

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

AMENDMENT NO. 1

(Mark One)

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

For the quarterly period ended June 30, 1994

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 Industries, Inc.
(Exact name of registrant as specified in its charter)

Virginia 54-1497771
(State or other jurisdiction (I.R.S. Employer
of incorporation or organization) 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

The number of shares of Common Stock, no par value, outstanding as of July 15, 1994: 10,594,225

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

TREDEGAR INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

ASSETS	June 30 1994	December 31 1993
Cash and cash equivalents	\$ 4,608	\$ -
Accounts and notes receivable	74,210	70,173
Inventories	31,308	34,211
Deferred income taxes	11,111	11,555
Prepaid expenses and other	1,104	881
Total current assets	122,341	116,820

Property, plant and equipment, at cost	324,265	323,933
Less accumulated depreciation and amortization	194,797	188,531
Net property, plant and equipment	129,468	135,402
Other assets and deferred charges	26,162	24,456
Goodwill and other intangibles	35,950	45,729
Net assets of discontinued operations	21,983	30,976
Total assets	\$ 335,904	\$ 353,383

LIABILITIES AND SHAREHOLDERS' EQUITY

Accounts payable	\$ 25,078	\$ 19,376
Accrued expenses	36,581	35,380
Income taxes payable	2,673	-
Total current liabilities	64,332	54,756
Long-term debt	70,500	97,000
Deferred income taxes	19,071	23,108
Other noncurrent liabilities	9,692	9,431
Total liabilities	163,595	184,295
Shareholders' equity:		
Common stock, no par value	165,839	170,140
Foreign currency translation adjustment	84	(283)
Retained earnings (deficit)	6,386	(769)
Total shareholders' equity	172,309	169,088
Total liabilities and shareholders' equity	\$ 335,904	\$ 353,383

See accompanying notes to financial statements.

TREDEGAR INDUSTRIES, INC. CONSOLIDATED STATEMENTS OF INCOME (In thousands, except per-share amounts) (Unaudited)

	Second Quarter Ended June 30		Six Months Ended June 30	
	1994	1993	1994	1993
Net sales	\$122,913	\$108,042	\$243,907	\$219,240
Other income (expense), net	160	(192)	(71)	(462)
	123,073	107,850	243,836	218,778
Cost of goods sold	102,684	91,468	204,934	185,482
Selling, general & administrative expenses	12,259	12,278	23,554	24,706
Research & development expenses	1,927	2,246	3,766	4,175
Interest expense	1,166	1,232	2,343	2,555
Unusual items	-	(736)	9,521	(2,263)
	118,036	106,488	244,118	214,655
Income (loss) from continuing operations before income taxes	5,037	1,362	(282)	4,123
Income taxes	1,963	688	1,737	1,739
Income (loss) from continuing operations	3,074	674	(2,019)	2,384
Discontinued operations:				
Income from energy segment operations	1,772	2,154	3,207	3,995
Gain on sale of remaining oil & gas properties (net of income tax of \$2,121)	-	-	3,938	-
Deferred tax benefit on the difference between the financial reporting and income tax basis of The Elk Horn Coal Corporation	-	-	3,320	-
Net income before extraordinary item and cumulative effect of changes in accounting principles	4,846	2,828	8,446	6,379
Extraordinary item - prepayment premium on extinguishment of debt (net of income tax benefits of \$685)	-	(1,115)	-	(1,115)
Cumulative effect of changes in accounting for postretirement benefits other than pensions (net of tax) and				

income taxes	-	-	-	150
Net income	\$ 4,846	\$ 1,713	\$ 8,446	\$ 5,414
Earnings (loss) per share:				
Continuing operations	\$.29	\$.06	\$ (.19)	\$.22
Discontinued operations	.16	.20	.97	.37
Before extraordinary item and cumulative effect of changes in accounting principles	.45	.26	.78	.59
Extraordinary item	-	(.10)	-	(.10)
Cumulative effect of changes in accounting principles	-	-	-	.01
Net income	\$.45	\$.16	\$.78	\$.50
Shares used to compute earnings per share	10,722	10,895	10,808	10,895

See accompanying notes to financial statements.

TREDEGAR INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30	
	1994	1993
Cash flows from operating activities:		
Continuing operations:		
Income (loss) from continuing operations	\$ (2,019)	\$ 2,384
Adjustments for noncash items:		
Depreciation	11,789	11,380
Amortization of intangibles	1,010	1,281
Write-off of intangibles	9,521	-
Deferred income taxes	(3,593)	363
Accrued pension income and postretirement benefits	177	115
Gain on sale of investments	-	(2,263)
Changes in assets and liabilities:		
Accounts and notes receivable	(4,037)	(4,441)
Inventories	2,903	(3,066)
Prepaid expenses and other	(230)	(654)
Accounts payable	5,702	946
Accrued expenses and income taxes payable	3,625	(4,373)
Other, net	(883)	(1,429)
Net cash provided by continuing operating activities	23,965	243
Net cash used for extraordinary item	-	(1,115)
Net cash provided by discontinued operating activities	11,621	8,000
Net cash provided by operating activities	35,586	7,128
Cash flows from investing activities:		
Continuing operations:		
Capital expenditures	(7,885)	(5,905)
Investments	(1,200)	(200)
Proceeds from sales of investments	-	5,263
Property disposals	2,569	2,208
Other, net	(128)	(334)
Net cash (used in) provided by investing activities of continuing operations	(6,644)	1,032
Discontinued operations:		
Capital expenditures	(16)	(313)
Property disposals	7,853	1,685
Net cash provided by investing activities of discontinued operations	7,837	1,372
Net cash provided by investing activities	1,193	2,404
Cash flows from financing activities:		
Dividends paid	(1,291)	(1,308)
Net decrease in borrowings	(26,500)	(8,100)
Repurchase of Tredegar common stock	(4,333)	-
Other, net	(47)	(124)
Net cash used in financing activities	(32,171)	(9,532)
Increase in cash and cash equivalents	4,608	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of period	\$ 4,608	\$ -
Supplemental cash flow information:		
Interest payments (net of amount capitalized)	\$ 2,619	\$ 5,249

Income tax payments, net \$ 5,237 \$ 3,935

See accompanying notes to financial statements.

TREDEGAR INDUSTRIES, INC.
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

1. In the opinion of management, the accompanying consolidated financial statements of Tredegar Industries, Inc. and Subsidiaries ("Tredegar") contain all adjustments necessary to present fairly, in all material respects, Tredegar's consolidated financial position as of June 30, 1994, and the consolidated results of their operations and their cash flows for the six months ended June 30, 1994 and 1993. 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 notes thereto included in the 1993 Annual Report. The results of operations for the six months ended June 30, 1994 are not necessarily indicative of the results to be expected for the full year.
2. Certain prior-period amounts have been reclassified to conform to the current presentation.
3. The components of inventories are as follows:

	(In thousands)	
	June 30 1994	December 31 1993
Finished goods	\$ 5,905	\$ 5,735
Work-in-process	3,824	5,298
Raw materials	14,670	15,497
Stores, supplies and other	6,909	7,681
Total	\$ 31,308	\$ 34,211

4. Unusual items in 1994 include the write-off of goodwill and other intangibles in APPX Software, Inc. (\$7.6 million after income taxes or 70 cents per share). The write-off is the result of management's determination that income generated by the acquired products, which historically had been marketed to small and medium-sized companies, will not be sufficient to recover the unamortized costs associated with the intangible software assets purchased by Tredegar in December 1992. The goodwill and other intangibles in APPX Software were being amortized over 5 to 7 years at an annual rate of approximately \$1.5 million after income taxes, or 14 cents per share. Unusual items in 1993 include gains on sales of Emisphere Technologies, Inc. ("Emisphere") common stock (\$460,000 after income taxes, or 4 cents per share for the second quarter and \$1.4 million after income taxes, or 13 cents per share, for the six months).
5. Tredegar is reporting its energy segment as discontinued operations. In February 1994, Tredegar sold its remaining oil and gas properties for approximately \$8 million. In June 1994, Tredegar announced an agreement to sell its 97%-owned subsidiary, The Elk Horn Coal Corporation ("Elk Horn"), to Pen Holdings, Inc. for \$71 million. Assuming completion of the transaction during the third quarter, Tredegar expects to realize an after-tax gain of approximately \$26 million or \$2.43 per share. After-tax proceeds from the sale should be approximately \$50 million. Of this amount, it is expected that \$35 million will be used to repay certain outstanding debt. Remaining proceeds will be invested in marketable securities.

Results of energy segment operations are summarized below:

(In thousands)	
Second Quarter	Six Months
Ended June 30	Ended June 30

	1994	1993	1994	1993
Revenues	\$ 8,443	\$7,933	\$16,154	\$15,931
Costs and expenses:				
Operating costs and expenses	5,530	5,539	10,883	11,019
Interest allocated	133	161	269	334
Unusual items	-	(1,010)	-	(1,424)
Total	5,663	4,690	11,152	9,929
Income before income taxes	2,780	3,243	5,002	6,002
Income taxes	1,008	1,089	1,795	2,007
Income from energy segment operations	\$ 1,772	\$2,154	\$ 3,207	\$3,995

Unusual items for energy segment operations in 1993 include gains of \$1 million (\$663,000 after income taxes or 6 cents per share) for the second quarter and \$1.4 million (\$938,000 after income taxes or 9 cents per share) for the six months related to sales of certain oil and gas properties.

Discontinued operations in 1994 include a gain of \$6.1 million (\$3.9 million after income taxes or 36 cents per share) related to the sale of Tredegar's remaining oil and gas properties, and a deferred tax benefit of \$3.3 million (31 cents per share) recognized on the difference between the financial reporting basis and income tax basis of Elk Horn in connection with its anticipated sale.

6. Net income and earnings per share, adjusted for nonrecurring items affecting the comparability of operating results, are presented below:

	(In thousands, except per-share amounts)			
	Second Quarter		Six Months	
	1994	1993	1994	1993
Net income as reported	\$4,846	\$1,713	\$8,446	\$5,414
After-tax effects of nonrecurring items:				
Write-off of APPX				
Software intangibles	-	-	7,642	-
Gain on sale of oil & gas properties	-	(663)	(3,938)	(938)
Deferred tax benefit associated with the expected sale of Elk Horn Coal	-	-	(3,320)	-
Gain on sale of Emisphere	-	(460)	-	(1,410)
Extraordinary charge	-	1,115	-	1,115
Cumulative effect of accounting changes	-	-	-	(150)
Net income as adjusted for nonrecurring items	4,846	1,705	8,830	4,031
Income from discontinued operations as adjusted for nonrecurring items	(1,772)	(1,491)	(3,207)	(3,057)
Net income from continuing operations as adjusted for nonrecurring items	\$3,074	\$ 214	\$5,623	\$ 974
Earnings per share:				
As reported	\$.45	\$.16	\$.78	\$.50
As adjusted for nonrecurring items	.45	.16	.81	.37
From continuing operations as adjusted for nonrecurring items	.29	.02	.52	.09

7. During the second quarter of 1994, Tredegar purchased 303,000 shares of Tredegar common stock for \$4.3 million. In the first quarter of 1994, Tredegar granted stock options to purchase 381,000 shares of Tredegar common stock at prices not less than the fair market value on the date of grant (\$15.125) and for a term not to exceed 10 years.

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 Industries, Inc.
(Registrant)

Date: August 8, 1994

/s/ N. A. Scher
Norman A. Scher
Executive Vice President,
Treasurer and Chief Financial
Officer (Principal Financial
Officer)

Date: August 8, 1994

/s/ D. Andrew Edwards
D. Andrew Edwards
Corporate Controller
(Principal Accounting Officer)