

TREDEGAR CORP
Form 11-K
June 26, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK
PURCHASE, SAVINGS AND SIMILAR PLANS
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, 2012

OR

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

Commission file number 1-10258

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 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

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

By: /s/ A. Brent King
A. Brent King
Employee Savings Plan Committee

Date: June 26, 2013

Appendix 1

Tredegar Corporation Retirement Savings Plan

FINANCIAL REPORT
DECEMBER 31, 2012 AND 2011

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Employee Benefits Administrative Committee
Tredegar Corporation Retirement Savings Plan
Richmond, Virginia

We have audited the accompanying statement of net assets available for benefits of the Tredegar Corporation Retirement Savings Plan (Plan) as of December 31, 2012, and the related statement of changes in net assets available for benefits for the year 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 audit.

We conducted our audit 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 statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting.

Accordingly, we express no such opinion. An audit also 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, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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, 2012, and the changes in net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements as a whole. The supplemental schedule of Assets Held at End of Year is presented for the 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.

The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.

/s/ PBMares, LLP

Richmond, Virginia
June 14, 2013

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Employee Benefits Administrative Committee
Tredegar Corporation Retirement Savings Plan
Richmond, Virginia

We have audited the accompanying statement of net assets available for benefits of the Tredegar Corporation Retirement Savings Plan (Plan) as of December 31, 2011, and the related statement of changes in net assets available for benefits for the year 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 audit.

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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, 2011, and the changes in net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplemental schedule of Assets Held at End of Year is presented for the 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.

The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.

/s/ Witt Mares, PLC

Richmond, Virginia
June 20, 2012

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FINANCIAL STATEMENTS

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TREDEGAR CORPORATION RETIREMENT SAVINGS PLAN

Statements of Net Assets Available for Benefits

December 31, 2012 and 2011

	2012	2011
ASSETS		
Investments, at fair value:		
Tredegear Corporation common stock	\$38,095,363	\$40,146,676
Mutual funds	55,437,776	48,012,207
Common collective trust	8,807,029	8,117,394
Total investments	102,340,168	96,276,277
Receivables:		
Accrued interest and dividends	111,935	81,289
Notes receivable from participants	2,691,072	2,761,681
Total receivables	2,803,007	2,842,970
Total assets	105,143,175	99,119,247
LIABILITIES		
Net assets available for benefits, at fair value	-	-
Adjustment from fair value to contract value for fully benefit responsive investment contract	(157,621)	(20,129)
Net assets available for benefits	\$104,985,554	\$99,099,118

See accompanying notes.

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TREDEGAR CORPORATION RETIREMENT SAVINGS PLAN

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2012 and 2011

	2012	2011
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Interest	\$118,006	\$117,432
Dividends	3,515,905	1,728,587
Net appreciation in fair value of investments	2,652,526	3,472,609
Total investment income	6,286,437	5,318,628
Contributions:		
Employer	2,256,263	2,321,496
Participants	4,053,810	4,181,386
Rollover	271,250	122,957
Total contributions	6,581,323	6,625,839
Total additions	12,867,760	11,944,467
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Administrative expenses	66,207	55,684
Benefits paid to participating employees	6,915,117	10,916,179
Total deductions	6,981,324	10,971,863
NET INCREASE	5,886,436	972,604
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	99,099,118	98,126,514
End of year	\$104,985,554	\$99,099,118

See accompanying notes.

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TREDEGAR CORPORATION RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2012 and 2011

NOTE 1. 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 Corporation's (Tredegar) main office at 1100 Boulders Parkway, Richmond, Virginia.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Tredegar, which is engaged directly in the manufacturing of plastic films and aluminum extrusions, is a Virginia corporation. 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.

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statements of net assets available for benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statements of changes in net assets available for benefits are prepared on a contract value basis.

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TREDEGAR CORPORATION RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2012 and 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits

Benefits are recorded when paid or when payment has been attempted.

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.

Recent Accounting Pronouncement

In May 2011, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board completed their joint project on fair value measurement and issued their respective final standards. The amended FASB guidance results in common fair value measurement and disclosure requirements for U.S. GAAP and International Financial Reporting Standards. Many of the changes to U.S. GAAP clarified existing guidance. There were some changes to U.S. GAAP,

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TREDEGAR CORPORATION RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2012 and 2011

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

such as the change in the valuation premise and the application of premiums and discounts as well as new disclosure requirements. The new disclosure requirements include: (1) enhanced disclosure for the valuation of all Level 3 fair value measurements; (2) disclosure of transfers between Level 1 and Level 2 fair value measurements on a gross basis, including reasons for those transfers; (3) disclosure about the highest and best use of non-financial assets; and (4) disclosure of the fair value hierarchy categorization for those assets whose fair value is disclosed but not recognized on the balance sheet. The new FASB guidance is effective for interim and annual reporting periods beginning after December 15, 2011. We have complied with the new reporting.

NOTE 3. CONTRIBUTIONS AND INVESTMENT
OPTIONS

A participant may contribute a percentage of his or her base pay (as defined) ranging from a minimum of .1% (one-tenth of one percent) to 75%. With the exception of certain collectively bargained plans, the 2012 and 2011 company match contribution is \$1.00 for every \$1.00 a participant contributes up to 5% each payroll period.

With the exception of participants covered under certain collective bargaining agreements, employees hired on or after January 1, 2007 will automatically be enrolled in the retirement savings plan at a 3% contribution level unless they choose to contribute more or less. The default investment fund is the age appropriate target fund.

Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers twenty-three (23) mutual funds, Tredegar stock and one (1) common collective trust as investment options to participants.

All employer contributions are invested in the Tredegar Stock Fund. Effective January 1, 2007, if the participant has at least three years of service, any existing Company matching funds as of December 31, 2006 can be transferred once per month as follows: a maximum of up to 33% of the participant's existing units can be transferred during 2007, up to 66% in 2008, and up to 100% in 2009. If the participant is age 55 with at least three years of service, the participant may transfer all or any part of their company matching account on a monthly basis. Company matching contributions made after January 1, 2007 ("Post-2006 Match") will be invested in company stock, and the participant may continue to keep their match in Tredegar stock. However, if the participant has at least three years of service, the participant will be able to transfer the Post-2006 Match to other funds on a monthly basis.

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TREDEGAR CORPORATION RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2012 and 2011

NOTE 4. INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets as of December 31, 2012 and 2011.

	2012	2011
Investments at fair value as determined by quoted market price:		
Common stock ⁽¹⁾ :		
Tredegear Corporation	\$38,095,363	\$40,146,676
Mutual Funds ⁽¹⁾ :		
PIMCO Funds Total Return Fund A	7,079,498	5,971,717
JP Morgan Smart Retirement 2020 Select	-	7,164,286
JP Morgan Smart Retirement 2020 Institutional	8,138,290	-
Columbia Large Cap Index Z	-	13,394,777
Vanguard 500 Index-Signal	15,373,554	-
Common Collective Trust ⁽²⁾		
JP Morgan Stable Asset Income	8,649,408	8,097,265

(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 JP Morgan Asset Management Stable Asset Income Fund and reported at contract value.

During the years ended December 31, 2012 and 2011, the Plan's investment portfolio (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$2,652,526 and \$3,472,609, respectively, and as follows:

	2012	2011
Change in investments at fair value as determined by quoted market price:		
Tredegear common stock	\$(2,642,521)	\$5,439,524
Mutual funds	5,171,994	(2,110,730)
Change in investments as determined in the audited annual report of the JP Morgan Asset Management Stable Asset Income Fund:		
Common collective trust		123,053 143,815
Net change in value		\$2,652,526 \$3,472,609

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TREDEGAR CORPORATION RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2012 and 2011

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 Tredegar common stock fund is listed below. All employer contributions are nonparticipant-directed and are invested in the Tredegar common stock fund. All participant and rollover contributions are participant-directed. All other components listed below are a blend of participant-directed and nonparticipant-directed information.

	2012	2011
Net assets available for benefits:		
Tredegar common stock	\$38,095,363	\$40,146,676
Accrued interest and dividends	111,935	81,289
	\$38,207,298	\$40,227,965
Changes in net assets available for benefits:		
Additions to net assets attributed to:		
Investment income:		
Interest	\$-	\$128
Dividends	1,738,158	327,708
Net appreciation (depreciation) in fair value of investments	(2,642,521)	5,439,524
	(904,363)	5,767,360
Contributions:		
Employer	2,256,263	2,321,496
Participants	362,551	363,191
	2,618,814	2,684,687
Total additions	1,714,451	8,452,047
Deductions from net assets attributed to:		
Administrative expenses	38,664	41,100
Benefits paid to participating employees	2,095,023	1,899,333
Transfers to participant-directed investments	1,601,431	3,003,256
Total deductions	3,735,118	4,943,689
Net increase (decrease)	(2,020,667)	3,508,358
Net assets available for benefits:		
Beginning of year	40,227,965	36,719,607
End of year	\$38,207,298	\$40,227,965

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TREDEGAR CORPORATION RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2012 and 2011

NOTE 6. FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification (ASC) 820, Fair Value Measurements, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

Common stock: Valued at closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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TREDEGAR CORPORATION RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2012 and 2011

NOTE 6. FAIR VALUE MEASUREMENTS (Continued)

Common collective trust: Valued based on information provided in the audited annual report.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables summarize financial assets measured at fair value on a recurring basis, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value, as of December 31, 2012 and 2011, respectively:

Assets Measured at Fair Value on a Recurring Basis at December 31, 2012

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2012
Mutual funds				
Foreign large blend	\$4,732,683	\$-	\$-	\$4,732,683
Intermediate term bond	7,514,679	-	-	7,514,679
Large blend	15,373,554	-	-	15,373,554
Large cap growth	718,792	-	-	718,792
Mid cap blend	127,622	-	-	127,622
Small cap growth	1,992,771	-	-	1,992,771
Small cap value	2,584,307	-	-	2,584,307
Target date funds	20,206,284	-	-	20,206,284
Other	2,187,084	-	-	2,187,084
Total mutual funds	55,437,776	-	-	55,437,776
Common stocks				
Rubber & plastics	38,095,363	-	-	38,095,363
Collective investment fund	-	8,807,029	-	8,807,029
Total assets at fair value	\$93,533,139	\$8,807,029	\$-	\$102,340,168

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TREDEGAR CORPORATION RETIREMENT SAVINGS PLAN

Notes to Financial Statements

December 31, 2012 and 2011

NOTE 6. FAIR VALUE MEASUREMENTS (Concluded)

Assets Measured at Fair Value on a Recurring Basis
at December 31, 2011

Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable	Balance at
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