

TREDEGAR CORP
Form 10-Q
November 08, 2006

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2006

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

Tredegear Corporation
(Exact Name of Registrant as Specified in Its Charter)

Virginia
(State or Other Jurisdiction of Incorporation or Organization)

54-1497771
(I.R.S. 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

Indicate by check mark 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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes

No x

The number of shares of Common Stock, no par value, outstanding as of October 30, 2006: 38,822,447.

PART I - FINANCIAL INFORMATION**Item 1. Financial Statements.**

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

	Sept. 30, 2006	Dec. 31, 2005
Assets		
Current assets:		
Cash and cash equivalents	\$ 29,842	\$ 23,434
Accounts and notes receivable, net of allowance for doubtful accounts and sales returns of \$6,541 in 2006 and \$5,423 in 2005	159,190	119,330
Income taxes recoverable	4,802	7,163
Inventories	58,773	62,438
Deferred income taxes	7,141	7,778
Prepaid expenses and other	3,388	4,224
Total current assets	263,136	224,367
Property, plant and equipment, at cost	667,139	632,717
Less accumulated depreciation	340,381	309,841
Net property, plant and equipment	326,758	322,876
Other assets and deferred charges	95,952	96,527
Goodwill and other intangibles	139,058	137,988
Total assets	\$ 824,904	\$ 781,758
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 88,364	\$ 61,731
Accrued expenses	45,805	36,031
Current portion of long-term debt	1,179	-
Total current liabilities	135,348	97,762
Long-term debt	76,915	113,050
Deferred income taxes	86,429	74,287
Other noncurrent liabilities	11,315	11,297
Total liabilities	310,007	296,396
Commitments and contingencies (Notes 1 and 2)		
Shareholders' equity:		
Common stock, no par value	111,703	110,706
Common stock held in trust for savings restoration plan	(1,289)	(1,284)
Unearned compensation on restricted stock	-	(966)
Unrealized gain on available-for-sale securities	-	23
Foreign currency translation adjustment	20,217	14,114
(Loss) gain on derivative financial instruments	(230)	776
Minimum pension liability	(2,434)	(2,434)
Retained earnings	386,930	364,427
Total shareholders' equity	514,897	485,362
Total liabilities and shareholders' equity	\$ 824,904	\$ 781,758

See accompanying notes to financial statements.

Tredegear Corporation
Consolidated Statements of Income
(In Thousands, Except Per Share Data)
(Unaudited)

	Three Months Ended Sept. 30		Nine Months Ended Sept. 30	
	2006	2005	2006	2005
Revenues and other items:				
Sales	\$ 296,256	\$ 240,716	\$ 846,711	\$ 717,197
Other income (expense), net	474	(394)	734	3,104
	296,730	240,322	847,445	720,301
Costs and expenses:				
Cost of goods sold	252,848	201,917	719,177	604,346
Freight	7,265	6,281	20,989	18,626
Selling, general and administrative	18,135	15,746	50,570	49,200
Research and development	2,016	1,851	6,114	7,217
Amortization of intangibles	37	50	112	262
Interest expense	1,331	1,196	4,231	3,252
Asset impairments and costs associated with exit and disposal activities	692	1,159	3,410	12,517
Total	282,324	228,200	804,603	695,420
Income before income taxes	14,406	12,122	42,842	24,881
Income taxes				