Income taxes payable	7,100	-	-	-	7,100
Total current liabilities	95,559	3,566	88	3,654	99,213
Long-term debt	25,000	-	203,693 (4)	203,693	228,693
Deferred income taxes	26,016	18,489	(18,489) (2)	-	26,016
Other noncurrent liabilities	8,121	-	-	-	8,121
Total liabilities	154,696	22,055	185,292	207,347	362,043
Parent company's net investment	-	64,745	(64,745) (2)	-	-
Shareholders' equity:					
Common stock, no par value	96,763	-	-	-	96,763
Common stock held in trust for savings restoration plan	(1,212)	-	-	-	(1,212)
Unrealized gain on available-for-sale securities	1,311	-	-	-	1,311
Foreign currency translation	(2,423)	-	-	-	(2,423)
Retained earnings	230,599	-	-	-	230,599
Total shareholders' equity	325,038	-	-	-	325,038
Total liabilities and shareholders' equity	\$ 479,734	\$ 86,800	\$ 120,547	\$ 207,347	\$ 687,081

See accompanying notes to pro forma financial information.

Tredegar Corporation
Other Selected Pro Forma Financial Information for the Three Months Ended March 31, 1999
(Unaudited)
(In Thousands, Except Per-Share Amounts)

	Pro Forma Adjustments				Tredegar Pro Forma
	Tredegar Historical	Pro Forma Exxon Films Acquisi- tion (6)	Pro Forma Therics Acquisi- tion (7)	Pro Forma Aluminum Extrusion Acquisi- tions (8)	
Other financial information excluding venture capital activities and unusual items:					
Net sales	\$ 179,541	\$ 29,531	\$ 24	\$ -	\$ 209,096
Earnings before interest and taxes (EBIT)	24,070	4,672	(2,046)	-	26,696
Earnings before interest, taxes, depreciation and amortization (EBITDA)	29,905	7,544	(1,649)	-	35,800
Depreciation	5,748	1,923	174	-	7,845
Amortization of intangibles	87	949	223	-	1,259
Capital expenditures	10,075	760	217	-	11,052
Net income:					
Manufacturing operations	\$ 16,095	\$ 848	\$ -	\$ -	\$ 16,943
Technology:					
Operating companies	(547)	-	(1,388)	-	(1,935)
Venture capital investments	(250)	-	-	-	(250)
Unusual items	-	-	-	-	-
Discontinued operations	-	-	-	-	-
Total	\$ 15,298	\$ 848	\$ (1,388)	\$ -	\$ 14,758
Diluted earnings per share:					
Manufacturing operations	\$.41				\$.44
Technology:					
Operating companies	(.01)				(.05)
Venture capital investments	(.01)				(.01)
Unusual items	-				-
Discontinued operations	-				-
Total	\$.39				\$.38
Shares used to compute diluted earnings per share	38,800				38,800

See accompanying notes to pro forma financial information.

Tredegar Corporation
Other Selected Pro Forma Financial Information for the Three Months Ended March 31, 1998
(Unaudited)
(In Thousands, Except Per-Share Amounts)

	Pro Forma Adjustments				Tredegar Pro Forma
	Tredegar Historical	Pro Forma Exxon Films Acquisi- tion (6)	Pro Forma Therics Acquisi- tion (7)	Pro Forma Aluminum Extrusion Acquisi- tions (8)	
Other financial information excluding venture capital activities and unusual items:					
Net sales	\$ 156,660	\$ 24,503	\$ 23	\$ 28,673	\$ 209,859
Earnings before interest and taxes (EBIT)	20,976	1,744	(2,031)	434	21,123
Earnings before interest, taxes, depreciation and amortization (EBITDA)	25,840	4,600	(1,701)	1,193	29,932
Depreciation	4,856	1,907	107	679	7,549
Amortization of intangibles	8	949	223	80	1,260
Capital expenditures	5,704	1,289	316	98	7,407
Net income:					
Manufacturing operations	\$ 14,688	\$ (985)	\$ -	\$ (149)	\$ 13,554
Technology:					
Operating companies	(590)	-	(1,390)	-	(1,980)
Venture capital investments	432	-	-	-	432
Unusual items	2,766	-	(2,213)	-	553
Discontinued operations	-	-	-	-	-
Total	\$ 17,296	\$ (985)	\$ (3,603)	\$ (149)	\$ 12,559
Diluted earnings per share:					
Manufacturing operations	\$.38				\$.34
Technology:					
Operating companies	(.02)				(.05)
Venture capital investments	.01				.01
Unusual items	.07				.02
Discontinued operations	-				-
Total	\$.44				\$.32
Shares used to compute diluted earnings per share	39,000				39,380

See accompanying notes to pro forma financial information.

Tredegar Corporation
Other Selected Pro Forma Financial Information for the 12 Months Ended March 31, 1999 (Unaudited)
(In Thousands, Except Per-Share Amounts)

	Pro Forma Adjustments				Tredegar Pro Forma
	Tredegar Historical	Pro Forma Exxon Films Acquisi- tion (6)	Pro Forma Therics Acquisi- tion (7)	Pro Forma Aluminum Extrusion Acquisi- tions (8)	
Other financial information excluding venture capital activities and unusual items:					
Net sales	\$ 722,677	\$ 110,999	\$ 66	\$ 17,126	\$ 850,868
Earnings before interest and taxes (EBIT)	96,627	13,159	(8,975)	1,096	101,907
Earnings before interest, taxes, depreciation and amortization (EBITDA)	120,042	24,618	(7,442)	1,568	138,786
Depreciation	23,131	7,662	642	408	31,843
Amortization of intangibles	284	3,797	891	64	5,036
Capital expenditures	38,387	2,774	1,101	255	42,517
Net income:					
Manufacturing operations	\$ 65,344	\$ (181)	\$ -	\$ 439	\$ 65,602
Technology:					
Operating companies	(2,473)	-	(6,098)	-	(8,571)
Venture capital investments	(288)	-	-	-	(288)
Unusual items	(425)	-	-	-	(425)
Discontinued operations	4,713	-	-	-	4,713
Total	\$ 66,871	\$ (181)	\$ (6,098)	\$ 439	\$ 61,031
Diluted earnings per share:					
Manufacturing operations	\$ 1.69				\$ 1.70
Technology:					
Operating companies	(.06)				(.22)
Venture capital investments	(.01)				(.01)
Unusual items	(.01)				(.01)
Discontinued operations	.12				.12
Total	\$ 1.73				\$ 1.58
Shares used to compute diluted earnings per share	38,629				38,704

See accompanying notes to pro forma financial information.

Tredegar Corporation
Other Selected Pro Forma Financial Information for the Year Ended December 31, 1998 (Unaudited)
(In Thousands, Except Per-Share Amounts)

	Pro Forma Adjustments				Tredegar Pro Forma
	Tredegar Historical	Pro Forma Exxon Films Acquisi- tion (6)	Pro Forma Therics Acquisi- tion (7)	Pro Forma Aluminum Extrusion Acquisi- tions (8)	
Other financial information excluding venture capital activities and unusual items:					
Net sales	\$ 699,796	\$ 105,971	\$ 65	\$ 45,799	\$ 851,631
Earnings before interest and taxes (EBIT)	93,533	10,231	(8,960)	1,530	96,334
Earnings before interest, taxes, depreciation and amortization (EBITDA)	115,977	21,674	(7,494)	2,761	132,918
Depreciation	22,239	7,646	575	1,087	31,547
Amortization of intangibles	205	3,797	891	144	5,037
Capital expenditures	34,016	3,303	1,200	353	38,872
Net income:					
Manufacturing operations	\$ 63,937	\$ (2,014)	\$ -	\$ 290	\$ 62,213
Technology:					
Operating companies	(2,516)	-	(6,100)	-	(8,616)
Venture capital investments	394	-	-	-	394
Unusual items	2,341	-	(2,213)	-	128
Discontinued operations	4,713	-	-	-	4,713
Total	\$ 68,869	\$ (2,014)	\$ (8,313)	\$ 290	\$ 58,832
Diluted earnings per share:					
Manufacturing operations	\$ 1.66				\$ 1.60
Technology:					
Operating companies	(.07)				(.22)
Venture capital investments	.01				.01
Unusual items	.06				-
Discontinued operations	.12				.12
Total	\$ 1.78				\$ 1.51
Shares used to compute diluted earnings per share	38,670				38,839

See accompanying notes to pro forma financial information.

NOTES TO PRO FORMA FINANCIAL INFORMATION (UNAUDITED)
Tredegar Corporation (In Thousands)

(1) Represents adjustment to reclassify freight costs of Exxon Films from cost of goods sold to net sales consistent with Tredegar's classification system

(2) The pro forma adjustments to cost of goods sold for the acquisition of Exxon Films are as follows:

	Three Months Ended March 31,		12 Mos. Ended	Yr. Ended Dec. 31,
	1999	1998	3/31/99	1998
Higher depreciation expense due to the:				
Net write-up of property, plant and equipment to estimated fair value and the effect of changes to remaining depreciation lives	\$ 670	\$ 670	\$ 2,679	\$ 2,679
Estimated depreciation on replacement computers to resolve Year 2000 information technology issues (see further discussion below)	95	95	380	380
Expected higher employee benefit expenses under Tredegar employee benefit programs	75	75	708	708
Reclass of freight costs to net sales	(814)	(653)	(3,328)	(3,167)
Total pro forma adjustment to cost of goods sold	\$ 26	\$ 187	\$ 439	\$ 600

For purposes of allocating the purchase price for Exxon Films among various assets acquired and liabilities assumed, we have estimated the respective asset and liability fair values pending completion of final valuation. As a result of a preliminary valuation, the allocation of the purchase price to the net assets acquired and goodwill are as follows:

Estimated net assets of Exxon Films on acquisition date (balance at March 31, 1999)	\$ 64,745
Adjustments to reflect net assets at estimated fair value:	
Write-up of inventory from LIFO value to estimated replacement cost	5,574
Write-up of property, plant and equipment to estimated fair value	7,333
Pension obligation assumed for certain benefit credits granted to former employees of Exxon Films upon their hiring and immediate participation in Tredegar's pension plans	(6,275)
Other adjustment to accrued liabilities	(88)
Elimination of deferred income taxes due to step-up in tax basis of net assets to estimated fair value	18,489
Goodwill (to be amortized on a straight-line basis over 30 years at \$3,797 per year)	113,915
Total purchase price and value of net assets acquired	\$203,693

The estimated fair value and weighted average remaining useful lives of property, plant and equipment for Exxon Films are as follows:

Exxon Films Property, Plant and Equipment	Amount	Estimated Weighted Average Remaining Useful Life

Estimated fair value on acquisition date:		
Land	\$ 2,179	
Land improvements	413	10.4 years
Buildings	9,300	20 years
Machinery and equipment	58,877	9 years
Furniture and fixtures	339	4.1 years
Computers	371	3.2 years
Vehicles	95	3.7 years

Total	71,574	
Estimated net book value of property, plant and equipment for Exxon Films on acquisition date (balance at March 31, 1999)	64,241	

Estimated write-up of property, plant and equipment to estimated fair value	\$ 7,333	

The computer systems for Exxon Films are not Year 2000 compliant. Tredegar plans to replace non-compliant systems (including internal computer-based information systems, communications equipment and shop floor machines) and integrate the business into the enterprise-wide systems infrastructure of Tredegar Film Products. Tredegar expects to complete all remediation efforts by the end of 1999 at a cost of approximately \$1,900, most of which will be capitalized and amortized over the estimated useful life of related assets.

(3) The pro forma adjustment to selling, general and administrative expenses relates to the elimination of salaries and benefits associated with employees of Exxon Films that were not hired and will not be replaced by Tredegar.

(4) Tredegar borrowed money under its \$275,000 revolving credit facility to fund its acquisition of Exxon Films. The borrowings are currently being rolled over each month at relatively low floating rates while we review long-term financing options to maintain our available credit at about \$275,000. We are considering using interest-rate swaps or other derivative instruments to fix the interest rate for several years on a portion of our acquisition financing.

The pro forma adjustment to interest expense assumes an annual weighted average interest rate of 6.65% on the total acquisition cost of \$203,693. This rate was determined using market rates as of June 22, 1999, assuming a 50/50 split of floating and fixed-rate debt with the floating portion priced at 6.02% and the fixed portion (assumed fixed for 5 years with an interest rate swap) priced at 7.28%.

(5) The pro forma adjustment to income taxes for the acquisition of Exxon Films was made at an estimated combined federal and state income tax rate of 37.7%. Since the acquisition was structured as an asset purchase, goodwill is deductible for tax purposes on a straight-line basis over 15 years.

(6) The pro forma adjustments for Exxon Films included in the other selected pro forma financial information presented on pages 19-22 were derived from the historical and pro forma financial information presented on pages 4-18.

(7) The pro forma adjustments for the purchase of the assets of Therics included in the other selected pro forma financial information on pages 19-22 were based on the following:

- o Historical operating results of Therics for the periods presented
- o An allocation of the purchase price to the assets acquired and depreciation and amortization rates as follows:
- o Assumed interest income foregone by Tredegar on the cash used to fund the acquisition of 4.9% for the first quarter of 1999, 5.6% for the first quarter of 1998, 5.43% for the 12 months ended March 31, 1999, and 5.6% for all of 1998
- o An estimated combined federal and state income tax rate of 36% and the deductibility of intangibles for tax purposes on a straight-line basis over 15 years

(8) The pro forma adjustments for the aluminum extrusion acquisitions included in the other selected pro forma financial information on pages 19-22 were derived from:

- o The information contained in our Quarterly Report on Form 10-Q for the first quarter of 1999
- o The information contained in our 1998 Annual Report on Form 10-K
- o The related pro forma information contained in our Form 8-K/A filed on August 19, 1998

SIGNATURES

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

TREDEGAR CORPORATION

Date: June 24, 1999

By: /s/ N. A. Scher

Norman A. Scher
Executive Vice President