GLOBAL HIGH INCOME DOLLAR FUND INC
Form 3
September 26, 2006

FORM 3

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

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Â Bubloski Rose Ann
(Last) (First) (Middle)

51 WEST 52ND STREET
(Street)

NEW YORK,Â NYÂ 10019
(City) (State) (Zip)

2. Date of Event Requiring Statement
(Month/Day/Year)
09/20/2006

3. Issuer Name **and** Ticker or Trading Symbol
GLOBAL HIGH INCOME DOLLAR FUND INC [GHI]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer _____ Other
(give title below) (specify below)
Vice Pres. & Asst. Treasurer

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1.Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Bubloski Rose Ann 51 WEST 52ND STREET NEW YORK,Â NYÂ 10019	Â	Â	Â Vice Pres. & Asst. Treasurer	Â

Signatures

/s/ Roseann Bubloski	09/26/2006
**Signature of Reporting Person	Date

Explanation of Responses:

No securities are beneficially owned

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. STYLE="font-family:Times New Roman" SIZE="2">)% $46,881 $50,732 (7.6)%

Net sales (sales less freight) in Film Products for the third quarter of 2011 decreased compared to the same period for the prior year primarily due to lower volumes in surface protection materials and personal care films, partially offset by an increase in average selling prices from the pass-through of higher resin prices to customers and the favorable impact of the change in the U.S. dollar value of currencies for operations outside the U.S. As noted in previous quarters, the slowdown in end-user demand for large-sized LCD panels has negatively impacted our market for surface protection materials. Reduced consumer demand for applications that utilize our premium personal care films has also contributed to the reduction in sales volumes. In 2010, volumes for personal care films included the favorable impact of a surge in volume associated with a new product ramp-up.

Net sales for the first nine months of 2011 remained relatively unchanged from the same period in 2010 as a result of an increase in average selling prices with the pass-through of higher average resin costs to customers and the favorable impact of the change in the U.S. dollar value of currencies for operations outside the U.S., offset by lower volumes noted above.

Operating profit from ongoing operations decreased in the third quarter and year-to-date periods of 2011 compared with the comparable periods in the prior year due primarily to the lower volumes noted above. The unfavorable impact of lower volumes was partially offset by cost reduction efforts and improved manufacturing efficiencies in the current year as well as the favorable impact of both the lag in the pass-through of higher resin costs and the change in the U.S. dollar value of currencies for operations outside the U.S. Operating results in the third quarter of 2010 were adversely impacted by operational inefficiencies that resulted from a surge in customer demand and the ramp-up of new products.

Film Products has index-based pass-through raw material cost agreements for the majority of its business. However, under certain agreements, changes in resin prices are not passed through for an average period of 90 days. The estimated favorable impact of the quarterly lag in the pass-through of changes in average resin costs was $2.5 million in the third quarter of 2011, compared to a favorable impact of $311,000 in the third quarter of 2010. The change in the U.S. dollar value of currencies for operations outside the U.S. had a favorable impact of approximately $1.2 million in the third quarter of 2011 compared to the third quarter of 2010. For the first nine months of 2011, the estimated impact of the resin pass-through lag was an unfavorable $1.8 million versus an unfavorable $4.6 million for the first nine months of 2010. The change in the U.S. dollar value of currencies for operations outside the U.S. had a favorable impact of approximately $1.7 million in the first nine months of 2011 compared to the first nine months of 2010.

Sales volumes and operating profits in Film Products are expected to be unfavorably impacted by lower end-user demand and competitive pricing pressures for some of our more mature product lines. We expect to incur some margin compression, which may not fully be offset by costs saving measures and manufacturing efficiency initiatives as we enter into new multi-year supply agreements for these mature products.

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Capital expenditures in Film Products were $8.9 million in the first nine months of 2011 compared with $11.2 million in the first nine months of last year. Film Products currently projects that capital expenditures will be approximately $12 million in 2011. Depreciation expense was $25.5 million in the first nine months of 2011 and $25.1 million in the first nine months of 2010, and is projected to be approximately $34 million in 2011.

Aluminum Extrusions

A summary of operating results for Aluminum Extrusions is provided below:

(In Thousands, Except Percentages)	Quarter Ended September 30 2011	Quarter Ended September 30 2010	Favorable/ (Unfavorable) % Change	Nine Months Ended September 30 2011	Nine Months Ended September 30 2010	Favorable/ (Unfavorable) % Change
Sales volume (pounds)	29,484	26,290	12.1%	82,679	72,187	14.5%
Net sales	$ 66,815	$ 54,629	22.3%	$ 186,712	$ 152,099	22.8%
Operating profit (loss) from ongoing operations	$ 2,301	$ 140	1,543.6%	$ 2,539	$ (2,618)	

Net sales in the third quarter and first nine months of 2011 increased in comparison to the same periods in 2010 due to higher volumes and an increase in average selling prices driven by higher aluminum prices. The improvement in results from ongoing operations versus the third quarter and first nine months of 2010 was primarily driven by higher volumes as some of our key customers have gained momentum in their related markets.

Capital expenditures in Aluminum Extrusions were $2.2 million in the first nine months of 2011 compared with $2.3 million in the first nine months of last year. Capital expenditures are projected to be approximately $2.8 million in 2011. Depreciation expense was $6.3 million in the first nine months of 2011 compared with $6.9 million in the first nine months of last year, and is projected to be approximately $8.4 million in 2011.

Other

The Other segment is comprised of the start-up operations of Bright View Technologies Corporation (Bright View Technologies) and Falling Springs, LLC (Falling Springs). Bright View Technologies is a developer and producer of high-value microstructure-based optical films for the LED (light emitting diode) and fluorescent lighting markets. Falling Springs develops, owns and operates multiple mitigation banks. Through the establishment of perpetual easements to restore, enhance and preserve wetlands, streams or other protected environmental resources, these mitigation banks create saleable credits that are used by the purchaser of credits to offset the negative environmental impacts from private and public development projects.

Net sales for this segment can fluctuate from quarter-to-quarter as Bright View Technologies is a late-stage development company and Falling Springs revenue can vary based upon the timing of development projects within its markets. Operating losses from ongoing operations were $152,000 and $2.4 million for the three and nine month periods ended September 30, 2011, respectively, compared to $840,000 and $2.9 million for the three and nine month periods ended September 30, 2010, respectively.

Corporate Expenses, Interest and Taxes

Pension expense was $610,000 in the third quarter of 2011 and $1.7 million in the first nine months of 2011, an unfavorable change of $202,000 and $1.2 million, respectively, from the pension expense recognized in comparable periods of 2010. Most of the impact of pensions on earnings is reflected in Corporate expenses, net in the net sales and operating profit by segment table. We contributed $167,000 to our pension plans for continuing operations in 2010, and minimum required contributions to our pension plans in 2011 are expected to be comparable. Corporate expenses, net decreased in 2011 versus 2010 due to lower performance-based incentives and the favorable impact of the timing of recognition of other corporate-related expenses, partially offset by the unfavorable impact of pension expense noted above.

The effective tax rate used to compute income taxes from continuing operations for the first nine months of 2011 was 19.9% compared to 35.0% in the first nine months of 2010. The significant differences between the U.S. federal statutory rate and the effective tax rate for the first nine months of 2011 and 2010 is shown in the table provided in Note 11 on page 15.

Net capitalization and other credit measures are provided in the liquidity and capital resources section beginning on page 25.

Critical Accounting Policies

In the ordinary course of business, we make a number of estimates and assumptions relating to the reporting of results of operations and financial position in the preparation of financial statements in conformity with generally accepted accounting principles. We believe the estimates, assumptions and judgments described in the section Management s Discussion and Analysis of Financial Condition and Results of Operations Critical Accounting Policies of our Annual Report on Form 10-K for the year ended December 31, 2010, have the greatest potential impact on our financial statements, so we consider these to be our critical accounting policies. These policies include our accounting for impairment of long-lived assets and goodwill, investment accounted for under the fair value method, pension benefits and income taxes. These policies require management to exercise judgments that are often subjective and complex due to the necessity of estimating the effect of matters that are inherently uncertain. Actual results could differ significantly from those estimates under different assumptions and conditions. We believe the consistent application of these policies enables us to provide readers of our financial statements with useful and reliable information about our operating results and financial condition. Since December 31, 2010, there have been no changes in these policies that have had a material impact on results of operations or financial position. See Note 3 on page 6 for losses related to plant shutdowns, asset impairments, restructurings and other items occurring during the third quarter and first nine months of 2011 and the comparable periods in 2010.

Recently Issued Accounting Standards

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. Some changes, however, such as the change in the valuation premise and the application of premiums and discounts as well as new disclosure requirements, could have a more significant impact. 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. Early application is not permitted. We are currently evaluating the impact of this guidance on our financial statements and disclosures.

In June 2011, the FASB issued authoritative guidance that will require entities to present net income and other comprehensive income in either a single continuous statement or in two separate, but consecutive, statements of net income and other comprehensive income. The option to present the elements of other comprehensive income in the statement of changes in equity will be eliminated. The new guidance is effective for interim and annual periods beginning after December 15, 2011, however early application is permitted. In October 2011, the FASB decided to expose a proposed deferral of this new reporting requirement in response to concerns raised by issuers and other stakeholders. We will continue to monitor the FASB s activities, and will implement the guidance when required.

In September 2011, the FASB issued guidance that changes the goodwill impairment guidance in order to reduce the cost and complexity of the annual impairment test. The changes will provide entities an option to perform a qualitative assessment to determine whether further impairment testing is necessary. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test will be required. Otherwise, no further testing will be required. The revised guidance will be effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. However, earlier adoption is permitted. We are currently evaluating the impact of this guidance on our annual impairment testing procedures.

Results of Operations

Third Quarter 2011 Compared with Third Quarter 2010

Overall, sales in the third quarter of 2011 increased by 2.6% compared with the third quarter of 2010. Net sales (sales less freight) decreased 5.6% in Film Products primarily due to lower volumes in personal care films and surface protection materials, partially offset by an increase in average selling prices from the pass-through of higher resin prices and the favorable impact of the change in the U.S. dollar value of currencies for operations outside the U.S. Net sales increased 22.3% in Aluminum Extrusions due to higher sales volume in most markets and an increase in average selling prices driven by higher aluminum prices. For more information on net sales and volume, see the executive summary beginning on page 17.

Consolidated gross profit (sales minus cost of goods sold and freight) as a percentage of sales decreased to 16.4% in the third quarter of 2011 from 17.1% in the third quarter of 2010. The gross profit margin in Film Products decreased primarily due to lower sales volumes noted above, partially offset by the estimated favorable impact of the quarterly lag in the pass-through of changes in average resin costs and the change in the U.S. dollar value of currencies for operations outside the U.S. Gross profit margin in Aluminum Extrusions increased as a result of the higher sales volumes noted above.

As a percentage of sales, selling, general and administrative and R&D expenses were 10.5% in the third quarter of 2011, down from 11.1% in the third quarter of last year. The decrease in selling, general and administrative and R&D expenses as a percentage of sales can be attributed to the 2.6% increase in year-over-year sales noted above and lower performance-based incentive accruals, partially offset by higher acquisition-related expenditures in 2011.

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Plant shutdowns, asset impairments, restructurings and other items in the third quarter of 2011 shown in the segment operating profit table on page 18 include:

Pretax charges of $2.3 million for acquisition-related expenses (included in Selling, general and administrative expenses in the consolidated statements of income) associated with the purchase of Terphane by Film Products;

Pretax gain of $1.0 million on the divestiture of our film products business in Roccamontepiano, Italy (included in Other income (expenses), net in the consolidated statements of income), which includes the recognition of previously unrealized foreign currency translation gains of $4.3 million that were associated with the business;

Pretax charges of $193,000 for severance and other employee-related costs in connection with restructurings in Film Products; and

Pretax losses of $43,000 for timing differences between the recognition of realized losses on aluminum futures contracts and related revenues from the delayed fulfillment by customers of fixed-price forward purchase commitments (included in Cost of goods sold in the consolidated statements of income).

Plant shutdowns, asset impairments, restructurings and other items in the third quarter of 2010 shown in the segment operating profit table on page 18 include:

Pretax charge of $109,000 for severance and other employee-related costs in connection with restructurings in Film Products; and

Pretax gain of $14,000 for timing differences between the recognition of realized losses on aluminum futures contracts and related revenues from the delayed fulfillment by customers of fixed-price forward purchase commitments (included in Cost of goods sold in the consolidated statements of income).

Interest income, which is included in Other income (expense), net in the consolidated statements of income, was $278,000 in the third quarter of 2011 and $184,000 in the third quarter of 2010. Interest expense, which includes the amortization of debt issue costs, was $367,000 in the third quarter of 2011 in comparison to $358,000 in the third quarter of last year.

Average debt outstanding and interest rates were as follows:

(In Millions)	Three Months Ended September 30 2011	2010
Floating-rate debt with interest charged on a rollover basis at one-month LIBOR plus a credit spread:		
Average outstanding debt balance	$	$
Average interest rate	n/a	n/a
Fixed-rate and other debt:		
Average outstanding debt balance	$ .2	$ .8
Average interest rate	3.2%	2.1%
Total debt:		
Average outstanding debt balance	$ .2	$ .8
Average interest rate	3.2%	2.1%

The effective tax rate used to compute taxes from continuing operations for the third quarter of 2011 was (1.1)% compared to 26.3% in the third quarter of 2010. The change in the effective tax rate for

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the third quarter reflects the impact to income taxes during the third quarter to adjust the effective tax rate for the first nine months of the year to the rate estimated for the entire year. The significant differences between the U.S. federal statutory rate and the effective tax rate for the first nine months is shown in the table provided in Note 11 on page 15.

First Nine Months of 2011 Compared with First Nine Months of 2010

Overall, sales in the first nine months of 2011 increased by 6.7% compared with 2010. Net sales increased 0.9% in Film Products primarily due to an increase in average selling prices from the pass-through of higher resin prices, offset by lower volumes in personal care films and surface protection materials. Net sales from ongoing operations increased 22.8% in Aluminum Extrusions due to higher sales volume in most markets and an increase in average selling prices driven by higher aluminum prices. For more information on net sales and volume, see the executive summary beginning on page 17.

Consolidated gross profit as a percentage of sales increased to 17.1% in the first nine months of 2011 from 16.8% in 2010. The gross profit margin in Film Products decreased primarily due to lower volumes in personal care films and surface protection materials, partially offset the estimated favorable impact of the quarterly lag in the pass-through of changes in average resin costs and the change in the U.S. dollar value of currencies for operations outside the U.S. Gross profit margin in Aluminum Extrusions increased as a result of the higher sales volumes noted above.

As a percentage of sales, selling, general and administrative and R&D expenses were 10.0% in the first nine months of 2011, down from 11.2% in the first nine months of last year. The decrease in selling, general and administrative and R&D expenses as a percentage of sales can be attributed to the 6.7% increase in year-over-year sales noted above and lower performance-based incentive accruals, partially offset by higher acquisition-related expenditures in 2011.

Plant shutdowns, asset impairments, restructurings and other items in the first nine months of 2011 shown in the segment operating profit table on page 18 include:

Pretax charges of $2.3 million for acquisition-related expenses (included in Selling, general and administrative expenses in the consolidated statements of income) associated with the purchase of Terphane by Film Products;

Pretax gain of $1.0 million on the divestiture of our film products business in Roccamontepiano, Italy (included in Other income (expenses), net in the consolidated statements of income), which includes the recognition of previously unrealized foreign currency translation gains of $4.3 million that were associated with the business;

Pretax charges of $798,000 for asset impairments in Film Products;

Pretax charges of $479,000 for severance and other employee-related costs in connection with restructurings in Film Products; and

Pretax gains of $19,000 for timing differences between the recognition of realized losses on aluminum futures contracts and related revenues from the delayed fulfillment by customers of fixed-price forward purchase commitments (included in Cost of goods sold in the consolidated statements of income).

Plant shutdowns, asset impairments, restructurings and other items in the first nine months of 2010 shown in the segment operating profit table on page 18 include:

Pretax gains of $480,000 for timing differences between the recognition of realized losses on aluminum futures contracts and related revenues from the delayed fulfillment by customers of fixed-price forward purchase commitments (included in Cost of goods sold in the consolidated statements of income);

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Pretax charge of $355,000 for an asset impairment in Film Products;

Pretax charge of $165,000 for severance and other employee-related costs in connection with restructurings in Film Products;

Pretax gain of $120,000 on the sale of previously impaired equipment (included in Other income (expense), net in the consolidated statement of income) at our film products manufacturing facility in Pottsville, Pennsylvania; and

Pretax losses of $105,000 on the disposal of equipment (included in Other income (expense), net in the consolidated statements of income) from a previously shutdown film products manufacturing facility in LaGrange, Georgia.

Interest income, which is included in Other income (expense), net in the consolidated statements of income, was $778,000 in the first nine months of 2011 and $518,000 in first nine months of 2010. Interest expense, which includes the amortization of debt issue costs, was $1.1 million in the first nine months of 2011 compared to $775,000 for the same period in 2010.

Average debt outstanding and interest rates were as follows:

	Nine Months Ended September 30	
(In Millions)	2011	2010
Floating-rate debt with interest charged on a rollover basis at one-month LIBOR plus a credit spread:		
Average outstanding debt balance	$	$
Average interest rate	n/a	n/a
Fixed-rate and other debt:		
Average outstanding debt balance	$ .4	$ 1.0
Average interest rate	4.4%	3.1%
Total debt:		
Average outstanding debt balance	$ .4	$ 1.0
Average interest rate	4.4%	3.1%

The effective tax rate used to compute income taxes from continuing operations was 19.9% in the first nine months of 2011 compared with 35.0% in the first nine months of 2010. The significant differences between the U.S. federal statutory rate and the effective tax rate for the first nine months is shown in the table provided in Note 11 on page 15.

Liquidity and Capital Resources

Changes in operating assets and liabilities from December 31, 2010 to September 30, 2011 are summarized below:

Accounts receivable increased $16.0 million (19.0%).

Accounts receivable in Film Products increased by $5.5 million primarily due to the timing of cash receipts.

Accounts receivable in Aluminum Extrusions increased by $12.1 million due to higher sales and the timing of cash receipts.

Account and other receivables in corporate and other segment businesses decreased $1.6 million due to the timing of cash receipts.

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Inventories decreased $8.4 million (19.5%).

Inventories in Film Products decreased by approximately $6.9 million. Lower inventories at Film Products can be primarily attributed to lower sales volume for personal care films and surface protection materials as well as efforts to reduce inventory levels.

Inventories for Aluminum Extrusions decreased by approximately $1.5 million due to the timing of shipments.

Net property, plant and equipment decreased $22.6 million (10.9%) due primarily to depreciation of $32.1 million, capital expenditures of $11.2 million, asset disposals of $2.0 million associated with the divestiture of the Film Products business in Italy, asset impairments of $798,000 and a change in the value of the U.S. Dollar relative to foreign currencies ($821,000 increase).

Accounts payable increased $5.4 million (9.3%).

Accounts payable in Film Products increased $1.5 million due to the timing of payments to vendors.

Accounts payable in Aluminum Extrusions increased by $3.8 million, or 16.6%, primarily due to the timing of aluminum purchases as a result of higher volumes and an increase in raw materials costs due to higher average aluminum prices.

Accrued expenses decreased by $6.3 million (19.0%) primarily due to lower performance-based incentive accruals and the settlement of estimated losses on a sub-lease at a facility in Princeton, New Jersey.

Net deferred income tax liabilities in excess of assets increased by $810,000. Income taxes recoverable increased $3.3 million due primarily to the timing of payments.

Cash provided by operating activities was $48.7 million in the first nine months of 2011 compared with cash provided by operating activities of $29.6 million in 2010. The change is primarily related to normal volatility of working capital components.

Cash used in investing activities was $9.6 million in the first nine months of 2011 compared with $17.6 million in the first nine months of 2010. Cash used in investing activities in 2011 primarily includes capital expenditures of $11.2 million.

Net cash flow used in financing activities was $3.7 million in the first nine months of 2011 and related to the payment of regular quarterly dividends of $4.3 million (13.5 cents per share), partially offset by the proceeds from the exercise of stock options. Net cash flow used in financing activities was $41.0 million in the first nine months of 2010 and related to the repurchase of 2.1 million shares of Tredegar common stock for $35.1 million and the payment of regular quarterly dividends of $3.9 million (12 cents per share).

Further information on cash flows for the nine months ended September 30, 2011 and 2010 are provided in the consolidated statements of cash flows on page 4.

Net capitalization and indebtedness as defined under our revolving credit agreement as of September 30, 2011 were as follows:

Net Capitalization and Indebtedness as of September 30, 2011
(In Thousands)

Net capitalization:	
Cash and cash equivalents	$ 109,403
Debt:	
$300 million revolving credit agreement maturing June 21, 2014	
Other debt	
Total debt	
Cash and cash equivalents net of debt	(109,403)
Shareholders equity	441,343
Net capitalization	$ 331,940
Indebtedness as defined in revolving credit agreement:	
Total debt	$
Face value of letters of credit	5,394
Liabilities relating to derivative financial instruments, net of cash deposits	428
Other	123
Indebtedness	$ 5,945

Under the revolving credit agreement, borrowings are permitted up to $300 million, and approximately $267 million was available to borrow at September 30, 2011 based upon the most restrictive covenants (no amounts borrowed at September 30, 2011). In October 2011, we borrowed $125 million under the revolving credit agreement and used $63 million of cash on hand to fund the purchase price for our acquisition of Terphane.

The credit spread and commitment fees charged on the unused amount under the revolving credit agreement at various indebtedness-to-adjusted EBITDA levels are as follows:

Pricing Under Revolving Credit Agreement (Basis Points)

Indebtedness-to-Adjusted EBITDA Ratio	Credits Spread Over LIBOR	Commitment Fee
> 2.0x but <= 3.0x	250	40
> 1.0x but <=2.0x	225	35
<= 1.0x	200	30

At September 30, 2011, the interest rate on debt under the revolving credit agreement was priced at one-month LIBOR plus the applicable credit spread of 200 basis points.

The computations of adjusted EBITDA, adjusted EBIT, the leverage ratio and interest coverage ratio as defined in the revolving credit agreement as of September 30, 2011 are presented below along with the related most restrictive covenants. Adjusted EBITDA and adjusted EBIT as defined in the revolving credit agreement are not intended to represent net income (loss) or cash flow from operations as defined by GAAP and should not be considered as either an alternative to net income or to cash flow.

Computations of Adjusted EBITDA, Adjusted EBIT, Leverage Ratio and
Interest Coverage Ratio as Defined in Revolving Credit Agreement Along with Related Most
Restrictive Covenants
As of and for the Twelve Months Ended September 30, 2011 (In Thousands)

Computations of adjusted EBITDA and adjusted EBIT as defined in revolving credit agreement for the twelve months ended September 30, 2011:	
Net income	$ 32,424
Plus:	
After-tax losses related to discontinued operations	345
Total income tax expense for continuing operations	9,483
Interest expense	1,444
Depreciation and amortization expense for continuing operations	43,457
All non-cash losses and expenses, plus cash losses and expenses not to exceed $10,000, for continuing operations that are classified as unusual, extraordinary or which are related to plant shutdowns, asset impairments and/or restructurings (cash-related of $879)	1,930
Charges related to stock option grants and awards accounted for under the fair value-based method	2,006
Losses related to the application of the equity method of accounting	
Losses related to adjustments in the estimated fair value of assets accounted for under the fair value method of accounting	2,200
Minus:	
After-tax income related to discontinued operations	
Total income tax benefits for continuing operations	
Interest income	(969)
All non-cash gains and income, plus cash gains and income in excess of $10,000, for continuing operations that are classified as unusual, extraordinary or which are related to plant shutdowns, asset impairments and/or restructurings	(1,016)
Income related to changes in estimates for stock option grants and awards accounted for under the fair value-based method	
Income related to the application of the equity method of accounting	(8)
Income related to adjustments in the estimated fair value of assets accounted for under the fair value method of accounting	
Plus cash dividends declared on investments accounted for under the equity method of accounting	13
Plus or minus, as applicable, pro forma EBITDA adjustments associated with acquisitions and asset dispositions	
Adjusted EBITDA as defined in revolving credit agreement	91,309
Less: Depreciation and amortization expense for continuing operations (including pro forma for acquisitions and asset dispositions)	(43,457)
Adjusted EBIT as defined in revolving credit agreement	$ 47,852
Shareholders equity at September 30, 2011 as defined in revolving credit agreement	$ 441,343
Computations of leverage and interest coverage ratios as defined in revolving credit agreement at September 30, 2011:	
Leverage ratio (indebtedness-to-adjusted EBITDA)	.07x
Interest coverage ratio (adjusted EBIT-to-interest expense)	33.14x
Most restrictive covenants as defined in revolving credit agreement:	
Maximum permitted aggregate amount of dividends that can be paid by Tredegar during the term of the revolving credit agreement ($100,000 plus 50% of net income generated beginning January 1, 2010)	$ 126,067
Minimum adjusted shareholders equity permitted ($300,000 plus 50% of net income generated, to the extent positive, beginning January 1, 2010)	$ 326,067
Maximum leverage ratio permitted:	
Ongoing	3.00x
Pro forma for acquisitions	2.50x
Minimum interest coverage ratio permitted	2.50x

We had no outstanding borrowings under our $300 million revolving credit agreement as of September 30, 2011. However, as noted above, in October 2011, we borrowed $125 million under our revolving credit agreement to fund a portion of the purchase price for our acquisition of Terphane. Noncompliance with any one or more of the debt covenants may have a material adverse effect on financial condition or liquidity in the event such noncompliance cannot be cured or should we be unable to obtain a waiver from the lenders as we would not be permitted to borrow under the credit facility and any amounts outstanding would become due and payable. Renegotiation of the covenant(s) through an amendment to the credit agreement may effectively cure the noncompliance, but may have an effect on financial condition or liquidity depending upon how the covenant is renegotiated.

We believe that the existing borrowing availability, our current cash balances and our cash flow from operations will be sufficient to satisfy our working capital, capital expenditure and dividend requirements for the foreseeable future.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Tredegar has exposure to the volatility of interest rates, polyethylene and polypropylene resin prices, aluminum ingot and scrap prices, energy prices, foreign currencies and emerging markets. See the liquidity and capital resources section beginning on page 25 regarding credit agreements and interest rate exposures.

Changes in resin prices, and the timing of those changes, could have a significant impact on profit margins in Film Products. Profit margins in Aluminum Extrusions are sensitive to fluctuations in aluminum ingot and scrap prices as well as natural gas prices (natural gas is the principal energy source used to operate our casting furnaces). There is no assurance of our ability to pass through higher raw material and energy costs to our customers.

See the executive summary beginning on page 17 for discussion regarding the impact of the lag in the pass-through of resin price changes. The volatility of average quarterly prices of low density polyethylene resin in the U.S. (a primary raw material for Film Products) is shown in the chart below.

Resin prices in Europe, Asia and South America have exhibited similar long-term trends. The price of resin is driven by several factors including supply and demand and the price of oil, ethylene and natural gas. To address fluctuating resin prices, Film Products has index-based pass-through raw material cost agreements for the majority of its business. However, under certain agreements, changes in resin prices are not passed through for an average period of 90 days.

In the normal course of business, we enter into fixed-price forward sales contracts with certain customers for the sale of fixed quantities of aluminum extrusions at scheduled intervals. In order to hedge our exposure to aluminum price volatility (see the chart below) under these fixed-price arrangements, which generally have a duration of not more than 12 months, we enter into a combination of forward purchase commitments and futures contracts to acquire or hedge aluminum, based on the scheduled deliveries. See Note 8 on page 10 for additional information.

In Aluminum Extrusions, we hedge from time-to-time a portion of our exposure to natural gas price volatility by entering into fixed-price forward purchase contracts with our natural gas suppliers. We estimate that, in an unhedged situation, every $1 per mmBtu per month change in the market price of natural gas has a $78,000 impact on the continuing monthly operating profit in Aluminum Extrusions. In September 2005, we announced an energy surcharge for our aluminum extrusions business in the U.S. to be applied when the NYMEX natural gas price is in excess of $8.85 per mmBtu.

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Trends for the quarterly average price of natural gas are below:

We sell to customers in foreign markets through our foreign operations and through exports from U.S. plants. The percentage of sales for manufacturing operations related to foreign markets for the first nine months of 2011 and 2010 are as follows:

Percentage of Net Sales from Ongoing

Operations Related to Foreign Markets*

	Nine Months Ended September 30			
	2011		2010	
	Exports From U.S.	Foreign Operations	Exports From U.S.	Foreign Operations
Canada	7%	%	7%	%
Europe	1	16	1	16
Latin America	1	3		3
Asia	8	4	9	5
Total	17%	23%	17%	24%

The percentages for foreign markets are relative to Tredegar s total net sales from ongoing operations

We attempt to match the pricing and cost of our products in the same currency and generally view the volatility of foreign currencies (see trends for the Euro and Chinese Yuan in the chart below) and emerging markets, and the corresponding impact on earnings and cash flow, as part of the overall risk of operating in a global environment. Exports from the U.S. are generally denominated in U.S. Dollars. Our foreign currency exposure on income from foreign operations relates to the Euro, the Chinese Yuan, the Hungarian Forint, the Brazilian Real and the Indian Rupee.

In Film Products, where we are typically able to match the currency of our sales and costs, we estimate that the change in value of foreign currencies relative to the U.S. Dollar had a positive impact on operating profit of approximately $1.2 million in the third quarter of 2011 compared with the third quarter of 2010, and a positive impact of approximately $1.7 million in the first nine months of 2011 compared to the first nine months of 2010.

Trends for the Euro and Chinese Yuan are shown in the chart below:

Item 4. Controls and Procedures.

Pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, we carried out an evaluation, with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined under Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, is recorded, processed, summarized and reported, within the time periods specified in the SEC s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

There has been no change in our internal control over financial reporting during the quarter ended September 30, 2011, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1A. Risk Factors.

There are a number of risks and uncertainties that can have a material effect on the operating results of our businesses and our financial condition. These risk factors have not changed materially since the filing of our Annual Report on Form 10-K for the year ended December 31, 2010.

Item 6. Exhibits.

Exhibit Nos.

4.1	Amendment to Amended and Restated Rights Agreement, dated as of June 30, 2009, between Tredegar Corporation and Computershare Trust Company, N.A., as Rights Agent (filed as Exhibit 2 to Amendment No. 3 to Tredegar Corporation s Registration Statement on Form 8-A/A (File No. 1-10258) filed on September 2, 2011, and incorporated herein by reference).
4.2	Amendment to Amended and Restated Rights Agreement, dated as of June 30, 2009, between Tredegar Corporation and Computershare Trust Company, N.A., as Rights Agent (filed as Exhibit 3 to Amendment No. 3 to Tredegar Corporation s Registration Statement on Form 8-A/A (File No. 1-10258) filed on September 2, 2011, and incorporated herein by reference).
31.1	Certification of Nancy M. Taylor, President and Chief Executive Officer of Tredegar Corporation, pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Kevin A. O Leary, Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer) of Tredegar Corporation, pursuant to Rules 13a-14(a) and 15d-14(a) promulgated under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Nancy M. Taylor, President and Chief Executive Officer of Tredegar Corporation, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Kevin A. O Leary, Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer) of Tredegar Corporation, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	XBRL Instance Document and Related Items

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 Corporation (Registrant)
Date: November 3, 2011	/s/ Nancy M. Taylor Nancy M. Taylor President and Chief Executive Officer (Principal Executive Officer)
Date: November 3, 2011	/s/ Kevin A. O Leary Kevin A. O Leary Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)
Date: November 3, 2011	/s/ Frasier W. Brickhouse, II Frasier W. Brickhouse, II Controller (Principal Accounting Officer)