

TREDEGAR CORP  
Form 11-K  
June 30, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT  
PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2003

OR

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

Commission file number 33-64647

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

**TREDEGAR CORPORATION  
RETIREMENT SAVINGS PLAN**

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

Tredegear Corporation  
1100 Boulders Parkway  
Richmond, Virginia 23225

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**REQUIRED INFORMATION**

See Appendix 1.

**SIGNATURES**

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

**TREDEGAR CORPORATION  
RETIREMENT SAVINGS PLAN**

SIGNATURES

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By: /s/ W. Hildebrandt Surgner, Jr.

W. Hildebrandt Surgner, Jr., Chairman  
Employee Savings Plan Committee

Dated: June 28, 2004

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Appendix 1

**TREDEGAR CORPORATION  
RETIREMENT SAVINGS PLAN**

FINANCIAL REPORT

DECEMBER 31, 2003

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**REPORT OF INDEPENDENT REGISTERED  
PUBLIC ACCOUNTING FIRM**

To the Plan Administrator  
Tredegar Corporation  
Retirement Savings Plan  
Richmond, Virginia

We have audited the accompanying statements of net assets available for benefits of the Tredegar Corporation Retirement Savings Plan (Plan) as of December 31, 2003 and 2002, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial

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statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2003 and 2002, and the changes in net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of assets held at end of year is presented for purposes of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Witt, Mares & Company, PLC

Richmond, Virginia  
June 8, 2004

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### FINANCIAL STATEMENTS

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#### TREDEGAR CORPORATION RETIREMENT SAVINGS PLAN

Statements of Net Assets Available for Benefits  
December 31, 2003 and 2002

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|                                     | 2003       | 2002       |
|-------------------------------------|------------|------------|
| <b>ASSETS</b>                       |            |            |
| Investments:                        |            |            |
| Money market funds                  | \$ 419,517 | \$ 371,070 |
| Common stocks                       | 50,593,184 | 51,454,721 |
| Actively managed commingled funds   | 38,453,673 | 27,047,762 |
| Loans to participants               | 1,287,526  | 1,241,996  |
|                                     | <hr/>      | <hr/>      |
| Total investments                   | 90,753,900 | 80,115,549 |
|                                     | <hr/>      | <hr/>      |
| Receivables:                        |            |            |
| Accrued interest and dividends      | 131,153    | 138,786    |
| Due from broker for securities sold | 33,994     | 29,732     |
|                                     | <hr/>      | <hr/>      |

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|                                   | <u>2003</u>         | <u>2002</u>  |
|-----------------------------------|---------------------|--------------|
| Total receivables                 | <b>165,147</b>      | 168,518      |
| Total assets                      | <b>90,919,047</b>   | 80,284,067   |
| <b>LIABILITIES</b>                |                     |              |
| Accrued administrative fees       | <b>32,809</b>       | 38,882       |
| Cash overdraft                    |                     | 9,374        |
| Total liabilities                 | <b>32,809</b>       | 48,256       |
| Net assets available for benefits | <b>\$90,886,238</b> | \$80,235,811 |

The Notes to Financial Statements are an integral part of these statements.

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**TREDEGAR CORPORATION**  
**RETIREMENT SAVINGS PLAN**  
 Statements of Changes in Net Assets Available for Benefits  
 For the Years Ended December 31, 2003 and 2002

|  | <u>2003</u>      | <u>2002</u>  |
|--|------------------|--------------|
| <b>ADDITIONS TO NET ASSETS ATTRIBUTED TO:</b>                |                  |              |
| Investment income:   |                  |              |
| Interest   | \$ 92,271        | \$ 105,583   |
| Dividends  | 540,932          | 575,525      |
| Net appreciation (depreciation) in fair value of investments | <b>8,293,769</b> | (16,602,941) |
| Total investment income                                      | <b>8,926,972</b> | (15,921,833) |
| Contributions:   |                  |              |
| Employer   | <b>2,395,871</b> | 2,792,175    |
| Participant  | <b>6,464,716</b> | 6,678,535    |
| Rollover   | <b>153,712</b>   | 1,808        |
| Total contributions  | <b>9,014,299</b> | 9,472,518    |

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|  | <u>2003</u>         | <u>2002</u>          |
|--|---------------------|----------------------|
| Total additions                                  | <u>17,941,271</u>   | <u>(6,449,315)</u>   |
| <b>DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:</b> |                     |                      |
| Administrative expenses                          | <u>22,594</u>       | 147,495              |
| Benefits paid to participating employees         | <u>7,268,250</u>    | 12,335,505           |
| Total deductions                                 | <u>7,290,844</u>    | <u>12,483,000</u>    |
| <b>NET INCREASE (DECREASE)</b>                   | <b>10,650,427</b>   | <b>(18,932,315)</b>  |
| <b>NET ASSETS AVAILABLE FOR BENEFITS:</b>        |                     |                      |
| Beginning of year                                | <u>80,235,811</u>   | <u>99,168,126</u>    |
| End of year                                      | <u>\$90,886,238</u> | <u>\$ 80,235,811</u> |

The Notes to Financial Statements are an integral part of these statements.

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**TREDEGAR CORPORATION  
RETIREMENT SAVINGS PLAN**  
Notes to Financial Statements  
December 31, 2003 and 2002

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*General*

Tredegar Corporation (Tredegar), which engages directly or through subsidiaries in plastics and aluminum businesses, is a Virginia corporation. Tredegar also operates a biotech business that is developing certain healthcare related technologies. The Tredegar Corporation Retirement Savings Plan (Plan) was adopted by the Board of Directors of Tredegar on June 14, 1989 and the Plan was effective as of July 1, 1989.

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

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

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Accordingly, actual results could differ from those estimates.

***Security Valuation***

Investments are stated at fair value determined as follows:

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

(Continued)

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**TREDEGAR CORPORATION  
RETIREMENT SAVINGS PLAN**  
Notes to Financial Statements  
December 31, 2003 and 2002

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**NOTE 1.        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**

***Security Transactions and Related Investment Income***

Security transactions are accounted for on the trade date and dividend income is recorded as earned on the ex-dividend date. Interest income is recorded as earned on the accrual basis. In determining the realized net gain or loss on securities sold, the cost of securities is determined on an average cost basis. The Plan presents in the statements of changes in net assets available for benefits the net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the change in unrealized appreciation (depreciation) on those investments.

***Payment of Benefits***

Benefits are recorded when paid.

**NOTE 2.        DESCRIPTION OF PLAN**

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

**NOTE 3.        CONTRIBUTIONS AND INVESTMENT OPTIONS**

As of December 31, 2003 and 2002, there were 2,077 and 2,205 employees, respectively, participating in the Plan. As of December 31, 2003 and 2002, 2,039 and 2,121 employees, respectively, were eligible to participate in the Plan.

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Participants may contribute a percentage of his or her base pay (as defined) ranging from a minimum of 1% to a maximum of 15%. The contribution paid on behalf of the participant by Tredegar is generally 50% of each nonrepresented participant's contribution up to 10%. Contributions made by Tredegar are invested in the Tredegar Corporation Common Stock Fund.

Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers Tredegar stock and nine (9) actively managed commingled funds as investment options to participants. No additional contributions may be directed to Ethyl Corporation stock or Albemarle Corporation stock. These investment options were eliminated effective December 31, 2002, and balances in these investment options were transferred to the Domestic Conservative Balanced Fund during 2003.

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### TREDEGAR CORPORATION RETIREMENT SAVINGS PLAN

Notes to Financial Statements  
December 31, 2003 and 2002

#### NOTE 4. INVESTMENTS

The following table presents the fair value of investments as of December 31, 2003 and 2002.

|  | 2003 (1)          | 2002 (1)   |
|--|-------------------|------------|
| Money market funds – Frank Russell Trust<br>Company Short-Term Investment Fund | <b>\$ 419,517</b> | \$ 371,070 |
| Investments at fair value as determined by quoted market price:                |                   |            |
| Common stocks:   |                   |            |
| Albemarle Corporation  |                   | 515,230    |
| Ethyl Corporation  |                   | 54,451     |
| Tredegar Corporation   | <b>50,593,184</b> | 50,885,040 |
|  | <b>50,593,184</b> | 51,454,721 |
| Actively managed commingled funds (2):   |                   |            |
| Frank Russell Investment Contract Fund, Class C                                | <b>5,682,265</b>  | 5,438,483  |
| Frank Russell Global Balanced Fund, Class C                                    | <b>5,625,130</b>  | 4,602,794  |
| Frank Russell Equity I Fund, Class G   | <b>9,042,572</b>  | 6,652,702  |
| Frank Russell Small Capitalization Fund, Class D                               | <b>3,529,126</b>  | 2,110,108  |
| Frank Russell Fixed Income I Fund, Class B                                     | <b>3,123,683</b>  | 1,893,789  |
| Frank Russell Domestic Conservative Balanced Fund, Class B                     | <b>2,456,695</b>  | 1,051,341  |
| Frank Russell Aggressive Balanced Fund, Class B                                | <b>2,902,587</b>  | 1,690,113  |
| Frank Russell 1000 Index Fund, Class A   | <b>4,860,871</b>  | 2,869,302  |
| Frank Russell All International Markets Fund, Class B                          | <b>1,230,744</b>  | 739,130    |
|  | <b>38,453,673</b> | 27,047,762 |

|                       | <u>2003 (1)</u>      | <u>2002 (1)</u>      |
|-----------------------|----------------------|----------------------|
| Loans to participants | <u>1,287,526</u>     | <u>1,241,996</u>     |
| Total investments     | <u>\$ 90,753,900</u> | <u>\$ 80,115,549</u> |

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

(2) Investment values are based on the audited annual report of the Frank Russell Trust Company.

(Continued)

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**TREDEGAR CORPORATION  
RETIREMENT SAVINGS PLAN**

Notes to Financial Statements  
December 31, 2003 and 2002

**Note 4. INVESTMENTS (Concluded)**

During the years ended December 31, 2003 and 2002, the Plan's investment portfolio (including investments bought, sold and held during the year) appreciated (depreciated) in value by \$8,293,769 and \$(16,602,941) as follows:

|  | <u>2003</u>                | <u>2002</u>            |
|--|----------------------------|------------------------|
| Investments at fair value as determined by quoted market price:  |                            |                        |
| Common stocks  | <b>1,892,994</b>           | \$ (12,966,562)        |
| Investments at fair value as determined in the audited annual report of the Frank Russell Trust Company: |                            |                        |
| Actively managed commingled funds  | <u>6,400,775</u>           | <u>(3,636,379)</u>     |
| Net change in fair value   | <u><b>\$ 8,293,769</b></u> | <u>\$ (16,602,941)</u> |

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**TREDEGAR CORPORATION  
RETIREMENT SAVINGS PLAN**

Notes to Financial Statements



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December 31, 2003 and 2002

**NOTE 5. NONPARTICIPANT DIRECTED INVESTMENTS**

Information about the net assets available for benefits and significant components of the changes in net assets relating to the nonparticipant-directed investments is as follows:

|  | <u>2003</u>          | <u>2002</u>          |
|--|----------------------|----------------------|
| Net assets available for benefits:                           |                      |                      |
| Money market funds   | \$ 334,273           | \$ 364,423           |
| Common stock   | 50,593,184           | 50,885,040           |
| Accrued interest and dividends                               | 131,076              | 135,781              |
| Due from broker for securities sold                          |                      | 4,491                |
|  | <u>\$ 51,058,533</u> | <u>\$ 51,389,735</u> |
| Changes in net assets available for benefits:                |                      |                      |
| Additions to net assets attributed to:                       |                      |                      |
| Investment income:   |                      |                      |
| Interest   | \$ 40,840            | \$ 9,429             |
| Dividends  | 540,932              | 556,836              |
| Net appreciation (depreciation) in fair value of investments | 1,886,490            | (13,226,600)         |
|  | <u>2,468,262</u>     | <u>(12,660,335)</u>  |
| Contributions:   |                      |                      |
| Employer   | 2,386,000            | 2,792,175            |
| Participant  | 1,776,754            | 1,689,528            |
| Rollover   | 6,017                | 40                   |
|  | <u>4,168,771</u>     | <u>4,481,743</u>     |
| Total additions  | <u>6,637,033</u>     | <u>(8,178,592)</u>   |
| Deductions from net assets attributed to:                    |                      |                      |
| Administrative expenses                                      | 18,732               | 125,599              |
| Benefits paid to participating employees                     | 3,471,737            | 5,525,919            |
| Transfers to participant-directed investments                | 3,477,766            | 4,418,971            |
|  | <u>6,968,235</u>     | <u>10,070,489</u>    |
| Net decrease   | (331,202)            | (18,249,081)         |
| Net assets available for benefits:                           |                      |                      |
| Beginning of year  | <u>51,389,735</u>    | <u>69,638,816</u>    |
| End of year  | <u>\$ 51,058,533</u> | <u>\$ 51,389,735</u> |

**TREDEGAR CORPORATION**  
**RETIREMENT SAVINGS PLAN**  
Notes to Financial Statements  
December 31, 2003 and 2002

**NOTE 6. FEDERAL INCOME TAXES**

The Internal Revenue Service has determined and informed Tredegar by a letter dated September 7, 2001, that the Plan and related trust are designed in accordance with the applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan's administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

**NOTE 7. ADMINISTRATIVE EXPENSES**

The Plan is responsible for all trustee and investment management fees. Tredegar pays for all other administrative expenses up to an annual limit of \$75,000. Any expenses in excess of this limit are paid by the Plan.

**NOTE 8. FORFEITURES**

Employees who leave Tredegar before becoming fully vested in Tredegar contributions forfeit the value of their nonvested account. Forfeitures are applied against Tredegar's contributions throughout the year. Forfeitures were \$53,805 and \$72,446 for the years ended December 31, 2003 and 2002, respectively.

**NOTE 9. PLAN TERMINATION**

Although it has not expressed any intent to do so, Tredegar has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

**SUPPLEMENTARY INFORMATION**

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost   | (e) Current value |
|-----|---|---|------------|-------------------|
|     | Frank Russell Trust Company Short-Term Investment Fund    | 419,517 units   | \$ 419,517 | \$ 419,517        |

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| (a) | (b) Identity of issue, borrower, lessor, or similar party  | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (d) Cost   | (e) Current value |
|-----|--|---|------------|-------------------|
| *   | Tredegear Corporation common stock                         | 3,257,771 shares  | 23,266,493 | 50,593,184        |
|     | Frank Russell Investment Contract Fund, Class C            | 443,096 shares  | **         | 5,682,265         |
|     | Frank Russell Global Balanced Fund, Class C                | 478,734 shares  | **         | 5,625,130         |
|     | Frank Russell Equity I Fund, Class G                       | 1,169,802 shares  | **         | 9,042,572         |
|     | Frank Russell Small Capitalization Fund, Class D           | 328,291 shares  | **         | 3,529,126         |
|     | Frank Russell Fixed Income I Fund, Class B                 | 216,022 shares  | **         | 3,123,683         |
|     | Frank Russell Domestic Conservative Balanced Fund, Class B | 207,842 shares  | **         | 2,456,695         |
|     | Frank Russell Aggressive Balanced Fund, Class B            | 258,467 shares  | **         | 2,902,587         |
|     | Frank Russell 1000 Index Fund, Class A                     | 531,243 shares  | **         | 4,860,871         |
|     | Frank Russell All International Markets Fund, Class B      | 101,212 shares  | **         | 1,230,744         |
| *   | Participant loans  | 365 loans<br>5.00% - 10.50%   | **         | 1,287,526         |
|     | Total investments  |   |            | \$ 90,753,900     |
| *   | party-in-interest  |   |            |                   |
| **  | cost omitted for participant-directed investments          |   |            |                   |