

PLY GEM INDUSTRIES INC  
Form 424B3  
September 24, 2008

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Registration No. 333-153262

## PROSPECTUS

Ply Gem Industries, Inc.  
Exchange Offer for \$700,000,000  
11.75% Senior Secured Notes due 2013

### The Notes and the Guarantees

- We are offering to exchange \$700,000,000 of our outstanding 11.75% Senior Secured Notes due 2013, which were issued on June 9, 2008 and which we refer to as the initial notes, for a like aggregate amount of our registered 11.75% Senior Secured Notes due 2013, which we refer to as the exchange notes. The initial notes were issued, and the exchange notes will be issued, under an indenture dated as of June 9, 2008.
- We will pay interest on the exchange notes semi-annually on June 15 and December 15 of each year, beginning on December 15, 2008, at a rate of 11.75% per annum. The exchange notes will mature on June 15, 2013.
- The exchange notes will be guaranteed on a senior secured basis by our parent, Ply Gem Holdings, Inc., and substantially all of our subsidiaries located in the United States.
- The exchange notes and the related guarantees will be secured on a first-priority lien basis by substantially all of the assets (other than the assets securing our obligations under our senior secured asset-based revolving credit facility, or ABL Facility, which consist primarily of accounts receivable and inventory) of Ply Gem Industries, Inc. and the guarantors and on a second-priority lien basis by the assets that secure our ABL Facility, in each case as described in this prospectus. The exchange notes will rank equally with all of our existing and future senior indebtedness.

### Terms of the exchange offer

- It will expire at 5:00 p.m., New York City time, on October 28, 2008, unless we extend it.
- If all the conditions to this exchange offer are satisfied, we will exchange all of our initial notes that are validly tendered and not withdrawn for the exchange notes.
  - You may withdraw your tender of initial notes at any time before the expiration of this exchange offer.
- The exchange notes that we will issue you in exchange for your initial notes will be substantially identical to your initial notes except that, unlike your initial notes, the exchange notes will have no transfer restrictions or registration rights.
- The exchange notes that we will issue you in exchange for your initial notes are new securities with no established market for trading.

Before participating in this exchange offer, please refer to the section in this prospectus entitled “Risk Factors” commencing on page 19.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of those exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act of 1933, as amended. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange securities received in exchange for initial notes where those initial notes were acquired by that broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See “Plan of Distribution.”

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The date of this prospectus is September 24, 2008.

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 MARKET AND INDUSTRY DATA

Market data and other statistical information used throughout this prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data are also based on good faith estimates by our management, which are derived from their review of internal surveys, as well as the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness.

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PROSPECTUS SUMMARY

This summary may not contain all of the information that may be important to you. You should read this prospectus carefully in its entirety before making an investment decision. In particular, you should read the section entitled “Risk Factors” included elsewhere in this prospectus and the consolidated financial statements and notes thereto included elsewhere in this prospectus.

The term “initial notes” refers to the 11.75 % Senior Secured Notes due 2013 that were issued on June 9, 2008 in a private offering, and the term “exchange notes” refers to the 11.75% Senior Secured Notes due 2013 offered with this prospectus. The term “notes” refers to the initial notes and the exchange notes, collectively. Unless otherwise specified or the context requires otherwise, (i) the term “Ply Gem Holdings” refers to Ply Gem Holdings, Inc.; (ii) the term “Ply Gem Industries” refers to Ply Gem Industries, Inc., our principal operating subsidiary, and (iii) the terms “we,” “us,” “our,” “Ply Gem” and the “Company” refer collectively to Ply Gem Holdings and its subsidiaries. “Adjusted EBITDA” has the meaning set forth in the footnotes to “— Summary Historical Financial Information.”

Our Company

We are a leading manufacturer of residential exterior building products in North America. We offer a comprehensive product line of vinyl siding and skirting, vinyl windows and doors, and vinyl and composite fencing and railing that serves both the home repair and remodeling and new home construction sectors in all 50 states and Western Canada. Vinyl building products have the leading share of sales by volume in siding and windows, and a fast growing share of sales by volume in fencing in the United States. We also manufacture vinyl and aluminum soffit and siding accessories, aluminum trim coil, wood and aluminum windows and steel and fiberglass doors, enabling us to bundle complementary and color-matched products and accessories with our core vinyl products. We believe our broad product offering and geographically diverse manufacturing base allow us to better serve our customers and provide us with a competitive advantage over other vinyl building products suppliers. We have two reportable segments: (i) siding, fencing and railing and (ii) windows and doors.

We market our products using several leading brands across multiple price points, which enables us to diversify our sales across distribution channels with minimal channel conflict and reach the greatest number of end customers. We believe we are able to compete on favorable terms and conditions and maintain a strong customer base as a result of our extensive distribution coverage, high quality, innovative and comprehensive product line, proprietary vendor managed inventory program and production efficiency.

Ply Gem Holdings is a holding company with no operations or assets of our own other than the capital stock of our subsidiaries. For the six months ended June 28, 2008, we had net sales of \$597.7 million, Adjusted EBITDA of \$45.4 million and a net loss of \$41.3 million. For the year ended December 31, 2007, we had net sales of \$1,363.5 million, Adjusted EBITDA of \$173.5 million and net income of \$5.6 million.

Our Competitive Strengths

We believe we are well-positioned in our industry and that our key competitive strengths are:

- **Leading Sector Positions.** We maintain leadership positions across the siding, fencing, railing, windows and door market sectors. We believe we are the No. 2 supplier of vinyl siding and designer accents, the No. 1 supplier of related aluminum accessories and a leader and innovator in the vinyl fencing and railing products. Additionally, we believe we are among the top three producers of vinyl windows in North America. We believe we hold the No. 1 position in the manufactured housing channel and hold a strong position in both the retail and one-step distribution channels. We believe these market leading positions enable us to outperform the industry in unit volumes, increase

our market share, launch new products and maintain profitability.

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- **Diverse, High-Quality Product Portfolio.** We offer a comprehensive range of exterior building products including vinyl siding and skirting, vinyl windows and patio doors and vinyl fencing and railing among others. Particularly, our window product platform offers a wide spectrum of aluminum, vinyl and wood clad windows at multiple price points. The breadth of our product offering meets many of the needs of our diverse customer base and allows us to reduce the potential impact of a decline in demand that might result from reliance on a single product.
- **Strong Brand Equity.** Our brands are well-recognized for innovation and quality in the building trade, and we believe that they are a distinguishing factor in customer selection. We sell our high-quality products under several brand names: MW, Patriot, Alenco, Great Lakes, Insulate, Mastic, Alcoa Home Exteriors, Variform, Georgia-Pacific, Napco, Kroy and CWD, among others. We believe there are significant opportunities to leverage our existing brands by targeting cross-selling opportunities.
- **Multi-Channel Distribution Network and Diversified Sales Base.** We have a multi-channel distribution network in the U.S. and Western Canada that serves both the home repair and remodeling and new home construction sectors, which exhibit different, but often counter-balancing, demand characteristics. Our multiple brand and multi-channel distribution strategy has increased our sales and penetration within these sectors. Our customer base includes distributors, retail home centers, lumberyards, remodeling dealers and builders. We believe our strategy enables us to minimize channel conflict, reduce our reliance on any one channel and reach the greatest number of end customers, and provides us with greater ability to sustain our financial performance through economic fluctuations.
- **Efficient Manufacturing.** We are a low-cost manufacturer of high-quality vinyl siding, windows and patio doors. We continue to achieve manufacturing efficiencies across our product categories through vertical integration, strategic sourcing, process-based reductions in material, production and warranty costs, and control of selling, general and administrative expense. We are committed to continuous improvement across product categories and have made approximately \$55.1 million in capital expenditures, including upgrades to equipment, facilities and technology, over the three years ended December 31, 2007. We believe our low cost production allows us to maintain attractive operating margins while offering a compelling value proposition to our customers.
- **Proven Ability to Realize Cost Savings.** We continue to demonstrate our ability to right size our manufacturing capacity to the scale of the market including closing two vinyl siding plants and one window plant within the past 24 months, which generated savings of over \$16.0 million. Additionally, we have reduced our headcount by approximately 30% since 2006 and have identified additional cost saving initiatives to take place in 2008. We have also been able to realize significant synergies and cost savings from the acquisitions of MW, Alenco and AHE's siding business.
- **Large Polyvinyl Chloride Resin Purchaser.** We are one of the largest procurers of polyvinyl chloride resin (PVC) in North America. As such, we are able to capitalize on our established relationships with key suppliers as a result of our purchasing scale and to strategically manage our sourcing to secure the best available prices, terms and input availability through various cycles. We believe our position helped us secure supply during the resin shortage caused by Hurricane Katrina in 2005.
  - **Strong Operating Cash Flow.** We have historically generated strong operating cash flow before debt service due to (i) our efficient manufacturing processes, (ii) our ability to pass increases in raw materials and freight costs through to our customers, (iii) economies of scale, (iv) low maintenance capital expenditures and (v) modest working capital needs.

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- **Strong Management Team with Significant Ownership.** We are led by an experienced and committed senior management team with an average of over approximately 20 years of relevant industry experience. We have successfully increased our share of sales by volume within the residential exterior building products industry and have continuously improved our manufacturing operations to develop a low-cost manufacturing platform. As of June 28, 2008, members of our management held stock and stock awards representing approximately 15% of the shares of common stock of Ply Gem Prime Holdings, Inc., the sole stockholder of Ply Gem Investment Holdings, Inc., our sole stockholder.

Business Strategy

- **Continued Market Share Gains.** We intend to increase our market share both in our siding, fencing and railing products in the United States and in our window and door products by utilizing the breadth of our broad geographical footprint to serve customers across the United States. Additionally, our continued investments in product innovation and quality coupled with strong customer service further enhance our ability to capture market share in each of our markets. Furthermore, we believe there is substantial opportunity across our product families to cross-sell and bundle products to further leverage our channel partners and exclusive industry relationships. We believe our broad geographical footprint allows us to better serve our customers across the United States and provides a competitive advantage over some of our competitors.

We have integrated our siding businesses into one operating company and have placed all of our siding, fencing and railing businesses under common leadership to improve strategic focus, reduce cost and better serve our customers. We have organized our United States window businesses under one common leadership team to enhance our strategic focus. With our extensive manufacturing capabilities, product breadth and national distribution capabilities, we believe that we can provide our customers with a cost-effective, single source from which to purchase their residential exterior building product needs.

- **Expand Brand Coverage and Product Innovation.** We intend to leverage the reputation of our brands for innovation and quality to fill in our product offerings and price points. In addition, we plan to maximize the value of our new product innovations and technologies by deploying best practices and manufacturing techniques across our product categories. Our vertical integration in producing aluminum windows has positioned us to introduce a new aluminum and wood clad window. As of June 28, 2008, we employed 39 research and development professionals dedicated to new product development, reformulation, product redesign and other manufacturing and product improvements.
- **Further Improve Operating Efficiencies.** While we have significantly improved our vinyl siding manufacturing cost structure over the last several years, we believe that there are further opportunities for improvement. We have expanded our efforts to vertically integrate certain raw materials used in window lineal production, including PVC compound, as well as expanding our in-house window lineal production. In addition, we implemented manufacturing improvements and best practices across all of our product categories, including, for example, expansion of our virtual plant strategy in our vinyl siding facilities and further vertical integration in our window product lines which was demonstrated with the introduction of our new aluminum clad window line in early 2008. We also plan to optimize product development, sales and marketing, materials procurement, operations and administrative functions across all of our product categories. We believe that significant opportunities remain as we further leverage our buying power across raw materials as well as spending for non-raw material items by obtaining volume discounts and minimizing costs. In addition, the integration of our sales and marketing efforts across our product categories provides an ongoing opportunity to significantly improve sector penetration.

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Ownership Structure

The chart below summarizes our ownership and corporate structure.

Our Equity Sponsor

CI Capital Partners (formerly Caxton-Iseman Capital) is a leading private equity investment firm specializing in leveraged buyouts of middle-market companies located primarily in North America. The firm was founded in 1993 to invest private capital on behalf of Caxton Associates, a New York investment management firm.



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Since its inception, the CI Capital's investment activities have been managed by Frederick Iseman and Steven Lefkowitz who have invested together for 15 years. The CI Capital senior investment professionals consist of Messrs. Iseman and Lefkowitz, Timothy Hall, Thomas Ritchie and Joost Thesseling, who have worked together as a team for a combined 49 years at CI Capital.

In addition to Ply Gem, CI Capital's portfolio companies include Valley National Gases, a leading distributor of industrial gases and propane; KIK Custom Products, Inc., the largest North American contract manufacturer of branded and retailer-branded consumer products; Electrograph Systems, Inc., a leading national distributor of display technology solutions; American Residential Services, LLC, a leading provider of HVAC and plumbing services; Prodigy Health Group, Inc., a rapidly expanding health care services company; and Conney Safety Products, LLC, a full-service distributor of safety products.

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Ply Gem Industries, Inc. is incorporated under the laws of the State of Delaware. Our principal executive offices are located at 5020 Weston Parkway, Suite 400, Cary, North Carolina 27513. Our telephone number is (919) 677-3900.

The following table describes the guarantors. All of their principal offices are located at 5020 Weston Parkway, Suite 400, Cary North Carolina 27513, telephone number (919) 677-3900.

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Name of Guarantor	Jurisdiction of Formation	Year of Formation
Ply Gem Holdings, Inc.	Delaware	2004
Kroy Building Products, Inc. (“Kroy”)	Delaware	1994
Napco, Inc. (“Napco”)	Delaware	1989
MWM Holding, Inc. (“MWM Holding”)	Delaware	2002
MW Manufacturers Inc. (“MW”)	Delaware	1999
AWC Holding Company (“AWC,” and together with its subsidiaries, “Alenco”)	Delaware	2004
Alenco Holding Corporation	Delaware	2000
AWC Arizona, Inc.	Delaware	2005
Alenco Interests, L.L.C.	Delaware	2001
Alenco Extrusion Management, L.L.C.	Delaware	2001
Alenco Building Products Management, L.L.C.	Delaware	2001
Alenco Trans, Inc.	Delaware	2000
Glazing Industries Management, L.L.C.	Delaware	2001
Alenco Extrusion GA, L.L.C.	Delaware	2001
Aluminum Scrap Recycle, L.L.C.	Delaware	2001
Alenco Window GA, L.L.C.	Delaware	2001
Ply Gem Pacific Windows Corporation (“Pacific Windows”)	Delaware	2006
Great Lakes Window, Inc. (“Great Lakes”)	Ohio	1986
Alcoa Home Exteriors, Inc. (“AHE”)	Ohio	1928
Variform, Inc. (“Variform”)	Missouri	1964
New Alenco Extrusion, Ltd.	Texas	2001
New Alenco Window, Ltd.	Texas	2001
New Glazing Industries, Ltd.	Texas	2001

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Summary of the Exchange Offer

In this subsection, “we,” “us” and “our” refer only to Ply Gem Industries, Inc., as issuer of the notes, exclusive of Ply Gem Holdings and our subsidiaries.

**Exchange Offer** We are offering to exchange \$700,000,000 aggregate principal amount of our exchange notes for a like aggregate principal amount of our initial notes. In order to exchange your initial notes, you must properly tender them and we must accept your tender. We will exchange all outstanding initial notes that are properly tendered and not validly withdrawn.

**Expiration Date** This exchange offer will expire at 5:00 p.m., New York City time, on October 28, 2008, unless we decide to extend it.

**Conditions to the Exchange Offer** We will complete this exchange offer only if:

- there is no change in the laws and regulations which would impair our ability to proceed with this exchange offer;
- there is no change in the current interpretation of the staff of the Securities and Exchange Commission (the “SEC”) permitting resales of the exchange notes;
- there is no stop order issued by the SEC that would suspend the effectiveness of the registration statement which includes this prospectus or the qualification of the exchange notes under the Trust Indenture Act of 1939;
- there is no litigation or threatened litigation that would impair our ability to proceed with this exchange offer; and
- we obtain all the governmental approvals we deem necessary to complete this exchange offer.

Please refer to the section in this prospectus entitled “The Exchange Offer—Conditions to the Exchange Offer.”

**Procedures for Tendering Initial Notes** To participate in this exchange offer, you must complete, sign and date the letter of transmittal or its facsimile and transmit it, together with your initial notes to be exchanged and all other documents required by the letter of transmittal, to U.S. Bank National Association, as exchange agent, at its address indicated under “The Exchange Offer—Exchange Agent.” In the alternative, you can tender your initial notes by book-entry delivery

following the procedures described in this prospectus. For more information on tendering your notes, please refer to the section in this prospectus entitled “The Exchange Offer—Procedures for Tendering Initial Notes.”

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Special Procedures for Beneficial Owners	If you are a beneficial owner of initial notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your initial notes in the exchange offer, you should contact the registered holder promptly and instruct that person to tender on your behalf.
Guaranteed Delivery Procedures	If you wish to tender your initial notes and you cannot get the required documents to the exchange agent on time, you may tender your notes by using the guaranteed delivery procedures described under the section of this prospectus entitled “The Exchange Offer—Procedures for Tendering Initial Notes—Guaranteed Delivery Procedure.”
Withdrawal Rights	You may withdraw the tender of your initial notes at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer. To withdraw, you must send a written or facsimile transmission notice of withdrawal to the exchange agent at its address indicated under “The Exchange Offer—Exchange Agent” before 5:00 p.m., New York City time, on the expiration date of the exchange offer.
Acceptance of Initial Notes and Delivery of Exchange Notes	If all the conditions to the completion of this exchange offer are satisfied, we will accept any and all initial notes that are properly tendered in this exchange offer on or before 5:00 p.m., New York City time, on the expiration date. We will return any initial note that we do not accept for exchange to you without expense promptly after the expiration date. We will deliver the exchange notes to you promptly after the expiration date and acceptance of your initial notes for exchange. Please refer to the section in this prospectus entitled “The Exchange Offer—Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes.”
Federal Income Tax Considerations Relating to the Exchange Offer	Exchanging your initial notes for exchange notes will not be a taxable event to you for United States federal income tax purposes. Please refer to the section of this prospectus entitled “Federal Income Tax Considerations.”
Exchange Agent	U.S. Bank National Association is serving as exchange agent in the exchange offer.
Fees and Expenses	We will pay the expenses related to this exchange offer. Please refer to the section of this prospectus entitled “The Exchange Offer—Fees and Expenses.”
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes. We are making this exchange offer solely

to satisfy certain of our obligations under our registration rights agreement entered into in connection with the offering of the initial notes.

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Consequences to Holders Who Do Not Participate in the Exchange Offer If you do not participate in this exchange offer:

- except as set forth in the next paragraph, you will not necessarily be able to require us to register your initial notes under the Securities Act;
- you will not be able to resell, offer to resell or otherwise transfer your initial notes unless they are registered under the Securities Act or unless you resell, offer to resell or otherwise transfer them in a transaction not subject to registration under the Securities Act; and
- the trading market for your initial notes will become more limited to the extent other holders of initial notes participate in the exchange offer.

You will not be able to require us to register your initial notes under the Securities Act unless:

- the initial purchasers request us to register initial notes that are not eligible to be exchanged for exchange notes in the exchange offer; or
- you are not eligible to participate in the exchange offer or receive exchange notes in the exchange offer that are not freely tradeable.

In these cases, the registration rights agreement requires us to file a registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for the benefit of the holders of the initial notes described in this paragraph. We do not currently anticipate that we will register under the Securities Act any notes that remain outstanding after completion of the exchange offer.

Please refer to the section of this prospectus entitled “The Exchange Offer—Your Failure to Participate in the Exchange Offer Will Have Adverse Consequences.”

Resales

It may be possible for you to resell the notes issued in the exchange offer without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to the conditions described under “—Obligations of Broker-Dealers” below.

To tender your initial notes in this exchange offer and resell the exchange notes without compliance with the

registration and prospectus delivery requirements of the Securities Act, you must make the following representations:



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- you are authorized to tender the initial notes and to acquire exchange notes, and that we will acquire good and unencumbered title thereto;
- the exchange notes acquired by you are being acquired in the ordinary course of business;
- you have no arrangement or understanding with any person to participate in a distribution of the exchange notes and are not participating in, and do not intend to participate in, the distribution of such exchange notes;
- you are not an “affiliate,” as defined in Rule 405 under the Securities Act, of ours, or you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;
- if you are not a broker-dealer, you are not engaging in, and do not intend to engage in, a distribution of exchange notes; and
- if you are a broker-dealer, initial notes to be exchanged were acquired by you as a result of market-making or other trading activities and you will deliver a prospectus in connection with any resale, offer to resell or other transfer of such exchange notes.

Please refer to the sections of this prospectus entitled “The Exchange Offer—Procedure for Tendering Initial Notes—Proper Execution and Delivery of Letters of Transmittal,” “Risk Factors—Risks Relating to the Exchange Offer—Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes” and “Plan of Distribution.”

Obligations of Broker-Dealers

If you are a broker-dealer (1) who receives exchange notes, you must acknowledge that you will deliver a prospectus in connection with any resales of the exchange notes, (2) who acquired the initial notes as a result of market making or other trading activities, you may use the exchange offer prospectus as supplemented or amended, in connection with resales of the exchange notes, or (3) who acquired the initial notes directly from the issuers in the initial offering and not as a result of market making and trading activities, you must, in the absence of an exemption, comply with the registration and prospectus delivery requirements of the Securities Act in connection with resales of the exchange notes.



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Summary of Terms of the Exchange Notes

Issuer	Ply Gem Industries, Inc., a Delaware corporation.
Exchange Notes	\$700.0 million aggregate principal amount of 11.75% Senior Secured Notes due 2013. The forms and terms of the exchange notes are the same as the form and terms of the initial notes except that the issuance of the exchange notes is registered under the Securities Act, the exchange notes will not bear legends restricting their transfer and the exchange notes will not be entitled to registration rights under our registration rights agreement. The exchange notes will evidence the same debt as the initial notes, and both the initial notes and the exchange notes will be governed by the same indenture.
Interest	The exchange notes will bear interest at a rate per annum equal to 11.75%, payable semi-annually, on June 15 and December 15 of each year, commencing on December 15, 2008.
Maturity Date	June 15, 2013.
Guarantees	The exchange notes will be fully and unconditionally guaranteed on a senior secured and joint and several basis, subject to certain limitations described herein, by our parent company, Ply Gem Holdings, and all of our subsidiaries located in the United States (other than Unrestricted Subsidiaries as such term is defined in "Description of the Notes"). Under certain circumstances, subsidiaries may be released from these guarantees without the consent of the holders of the exchange notes. See "Description of the Notes — Note Guarantees."
Collateral	The exchange notes and the guarantees will be secured by a first-priority lien (subject to certain exceptions and permitted liens) on substantially all the tangible and intangible assets of Ply Gem Industries and the guarantors (other than accounts receivable, inventory, cash, deposit accounts, securities accounts, chattel paper and proceeds of the foregoing and certain assets such as contract rights, instruments and documents related thereto in each case held by us and the guarantors, which secure the senior secured asset-based revolving credit facility, or ABL Facility, entered into concurrently with the offering of the initial notes, on a first-priority lien basis and the notes and the guarantees on a second-priority lien basis), including the capital stock of Ply Gem Industries and of any subsidiary held by Ply Gem Industries and any guarantor

(which, in the case of any first-tier foreign subsidiary, will be limited to 66% of the voting stock and 100% of the non-voting stock of such first-tier foreign subsidiary).

The collateral securing the exchange notes on a first-priority lien basis does not include (i) the collateral securing the ABL Facility on a first-priority lien basis, (ii) certain excluded assets, (iii) those assets as to which the collateral agent representing the holders of the notes offered hereby reasonably determines that the costs of obtaining such a security interest are excessive in relation to the value of the security to be afforded thereby and (iv) any released collateral.

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The exchange notes and the guarantees will also be secured by a second-priority lien (subject to certain exceptions and permitted liens) on all accounts receivable, inventory, cash and proceeds of the foregoing and certain assets such as contract rights, instruments and documents related thereto, in each case held by Ply Gem Industries and the guarantors.

See “Description of the Notes — Security for the Notes.”

Ranking

The exchange notes and guarantees will be our and the guarantors’ senior secured obligations. The indebtedness evidenced by the notes and the guarantees will rank:

- equally with all of Ply Gem Industries’ and the guarantors’ existing and future senior indebtedness;
- junior in priority as to collateral that secures the ABL Facility on a first-priority lien basis with respect to our and the guarantors’ obligations under the ABL Facility, any other debt incurred after the issue date that has a priority security interest relative to the notes in the collateral that secures the ABL Facility, any permitted hedging obligations and all cash management obligations incurred with any lender or any of its affiliates under the ABL Facility;
- equal in priority as to collateral that secures the notes and the guarantees on a first-priority lien basis with respect to Ply Gem Industries’ and the guarantors’ obligations under any other pari passu lien obligations incurred after the issue date; and
- senior to all of Ply Gem Industries’ and the guarantors’ existing and future subordinated indebtedness.

The notes will also be effectively junior to the liabilities of the non-guarantor subsidiaries.

As of June 28, 2008, we and the guarantors had \$40.0 million in aggregate principal amount of senior indebtedness (excluding the notes and the guarantees) outstanding (excluding unused commitments). See “Description of the Notes — Ranking.”

Optional Redemption

Prior to April 1, 2011, we may redeem up to 35% of the aggregate principal amount of the exchange notes with the net cash proceeds from certain equity offerings at a redemption price equal to 111.75% of the aggregate

principal amount of the exchange notes, plus accrued and unpaid interest, if any, provided that at least 65% of the original aggregate principal amount of the exchange notes remains outstanding after the redemption.

In addition, not more than once during any twelve-month period we may redeem up to \$70.0 million of the exchange notes at a redemption price equal to 103% of the aggregate amount of the notes, plus accrued and unpaid interest, if any.

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At any time on or after April 1, 2011, we may redeem the exchange notes, in whole or in part, at the redemption prices listed in “Description of the Notes — Optional Redemption.”

Change of Control

If we experience a change of control, we may be required to offer to purchase the exchange notes at a purchase price equal to 101% of the aggregate principal amount, plus accrued and unpaid interest, if any.

Following any such offer to purchase, under certain circumstances, prior to April 1, 2011, we may redeem all, but not less than all, of the exchange notes not tendered in such offer at a price equal to 101% of the principal amount, plus accrued and unpaid interest, if any.

In addition, if we experience a change of control prior to April 1, 2011, we may redeem all, but not less than all, of the exchange notes at a redemption price equal to 100% of the principal amount plus a “make-whole” premium.

Certain Covenants

The indenture governing the exchange notes contains covenants that limit the ability of Ply Gem Industries and its subsidiaries to, among other things:

- incur additional indebtedness;
- pay dividends or make other distributions or repurchase or redeem our stock;
- make loans and investments;
- sell assets;
- incur certain liens;
- enter into agreements restricting our subsidiaries’ ability to pay dividends;
- enter into transactions with affiliates; and
- consolidate, merge or sell all or substantially all of our assets.

The restrictive covenants generally do not restrict our parent company, Ply Gem Holdings, or any of its subsidiaries that are not our subsidiaries.

Use of Proceeds

We will not receive any proceeds from the issuance of the exchange notes in exchange for the outstanding initial notes. We are making this exchange solely to satisfy our obligations under the registration rights agreement entered into in connection with the offering of the initial notes.



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Absence of a Public Market for the Exchange Notes	The exchange notes are new securities with no established market for them. We cannot assure you that a market for these exchange notes will develop or that this market will be liquid. Please refer to the section of this prospectus entitled “Risk Factors—Risks Related to Our Substantial Indebtedness and the Notes—There is no established trading market for the exchange notes, and you may not be able to sell them quickly or at the price that you paid.”
Form of the Exchange Notes	The exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of The Depository Trust Company with U.S. Bank National Association, as custodian. You will not receive exchange notes in certificated form unless one of the events described in the section of this prospectus entitled “Description of Notes—Book Entry; Delivery and Form—Exchange of Book Entry Notes for Certificated Notes” occurs. Instead, beneficial interests in the exchange notes will be shown on, and transfers of these exchange notes will be effected only through, records maintained in book-entry form by The Depository Trust Company with respect to its participants.
Risk Factors	See “Risk Factors” beginning on page 19 for a discussion of factors you should carefully consider before deciding to invest in the notes.

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## Summary Historical Financial Information

The summary historical financial data presented below for each of the years in the three-year period ended December 31, 2007 have been derived from, and should be read together with, our audited consolidated financial statements and the accompanying notes included elsewhere in this prospectus.

The summary historical financial data presented below for the six months ended June 30, 2007 and June 28, 2008 have been derived from, and should be read together with, our unaudited condensed consolidated financial statements and the accompanying notes included elsewhere in this prospectus. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. The results of operations for interim periods are not necessarily indicative of the operating results that may be expected for the entire year or any future period.

This summary historical financial data are qualified in their entirety by the more detailed information appearing in our financial statements and the related notes, "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Selected Historical Financial Information," "Use of Proceeds," "Capitalization" and other financial information included elsewhere in this prospectus.

	Fiscal Year Ended December 31,			Six Months Ended	
	2007	2006	2005	June 28, 2008 (Unaudited)	June 30, 2007
	(in thousands)				
Statement of operations data:					
Net sales	\$ 1,363,546	\$ 1,054,468	\$ 838,868	\$ 597,653	\$ 675,969
Costs and expenses:					
Cost of products sold	1,075,507	831,418	647,576	495,359	530,980
Selling, general and administrative expense	162,609	125,619	92,738	85,879	79,294
Intangible asset impairment	4,150	782	—	—	—
Amortization of intangible assets	17,631	11,942	9,761	9,826	8,936
Total costs and expenses	1,259,897	969,761	750,075	591,064	619,210
Operating earnings	103,649	84,707	88,793	6,589	56,759
Foreign currency gain (loss)	3,961	77	1,010	(495)	2,208
Interest expense	(98,496)	(72,218)	(57,657)	(74,139)	(51,089)
Investment income	1,704	1,205	730	310	822
Other expense	(1,202)	(4,462)	—	—	—
Income (loss) before provision (benefit) for income taxes and cumulative effect of accounting change	9,616	9,309	32,876	(67,735)	8,700
Provision (benefit) for income taxes	4,002	3,502	12,651	(26,400)	2,294
Income (loss) before cumulative effect of accounting change	5,614	5,807	20,225	(41,335)	6,406
Cumulative effect of accounting change, net of income tax benefit of \$57	—	(86)	—	—	—
Net income (loss)	\$ 5,614	\$ 5,721	\$ 20,225	\$ (41,335)	\$ 6,406

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Other financial data:					
Adjusted EBITDA(1)	\$ 173,510	\$ 125,629	\$ 114,918	\$ 45,386	\$ 84,403
Capital expenditures	20,017	20,318	14,742	7,039	7,201
Depreciation and amortization	54,067	33,816	26,125	30,680	25,552
Net cash provided by (used in):					
Operating activities	82,545	57,878	63,910	(65,108)	(13,428)
Investing activities	(56,407)	(432,168)	(14,362)	1,637	(7,409)
Financing activities	(15,068)	405,396	(34,334)	59,958	11,538
Ratio of earnings to fixed charges(2), (3)	1.1x	1.1x	1.5x	—	1.2x
Balance sheet data (at period end):					
Cash and cash equivalents	\$ 65,207	\$ 53,274	\$ 22,173	\$ 61,480	\$ 44,265
Total assets	1,625,607	1,649,721	1,049,998	1,663,633	1,659,277
Total debt	1,038,096	1,048,764	637,468	1,093,729	1,065,554
Stockholders' equity	239,544	227,716	215,514	226,847	235,446

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The following table presents our calculation of Adjusted EBITDA reconciled to net income (loss).

	Fiscal Year Ended December 31,			Six Months Ended	
	2007	2006	2005	June 28, 2008 (Unaudited)	June 30,2007
	(in thousands)				
Net income (loss)	\$ 5,614	\$ 5,721	\$ 20,225	\$ (41,335)	\$ 6,406
Interest expense, net of interest income	96,792	71,013	56,927	73,829	50,267
Provision (benefit) for income taxes	4,002	3,502	12,651	(26,400)	2,294
Depreciation and amortization	54,067	33,816	26,125	30,680	25,552
(Gain) /loss on currency transaction	(3,961)	(77)	(1,010)	495	(2,208)
Non cash charge of purchase price allocated to inventories	1,289	3,266	—	—	—
Restructuring/integration expense	10,356	1,395	—	8,117	2,092
Intangible asset impairment	4,150	782	—	—	—
Other expense	1,201	6,125	—	—	-
Cumulative effect of accounting change	—	86	—	—	—
Adjusted EBITDA(4)	\$ 173,510	\$ 125,629	\$ 114,918	\$ 45,386	\$ 84,403

- (1) Adjusted EBITDA means net income (loss) plus interest expense (net of interest income), provision (benefit) for income taxes, depreciation and amortization, foreign currency gain/(loss), amortization of non-cash write-off of the portion of excess purchase price from acquisitions allocated to inventories, third-party charges associated with business combination financing costs (“other expense”), impairment charges to intangible assets, other expense includes third party financing charges and one-time costs related to the amendment of the Company’s phantom stock plan, restructuring and integration costs associated with acquisitions, and cumulative effect of accounting changes. Other companies may define Adjusted EBITDA differently and, as a result, our measure of Adjusted EBITDA may not be directly comparable to Adjusted EBITDA of other companies. Management believes that the presentation of Adjusted EBITDA included in this prospectus provides useful information to investors regarding our results of operations because it assists both investors and management in analyzing and benchmarking the performance and value of our business. Although we use Adjusted EBITDA as a financial measure to assess the performance of our business, the use of Adjusted EBITDA is limited because it does not include certain material costs, such as depreciation, amortization, interest and taxes, necessary to operate our business. Adjusted EBITDA included in this prospectus should be considered in addition to, and not as a substitute for, net earnings in accordance with GAAP as a measure of performance in accordance with GAAP. You are cautioned not to place undue reliance on Adjusted EBITDA.
- (2) For the purposes of calculating the ratio of earnings to fixed charges, earnings represent net income (loss) before provision (benefit) for income taxes plus fixed charges. Fixed charges consist of interest expense, net plus amortization of deferred financing expense and our estimate of the interest within rental expense.
- (3) Due to the Company's loss in the first six months of 2008, the ratio coverage was less than 1:1. The Company would need to generate additional earnings of approximately \$67.7 million to achieve a coverage ratio of 1:1. The loss incurred for the six months ended June 28, 2008 included interest expense of approximately \$27.6 million for financing costs incurred in the second quarter 2008.
- (4) Adjusted EBITDA has not been adjusted to include approximately \$9.9 million of unrealized synergies and cost savings that we expect in the future, which is comprised of approximately \$9.6 million future expected savings

from the February 2008 closure of a Denison, Texas plant, and future expected savings related to a plant conversion in 2007, each of which is forward looking in nature and may or may not materialize.

Certain statements in this footnote (4) are forward-looking statements. See “Note Regarding Forward-Looking Statements.”

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RISK FACTORS

Investing in the notes involves a high degree of risk. You should carefully consider the following factors in addition to the other information set forth in this prospectus before you decide to invest in the notes. The following risks could materially and adversely affect our ability to make payments with respect to the notes, our business or our financial condition or results of operations. Additional risks and uncertainties not currently known to us or those we currently deem to be immaterial may also materially and adversely affect us. In any such case, you may lose all or part of your original investment.

Risks Related to Our Substantial Indebtedness and the Notes

Our substantial debt could negatively impact our business, prevent us from fulfilling our outstanding debt obligations and adversely affect our financial condition.

We have a substantial amount of debt. As of June 28, 2008, we had approximately \$1,093.7 million of total debt outstanding and a debt to equity ratio of approximately 4.82 to 1.0. The terms of our outstanding debt, including the notes, our 9% senior subordinated notes due 2012 and the ABL Facility, limit, but do not prohibit, us from incurring additional debt. If additional debt is added to current debt levels, the related risks described below could intensify. See also the discussion in “Description of Other Indebtedness” and “Description of the Notes” concerning the terms and conditions of our debt covenants.

The substantial amount of our debt could have important consequences, including the following:

- our ability to obtain additional financing for working capital, capital expenditures, acquisitions, refinancing indebtedness or other purposes could be impaired;
- a substantial portion of our cash flow from operations will be dedicated to paying principal and interest on our debt, thereby reducing funds available for expansion or other purposes;
  - we may be more leveraged than some of our competitors, which may result in a competitive disadvantage;
- we may be vulnerable to interest rate increases, as certain of our borrowings, including those under the ABL Facility, are at variable rates;
- our failure to comply with the restrictions in our financing agreements would have a material adverse effect on us;
  - our significant amount of debt could make us more vulnerable to changes in general economic conditions;
- we may be restricted from making strategic acquisitions, investing in new products or capital assets or taking advantage of business opportunities; and
- we may be limited in our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate.

We believe that we will need to access the capital markets in the future to raise the funds to repay our substantial debts. We have no assurance that we will be able to complete a refinancing or that we will be able to raise any additional financing, particularly in view of our anticipated high levels of debt and the restrictions under our debt agreements. If we are unable to satisfy or refinance our indebtedness as it comes due, we may default on our debt obligations. If we default on our debt obligations and any of our indebtedness is accelerated, such acceleration will

have a material adverse effect on our financial condition and cash flows.

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Despite our current indebtedness levels, we may still be able to incur substantially more debt. This could exacerbate further the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness, including additional secured indebtedness, in the future. The terms of the indenture and the ABL facility restrict, but do not completely prohibit, us from doing so. In addition, the indenture allows us to issue additional notes under certain circumstances, which will also be guaranteed by the guarantors and will share in the collateral that secures the notes and guarantees. The indenture also allows us to incur certain other additional secured debt and allows our foreign subsidiaries to incur additional debt, which would be effectively senior to the notes. In addition, the indenture does not prevent us from incurring other liabilities that do not constitute indebtedness. See "Description of the Notes." If new debt or other liabilities are added to our current debt levels, the related risks that we now face could intensify.

We must refinance existing indebtedness prior to the maturity of the notes. Failure to do so could have a material adverse effect upon us.

The maturity of our senior subordinated notes is February 15, 2012, which is before the maturity of the notes, and all outstanding loans under the ABL Facility will be due and payable on June 9, 2013, which is before the maturity date of the notes. Further, if the senior subordinated notes shall not have been refinanced in full on or prior to October 15, 2011, then the ABL Facility will become due and fully payable and the commitments thereunder will terminate on October 15, 2011. While we expect to refinance this indebtedness, we cannot assure you that we will be able to refinance this indebtedness, or whether any refinancing will be on commercially reasonable terms. There can be no assurance that the financial terms or covenants of any new credit facility and/or other indebtedness will be the same or as favorable as those under our ABL Facility and our senior subordinated notes.

Our ability to complete a refinancing of our ABL Facility and our senior subordinated notes prior to their respective maturities is subject to a number of conditions beyond our control. For example, if a disruption in the financial markets were to occur at the time that we intended to refinance this indebtedness, we might be restricted in our ability to access the financial markets. If we are unable to refinance this indebtedness, our alternatives would consist of negotiating an extension of our ABL Facility with the lenders and seeking or raising new capital. If we were unsuccessful, the lenders under our ABL Facility and the holders of our senior subordinated notes could demand repayment of the indebtedness owed to them on the relevant maturity date. As a result, our ability to pay the principal of and interest on the notes would be adversely affected.

The terms of our debt covenants could limit how we conduct our business and our ability to raise additional funds.

The agreements that govern the terms of our debt, including the indenture that governs the notes, the indenture that governs our senior subordinated notes and the credit agreement that governs our ABL Facility, contain covenants that restrict our ability and the ability of our subsidiaries to:

- incur and guarantee indebtedness or issue equity interests of restricted subsidiaries;
- repay subordinated indebtedness prior to its stated maturity;
- pay dividends or make other distributions on or redeem or repurchase our stock;



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- issue capital stock;
- make certain investments or acquisitions;
  - create liens;
- sell certain assets or merge with or into other companies;
- enter into certain transactions with stockholders and affiliates;
  - make capital expenditures; and
- restrict dividends, distributions or other payments from our subsidiaries.

There are limitations on our ability to incur the full \$150.0 million of commitments under the ABL Facility, which may be increased to \$200.0 million, subject to certain terms and conditions. Borrowings under our ABL Facility will be subject to limits on debt incurrence imposed by our senior subordinated notes due 2012 and to the lesser of the borrowing base and \$150.0 million.

In addition, under the ABL Facility, if our borrowing availability falls below 15% of the borrowing base, we will be required to satisfy and maintain a fixed charge coverage ratio not less than 1.0 to 1.0. Our ability to meet the required fixed charge coverage ratio can be affected by events beyond our control, and we cannot assure you that we will meet this ratio. A breach of any of these covenants could result in a default under the ABL Facility.

Moreover, the ABL Facility provides the lenders considerable discretion to impose reserves or availability blocks, which could materially impair the amount of borrowings that would otherwise be available to us. There can be no assurance that the lenders under the ABL Facility will not impose such actions during the term of the ABL Facility and further, were they to do so, the resulting impact of this action could materially and adversely impair our ability to make interest payments on the notes.

A breach of the covenants under the indenture that governs the notes, the indenture that governs our senior subordinated notes or under the credit agreement that governs our new ABL Facility could result in an event of default under the applicable indebtedness. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under our ABL Facility would permit the lenders under our ABL Facility to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay the amounts due and payable under our ABL Facility, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, we cannot assure that we and our subsidiaries would have sufficient assets to repay such indebtedness. As a result of these restrictions, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
  - unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect our ability to grow in accordance with our plans.



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We may be unable to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under such indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to financial, business and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay or refinance our indebtedness, including the notes, our senior subordinated notes or our indebtedness under our new ABL Facility. If our cash flows and capital resources are insufficient to fund our debt service obligations, we and our subsidiaries could face substantial liquidity problems and may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness, including the notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations.

We may not be able to satisfy our obligations to holders of the notes upon a change of control.

Upon the occurrence of a “change of control,” as defined in the indenture that governs the notes, each holder of the notes will have the right to require us to purchase the notes at a price equal to 101% of the principal amount thereof. Our failure to purchase, or give notice of purchase of, the notes would be a default under the indenture. In addition, a change of control may constitute an event of default under our ABL Facility and would also require us to offer to purchase our senior subordinated notes at 101% of the principal amount thereof, together with accrued and unpaid interest. A default under our ABL Facility would result in an event of default under the indenture that governs the notes and under the indenture governing our senior subordinated notes if the lenders accelerate the debt under our ABL Facility.

If a change of control occurs, we may not have enough assets to satisfy all obligations under our ABL Facility, the indenture that governs our senior subordinated notes and the indenture that governs the notes. Upon the occurrence of a change of control, we could seek to refinance the indebtedness under our ABL Facility, our senior subordinated notes and the notes or obtain a waiver from the lenders under our ABL Facility, the holders of our senior subordinated notes and you as a holder of the notes. We cannot assure you, however, that we would be able to obtain a waiver or refinance our indebtedness on commercially reasonable terms, if at all.

Federal and state statutes allow courts, under specific circumstances, to void the notes, guarantees and security interests and may require holders of the notes to return payments received from us.

Under the federal bankruptcy laws and comparable provisions of state fraudulent transfer laws, the notes could be voided, or claims in respect of the notes could be subordinated to all of our other debt if the issuance of the notes was found to have been intended to hinder, delay or defraud any existing or future creditor or contemplated insolvency with a design to prefer one or more creditors to the exclusions in whole or in part of others or to have been made for less than their reasonable equivalent value and we, at the time we incurred the indebtedness evidenced by the notes:

- were insolvent or rendered insolvent by reason of such indebtedness;
- were engaged in, or about to engage in, a business or transaction for which our remaining assets constituted unreasonably small capital; or

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- intended to incur, or believed that we would incur, debts beyond our ability to pay such debts as they mature.

A court might also void an issuance of notes, a guaranty or grant of security, without regard to the above factors, if the court found that we issued the notes or the guarantors entered into their respective guaranty or security agreements with actual intent to hinder, delay or defraud our or their respective creditors.

A court would likely find that we or a guarantor did not receive reasonably equivalent value or fair consideration for the notes or the guarantees and security agreements, respectively, if we or a guarantor did not substantially benefit directly or indirectly from the issuance of the notes. If a court were to void an issuance of the notes, the guarantees or the related security agreements, you would no longer have a claim against us or the guarantors or, in the case of the security agreements, a claim with respect to the related collateral. Sufficient funds to repay the notes may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from us or the guarantors or, with respect to the notes, any guarantee or the collateral.

In addition, any payment by us pursuant to the notes made at a time we were found to be insolvent could be voided and required to be returned to us or to a fund for the benefit of our creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any outside party and such payment would give the creditors more than such creditors would have received in a distribution under the bankruptcy code.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, we would be considered insolvent if:

- the sum of our debts, including contingent liabilities, were greater than the fair saleable value of all our assets;
- the present fair saleable value of our assets were less than the amount that would be required to pay our probable liability on existing debts, including contingent liabilities, as they become absolute and mature; or
  - we could not pay our debts as they become due.

On the basis of historical financial information, recent operating history and other factors, we believe that, after giving effect to the indebtedness evidenced by the notes and the application of the proceeds therefrom, we will not be insolvent, will not have unreasonably small capital for the business in which we are engaged and will not have incurred debts beyond our ability to pay such debts as they mature. There can be no assurance, however, as to what standard a court would apply in making such determinations or that a court would agree with our conclusions in this regard.

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There is no established trading market for the exchange notes, and you may not be able to sell them quickly or at the price that you paid.

The exchange notes are a new issue of securities for which there is no established trading market. We do not intend to apply for exchange notes to be listed on any securities exchange or to arrange for their quotation on any automated dealer quotation system. The initial purchasers of the initial notes were Credit Suisse Securities (USA) LLC, UBS Securities LLC, J.P. Morgan Securities Inc. and Goldman, Sachs & Co. Although the initial purchasers have advised us that as of the issuance date of the initial notes that they intended to make a market in the exchange notes, they are not obligated to do so and may discontinue any market making in the exchange notes at any time, in their sole discretion. As a result, we cannot assure you as to the liquidity of any trading market for the exchange notes.

We also cannot assure you that you will be able to sell the exchange notes at a particular time or that the prices that you receive when you sell will be favorable. Future trading prices of the initial notes and exchange notes will depend on many factors, including:

- our operating performance and financial condition;
- the interest of securities dealers in making a market; and
- the market for similar securities.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused volatility in prices. It is possible that the market for the exchange notes will be subject to disruptions. Any disruptions may have a negative effect on noteholders, regardless of our prospects and financial performance.

Our Canadian subsidiary and our other future foreign subsidiaries will not be guarantors, and your claims will be subordinated to all of the creditors of the non-guarantor subsidiaries.

Our Canadian subsidiary, CWD Windows and Doors, Inc. ("CWD"), is not a guarantor of the notes or the ABL Facility. This non-guarantor subsidiary generated approximately 7.0% of our net sales and 84.0% of our operating earnings, for the six months ended June 28, 2008. In addition, it held approximately 4.5% of our consolidated assets as of June 28, 2008. Any right of ours to receive the assets of any of our non-guarantor subsidiaries upon their bankruptcy, liquidation or reorganization (and the consequent right of the holders of the notes to participate in those assets) will be subject to the claims of that subsidiary's creditors, including trade creditors. To the extent that we are recognized as a creditor of that subsidiary, we may have such claim, but we would still be subordinate to any security interests in the assets of that subsidiary and any indebtedness and other liabilities of that subsidiary senior to that held by us. As of June 28, 2008, the notes were effectively junior to approximately \$9.8 million of liabilities (including trade payables) of our non-guarantor subsidiary.

There are circumstances other than repayment or discharge of the notes under which the collateral securing the notes and guarantees will be released automatically, without your consent or the consent of the trustee.

Under various circumstances, all or a portion of the collateral securing the notes will be released automatically, including:

- a sale, transfer or other disposal of such collateral in a transaction not prohibited under the indenture;
- with respect to collateral held by a guarantor, upon the release of such guarantor from its guarantee;



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- with respect to collateral that is capital stock, upon the dissolution of the issuer of such capital stock in accordance with the indenture; and
- with respect to any collateral in which the notes have a second-priority lien, upon any release by the lenders under our ABL facility of their first-priority security interest in such collateral (other than any such release granted following the discharge of the obligations with respect to the ABL Facility).

In addition, the guarantee of a subsidiary guarantor will be automatically released in connection with a sale of such subsidiary guarantor in a transaction not prohibited by the indenture.

The indenture also permits us to designate one or more of our restricted subsidiaries that is a guarantor of the notes as an unrestricted subsidiary. If we designate a subsidiary guarantor as an unrestricted subsidiary, all of the liens on any collateral owned by such subsidiary or any of its subsidiaries and any guarantees of the notes by such subsidiary or any of its subsidiaries will be released under the indenture but not under the ABL Facility. Designation of an unrestricted subsidiary will reduce the aggregate value of the collateral securing the notes to the extent that liens on the assets of the unrestricted subsidiary and its subsidiaries are released. In addition, the creditors of the unrestricted subsidiary and its subsidiaries will have a senior claim on the assets of such unrestricted subsidiary and its subsidiaries. See “Description of the Notes.”

The imposition of certain permitted liens will cause the assets on which such liens are imposed to be excluded from the collateral securing the notes and the guarantees. There are also certain other categories of property that are also excluded from the collateral.

The indenture permits liens in favor of third parties to secure purchase money indebtedness and capital lease obligations, and assets subject to such liens will in certain circumstances be excluded from the collateral securing the notes and the guarantees. Our ability to incur purchase money indebtedness and capital lease obligations is subject to limitations as described in “Description of the Notes.” In addition, certain categories of assets are excluded from the collateral securing the notes and the guarantees. Excluded assets include certain contracts, certain equipment, the assets of our non-guarantor subsidiaries and equity investees and certain capital stock and other securities of our subsidiaries and equity investees. See “Description of the Notes.” If an event of default occurs and the notes are accelerated, the notes and the guarantees will rank equally with the holders of other unsubordinated and unsecured indebtedness of the relevant entity with respect to such excluded property.

The pledge of the capital stock, other securities and similar items of Ply Gem Industries, Inc. and its subsidiaries that secure the notes will automatically be released from the lien on them and no longer constitute collateral when the pledge of such capital stock or such other securities would require the filing of separate financial statements with the SEC for that subsidiary.

The notes and the guarantees are secured by a pledge of the stock of Ply Gem Industries, Inc. and some of its subsidiaries. Under the SEC regulations in effect as of the issue date of the notes, if the par value, book value as carried by us or market value (whichever is greatest) of the capital stock, other securities or similar items of a subsidiary pledged as part of the collateral is greater than or equal to 20% of the aggregate principal amount of the notes then outstanding, such a subsidiary would be required to provide separate financial statements to the SEC. Therefore, the indenture and the collateral documents provide that any capital stock and other securities of Ply Gem Industries, Inc. or any of its subsidiaries will be excluded from the collateral to the extent that the pledge of such capital stock or other securities to secure the notes would cause such companies to be required to file separate financial statements with the SEC pursuant to Rule 3-16 of Regulation S-X (as in effect from time to time).





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As a result, holders of the notes could lose a portion or all of their security interest in the capital stock or other securities of those subsidiaries. It may be more difficult, costly and time-consuming for holders of the notes to foreclose on the assets of a subsidiary than to foreclose on its capital stock or other securities, so the proceeds realized upon any such foreclosure could be significantly less than those that would have been received upon any sale of the capital stock or other securities of such subsidiary. See "Description of the Notes."

The collateral may not be valuable enough to satisfy all the obligations secured by such collateral.

We secured our obligations under the notes by the pledge of certain of our assets. This pledge is also for the benefit of the lenders under our ABL Facility.

The notes are secured on a first-priority lien basis (subject to certain exceptions) by substantially all of our and the guarantors' assets (other than accounts receivable, inventory and cash and proceeds of the foregoing and certain assets related thereto), which we refer to as the "Notes Collateral," and such collateral may be shared with our future creditors. The actual value of the Notes Collateral at any time depends upon market and other economic conditions.

The notes are also secured on a second-priority lien basis (subject to certain exceptions) by our and each guarantor's accounts receivable, inventory and cash and proceeds of the foregoing and certain assets related thereto, which we refer to as the "ABL Collateral." The ABL Collateral is subject to a first-priority security interest for the benefit of the lenders under the ABL Facility, and may be shared with our future creditors. Although the holders of obligations secured by first-priority liens on the ABL Collateral and the holders of obligations secured by second-priority liens on the ABL Collateral, including the notes, will share in the proceeds of the ABL Collateral, the holders of obligations secured by first-priority liens in the ABL Collateral will be entitled to receive proceeds from any realization of the ABL Collateral to repay the obligations held by them, in full before the holders of the notes and the holders of other obligations secured by second-priority liens in the ABL Collateral receive any such proceeds.

In addition, the asset sale covenant and the definition of asset sale, each in the indenture governing the notes, have a number of significant exceptions pursuant to which we will be able to sell Notes Collateral without being required to reinvest the proceeds of such sale into assets that will comprise Notes Collateral or to make an offer to the holders of the notes to repurchase the notes.

As of June 28, 2008, we had \$40.0 million of indebtedness outstanding under the ABL Facility, with approximately \$35.0 million of additional availability under the ABL Facility (subject to a borrowing base and before consideration of \$3.9 million of letters of credit). All indebtedness under the ABL facility is secured by first-priority liens on the ABL Collateral (subject to certain exceptions). In addition, under the terms of the indenture governing the notes, we may grant an additional lien on any property or asset that constitutes ABL Collateral in order to secure any obligation permitted to be incurred pursuant to the indenture. Any such additional lien may be a lien that is senior to the lien securing the notes or may be a second-priority lien that ranks pari passu with the lien securing the notes. In either case, any grant of additional liens on the ABL Collateral would further dilute the value of the second-priority lien on the ABL Collateral securing the notes. Further, as discussed above, we are permitted under the terms of the indenture governing the notes to sell all assets that constitute ABL Collateral and not apply the proceeds to invest in additional assets that secures the notes or repay outstanding indebtedness.

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The value of the pledged assets in the event of a liquidation depends upon market and economic conditions, the availability of buyers and similar factors. No independent appraisals of any of the pledged property were prepared by or on behalf of us in connection with this offering of the initial notes. Accordingly, we cannot assure holders of the notes that the proceeds of any sale of the pledged assets following an acceleration to maturity with respect to the notes would be sufficient to satisfy, or would not be substantially less than, amounts due on the notes and the other debt secured thereby.

If the proceeds of any sale of the pledged assets were not sufficient to repay all amounts due on the notes, the holder of the notes (to the extent their notes were not repaid from the proceeds of the sale of the pledged assets) would have only an unsecured claim against our remaining assets. By their nature, some or all of the pledged assets may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure holders of the notes that the pledged assets will be saleable or, if saleable, that there will not be substantial delays in their liquidation. To the extent that liens, rights and easements granted to third parties encumber assets located on property owned by us or constitute subordinate liens on the pledged assets, those third parties may have or may exercise rights and remedies with respect to the property subject to such encumbrances (including rights to require marshalling of assets) that could adversely affect the value of the pledged assets located at that site and the ability of the collateral agent to realize or foreclose on the pledged assets at that site.

In addition, the indenture governing the notes permits us, subject to compliance with certain financial tests, to issue additional secured debt, including debt secured equally and ratably by the same assets pledged for the benefit of the holders of the notes. This would reduce amounts payable to holders of the notes from the proceeds of any sale of the collateral.

The rights of holders of the notes with respect to the ABL Collateral are substantially limited by the terms of the intercreditor agreement.

Under the terms of the intercreditor agreement entered into in connection with the ABL Facility, at any time that obligations that have the benefit of the first-priority liens on the ABL Collateral are outstanding, any actions that may be taken in respect of the ABL Collateral, including the ability to cause the commencement of enforcement proceedings against the ABL Collateral and to control the conduct of such proceedings, and the approval of amendments to, releases of ABL Collateral from the lien of, and waivers of past defaults under, the security documents, will be at the direction of the holders of the obligations secured by the first-priority liens and neither the trustee nor the collateral agent, on behalf of the holders of the notes, will have the ability to control or direct such actions, even if the rights of the holders of the notes are adversely affected, subject to certain exceptions. See “Description of the Notes — Security for the Notes” and “Description of the Notes — Amendment, Supplement and Waiver.” Under the terms of the intercreditor agreement, at any time that obligations that have the benefit of the first-priority liens on the ABL Collateral are outstanding, if the holders of such indebtedness release the ABL Collateral for any reason whatsoever (other than any such release granted following the discharge of obligations with respect to the ABL Facility), including, without limitation, in connection with any sale of assets, the second-priority security interest in such ABL Collateral securing the notes will be automatically and simultaneously released without any consent or action by the holders of the notes, subject to certain exceptions. The ABL Collateral so released will no longer secure our and the guarantors’ obligations under the notes. In addition, because the holders of the indebtedness secured by first-priority liens in the ABL Collateral control the disposition of the ABL Collateral, such holders could decide not to proceed against the ABL Collateral, regardless of whether there is a default under the documents governing such indebtedness or under the indenture governing the notes. In such event, the only remedy available to the holders of the notes would be to sue for payment on the notes and the related guarantees. In addition, the intercreditor agreement gives the holders of first-priority liens on the ABL Collateral the right to access and use the collateral that secures the notes to allow those holders to protect the ABL Collateral and to process, store and dispose of the ABL Collateral.



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The waiver in the intercreditor agreement of rights of marshaling may adversely affect the recovery rates of holders of the notes in a bankruptcy or foreclosure scenario.

The notes and the guarantees are secured on a second-priority lien basis by the ABL Collateral. The intercreditor agreement provides that, at any time that obligations that have the benefit of the first-priority liens on the ABL Collateral are outstanding, the holders of the notes, the trustee under the indenture governing the notes and the collateral agent may not assert or enforce any right of marshaling accorded to a junior lienholder, as against the holders of such indebtedness secured by first-priority liens in the ABL Collateral. Without this waiver of the right of marshaling, holders of such indebtedness secured by first-priority liens in the ABL Collateral would likely be required to liquidate collateral on which the notes did not have a lien, if any, prior to liquidating the ABL Collateral, thereby maximizing the proceeds of the ABL Collateral that would be available to repay our obligations under the notes. As a result of this waiver, the proceeds of sales of the ABL Collateral could be applied to repay any indebtedness secured by first-priority liens in the ABL Collateral before applying proceeds of other collateral securing indebtedness, and the holders of notes may recover less than they would have if such proceeds were applied in the order most favorable to the holders of the notes.

In the event of a bankruptcy of us or any of the guarantors, holders of the notes may be deemed to have an unsecured claim to the extent that our obligations in respect of the notes exceed the fair market value of the collateral securing the notes.

In any bankruptcy proceeding with respect to us or any of the guarantors, it is possible that the bankruptcy trustee, the debtor-in-possession or competing creditors will assert that the fair market value of the collateral with respect to the notes on the bankruptcy filing date was less than the then-current principal amount of the notes. Upon a finding by the bankruptcy court that the notes are under-collateralized, the claims in the bankruptcy proceeding with respect to the notes would be bifurcated between a secured claim and an unsecured claim, and the unsecured claim would not be entitled to the benefits of security in the collateral. Other consequences of a finding of under-collateralization would be, among other things, a lack of entitlement on the part of the notes to receive post-petition interest and a lack of entitlement on the part of the unsecured portion of the notes to receive other “adequate protection” under federal bankruptcy laws. In addition, if any payments of post-petition interest had been made at the time of such a finding of under-collateralization, those payments could be recharacterized by the bankruptcy court as a reduction of the principal amount of the secured claim with respect to the notes.

Because each guarantor’s liability under its guarantees may be reduced to zero, avoided or released under certain circumstances, you may not receive any payments from some or all of the guarantors.

You have the benefit of the guarantees of the guarantors. However, the guarantees by the guarantors are limited to the maximum amount that the guarantors are permitted to guarantee under applicable law. As a result, a guarantor’s liability under its guarantee could be reduced to zero, depending upon the amount of other obligations of such guarantor. Further, under the circumstances discussed more fully above, a court under federal and state fraudulent conveyance and transfer statutes could void the obligations under a guarantee or further subordinate it to all other obligations of the guarantor. See “— Federal and state statutes allow courts, under specific circumstances, to void notes, guarantees and security interests and may require holders of the notes to return payments received from us.” In addition, you will lose the benefit of a particular guarantee if it is released under certain circumstances described under “Description of the Notes — Note Guarantees.”

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Bankruptcy laws may limit the ability of holders of the notes to realize value from the collateral.

The right of the collateral agent to repossess and dispose of the pledged assets upon the occurrence of an event of default under the indenture governing the notes is likely to be significantly impaired by applicable bankruptcy law if a bankruptcy case were to be commenced by or against us before the collateral agent repossessed and disposed of the pledged assets. For example, under Title 11 of the United States Code (the “United States Bankruptcy Code”), pursuant to the automatic stay imposed upon the bankruptcy filing, a secured creditor is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from such debtor, or taking other actions to levy against a debtor, without bankruptcy court approval. Moreover, the United States Bankruptcy Code permits the debtor to continue to retain and to use collateral even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given “adequate protection.” The meaning of the term “adequate protection” may vary according to circumstances (and is within the discretion of the bankruptcy court), but it is intended in general to protect the value of the secured creditor’s interest in the collateral and may include cash payments or the granting of additional security, if and at such times as the court in its discretion determines, for any diminution in the value of the collateral as a result of the automatic stay of repossession or disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case. Generally, adequate protection payments, in the form of interest or otherwise, are not required to be paid by a debtor to a secured creditor unless the bankruptcy court determines that the value of the secured creditor’s interest in the collateral is declining during the pendency of the bankruptcy case. Due to the imposition of the automatic stay, the lack of a precise definition of the term “adequate protection” and the broad discretionary powers of a bankruptcy court, it is impossible to predict (1) how long payments under the notes could be delayed following commencement of a bankruptcy case, (2) whether or when the collateral agent could repossess or dispose of the pledged assets or (3) whether or to what extent holders of the notes would be compensated for any delay in payment or loss of value of the pledged assets through the requirement of “adequate protection.”

The value of the collateral securing the notes may not be sufficient to secure post-petition interest.

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us, holders of the notes will only be entitled to post-petition interest under the United States Bankruptcy Code to the extent that the value of their security interest in the collateral is greater than their pre-bankruptcy claim. Holders of the notes that have a security interest in collateral with a value equal or less than their pre-bankruptcy claim will not be entitled to post-petition interest under the United States Bankruptcy Code. No appraisal of the fair market value of the collateral was prepared in connection with the offering of the initial notes or this exchange offer and we therefore cannot assure you that the value of the noteholders’ interest in the collateral equals or exceeds the principal amount of the notes.

The collateral is subject to casualty risks.

We are obligated under our ABL Facility to at all times cause all the pledged assets to be properly insured and kept insured against loss or damage by fire or other hazards to the extent that such properties are usually insured by corporations operating properties of a similar nature in the same or similar localities. There are, however, some losses, including losses resulting from terrorist acts, that may be either uninsurable or not economically insurable, in whole or in part. As a result, we cannot assure holders of notes that the insurance proceeds will compensate us fully for our losses. If there is a total or partial loss of any of the pledged assets, we cannot assure holders of the notes that the proceeds received by us in respect thereof will be sufficient to satisfy all the secured obligations, including the notes.

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In the event of a total or partial loss to any of the mortgaged facilities, certain items of equipment and inventory may not be easily replaced. Accordingly, even though there may be insurance coverage, the extended period needed to manufacture replacement units or inventory could cause significant delays.

Rights of holders of the notes in the collateral may be adversely affected by the failure to perfect security interests in collateral.

Applicable law requires that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. The liens in the collateral securing the notes may not be perfected with respect to the claims of the notes if the collateral agent was not able to take the actions necessary to perfect any of these liens on or prior to the date of the indenture governing the notes. There can be no assurance that the lenders under our ABL Facility have taken all actions necessary to create properly perfected security interests, which may result in the loss of the priority of the security interest in favor of the holders of the notes to which they would otherwise have been entitled. Specifically, the collateral agent or the lenders under our new ABL Facility may not complete all the actions necessary to perfect the liens in any real property by the time of completion of this offering. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate of title and certain proceeds, can only be perfected at the time such property and rights are acquired and identified. We and the guarantors have limited obligations to perfect the security interest of the holders of the notes in specified collateral. There can be no assurance that the trustee or the collateral agent for the notes will monitor, or that we will inform such trustee or collateral agent of, the future acquisition of property and rights that constitute collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired collateral. Neither the trustee nor the collateral agent for the notes has an obligation to monitor the acquisition of additional property or rights that constitute collateral or the perfection of any security interest. Such failure may result in the loss of the security interest in the collateral or the priority of the security interest in favor of the notes against third parties.

Any future pledge of collateral in favor of the holders of the notes might be voidable in bankruptcy.

Any future pledge of collateral in favor of the holders of the notes, including pursuant to security documents delivered after the date of the indenture governing the notes, might be voidable by the pledgor (as debtor-in-possession) or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, under the United States Bankruptcy Code, if the pledgor is insolvent at the time of the pledge, the pledge permits the holders of the notes to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced with 90 days following the pledge, or, in certain circumstances, a longer period.

We will in most cases have control over the collateral, and the sale of particular assets by us could reduce the pool of assets securing the notes and the guarantees.

The collateral documents allow us to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the collateral securing the notes and the guarantees.

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In addition, we will not be required to comply with all or any portion of Section 314(d) of the Trust Indenture Act of 1939 if we determine, in good faith based on advice of counsel, that, under the terms of that Section and/or any interpretation or guidance as to the meaning thereof of the SEC and its staff, including “no action” letters or exemptive orders, all or such portion of Section 314(d) of the Trust Indenture Act is inapplicable to the released collateral. For example, so long as no default or event of default under the indenture would result therefrom and such transaction would not violate the Trust Indenture Act, we may, among other things, without any release or consent by the indenture trustee, conduct ordinary course activities with respect to collateral, such as selling, factoring, abandoning or otherwise disposing of collateral and making ordinary course cash payments (including repayments of indebtedness). With respect to such releases, we must deliver to the collateral agent, from time to time, an officers’ certificate to the effect that all releases and withdrawals during the preceding six-month period in which no release or consent of the collateral agent was obtained in the ordinary course of our business were not prohibited by the indenture. See “Description of the Notes.”

The collateral securing the notes will be substantially different from the collateral securing the ABL Facility.

The collateral securing the notes is substantially different from the collateral securing the ABL Facility. The collateral securing the notes does not include: (i) the assets or capital stock of our Canadian subsidiary and (ii) the capital stock of Ply Gem Industries, Inc. or its subsidiaries if the book value (or market value, if greater) of any such company’s capital stock exceeds 20% of the principal amount of the notes, all of which will continue to secure the ABL Facility on a first-priority basis. See “— The pledge of capital stock, other securities and similar items of Ply Gem Industries, Inc. and its subsidiaries that secure the notes will automatically be released from the lien on them and no longer constitute collateral when the pledge of such capital stock or such other securities would require the filing of separate financial statements with the SEC for that subsidiary,” “Description of the Notes — Security for the Notes” and “Description of Other Indebtedness.”

### Risks Related to the Exchange Offer

The issuance of the exchange notes may adversely affect the market for the initial notes.

To the extent the initial notes are tendered and accepted in the exchange offer, the trading market for the untendered and tendered but unaccepted initial notes could be adversely affected. Because we anticipate that most holders of the initial notes will elect to exchange their initial notes for exchange notes due to the absence of restrictions on the resale of exchange notes under the Securities Act, we anticipate that the liquidity of the market for any initial notes remaining after the completion of this exchange offer may be substantially limited. Please refer to the section in this prospectus entitled “The Exchange Offer—Your Failure to Participate in the Exchange Offer Will Have Adverse Consequences.”

Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes.

Based on interpretations of the staff of the SEC contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling, SEC no-action letter (July 2, 1983), we believe that you may offer for resale, resell or otherwise transfer the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act. However, in some instances described in this prospectus under “Plan of Distribution,” you will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer your exchange notes. In these cases, if you transfer any exchange note without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes under the Securities Act, you may incur liability under this act. We do not and will not assume, or indemnify you against, this liability.





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Risks Associated with Our Business

We face competition from other vinyl exterior building products manufacturers and alternative building materials. If we are unable to compete successfully, we could lose customers and our sales could decline.

We compete with other national and regional manufacturers of vinyl exterior building products. Some of these companies are larger and have greater financial resources than we do. Accordingly, these competitors may be better able to withstand changes in conditions within the industries in which we operate and may have significantly greater operating and financial flexibility than we do. These competitors could take a greater share of sales and cause us to lose business from our customers. Additionally, our products face competition from alternative materials: wood, metal, fiber cement and masonry in siding, and wood in windows. An increase in competition from other vinyl exterior building products manufacturers and alternative building materials could cause us to lose our customers and lead to decreases in net sales.

Downturns in the home repair and remodeling and new home construction sectors or the economy could lower the demand for, and pricing of, our products, which in turn could cause our net sales and net income to decrease.

Our performance is dependent to a significant extent upon the levels of home repair and remodeling and new home construction spending, all of which are affected by such factors as interest rates, inflation, consumer confidence, unemployment, and the availability of consumer credit. According to the National Association of Home Builders (“NAHB”), second quarter 2008 single family housing starts are estimated to show a decline of approximately 28.1% from actual levels achieved in the second quarter of 2007. The new construction sector of the market is expected to continue to be negatively impacted during the balance of 2008 according to the NAHB’s July 8, 2008 forecast. Additionally, according to the NAHB’s July 2008 forecast, single family housing starts are expected to decline in 2008 by 35.4% as compared to their full year estimate for 2007. In April 2008, we revised our 2008 forecast in response to market wide increases in raw material prices and fuel costs, as well as continued declines in both the residential new construction and repair/remodeling markets. Under the revised forecast, we currently expect to report significantly lower Adjusted EBITDA.

Changes in the costs and availability of raw materials, especially PVC resin and aluminum, can decrease our profit margin by increasing our costs.

Our principal raw materials, PVC resin and aluminum, have been subject to rapid price changes in the past. Over the past four years, PVC resin prices have more than doubled, primarily due to the increased cost of oil and natural gas, increases in natural gas and crude oil prices and demand in the broader economy, resin prices increased to an all time high level. These significantly higher resin costs have impacted our profitability throughout 2008, 2007 and 2006. In addition, in April 2008, we revised our 2008 forecast in response to market wide increases in raw material prices and fuel costs, as well as continued declines in both the residential new construction and repair/remodeling markets. Under the revised forecast, we currently expect to report significantly lower Adjusted EBITDA. While we have historically been able to substantially pass on significant PVC resin and aluminum cost increases through price increases to our customers, our results of operations for individual quarters can be and have been hurt by a delay between the time of PVC resin and aluminum cost increases and price increases in our products. While we expect that any significant future PVC resin and aluminum cost increases will be offset in part or whole over time by price increases to our customers, we may not be able to pass on any future price increases.

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Because we depend on a core group of significant customers, our sales, cash flows from operations and results of operations may decline if our key customers reduce the amount of products they purchase from us.

Our top ten customers accounted for approximately 35.5% of our net sales in the year ended December 31, 2007. Our largest customer, BlueLinx, distributes our vinyl siding and accessories through multiple channels within its building products distribution business, and accounted for approximately 10.2% of our 2007 net sales. We expect a small number of customers to continue to account for a substantial portion of our net sales for the foreseeable future.

The loss of or a significant adverse change in our relationships with BlueLinx or any other major customer could cause a material decrease in our net sales. We expect our relationship with BlueLinx to continue.

The loss of, or a reduction in orders from, any significant customers, losses arising from customers' disputes regarding shipments, fees, merchandise condition or related matters or our inability to collect accounts receivable from any major retail customer could cause a decrease in our net income and our cash flow. In addition, revenue from customers that have accounted for significant revenue in past periods, individually or as a group, may not continue, or if continued, may not reach or exceed historical levels in any period.

Our business is seasonal and can be affected by inclement weather conditions which could affect the timing of the demand for our products and cause reduced profit margins when such conditions exist.

Markets for our products are seasonal and can be affected by inclement weather conditions. Historically, our business has experienced increased sales in the second and third quarters of the year due to increased construction during those periods. Because much of our overhead and expense are fixed throughout the year, our operating profits tend to be lower in the first and fourth quarters. Inclement weather conditions can affect the timing of when our products are applied or installed, causing reduced profit margins when such conditions exist.

If we are unable to meet future capital requirements our product offering may become dated, our productivity may decrease and the quality of our products may decline, which, in turn, could reduce our sales and profitability.

We periodically make capital investments to, among other things, maintain and upgrade our facilities and enhance our production processes. As we grow our businesses, we may have to incur significant capital expenditures. If we do not have, or are unable to obtain adequate funds to make all necessary capital expenditures when required, or if the amount of future capital expenditures are materially in excess of our anticipated or current expenditures, our product offering may become dated, our productivity may decrease and the quality of our products may decline, which, in turn, could reduce our sales and profitability.

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Increases in the cost of labor, union organizing activity and work stoppages at our facilities or the facilities of our suppliers could delay or impede our production, reduce sales of our products and increase our costs.

Our financial performance is affected by the availability of qualified personnel and the cost of labor. As of June 28, 2008, approximately 14.0% of our employees were represented by labor unions. We are subject to the risk that strikes or other types of conflicts with personnel may arise or that we may become a subject of union organizing activity. Furthermore, some of our direct and indirect suppliers have unionized work forces. Strikes, work stoppages or slowdowns experienced by these suppliers could result in slowdowns or closures of facilities where components of our products are manufactured. Any interruption in the production or delivery of our products could reduce sales of our products and increase our costs.

We may be subject to claims arising from the operations of our subsidiaries, including Ply Gem Industries, MW, Alenco, AHE, and Pacific Windows prior to our acquisitions. Our ability to seek indemnification from the former owners of our subsidiaries may be limited, in which case, we would be liable for these claims.

We have acquired all of our subsidiaries in the last several years, including Ply Gem Industries, MW, Alenco, AHE and Pacific Windows. We may be subject to claims or liabilities arising from the ownership or operation of our subsidiaries prior to our acquisition of them. Our ability to seek indemnification from the former owners of our subsidiaries is limited by various factors, including the specific limitations contained in the respective acquisition agreement and the financial ability of the former owners.

Under the terms of the stock purchase agreement governing the acquisition of Ply Gem Industries, Nortek, Inc. ("Nortek") has agreed to indemnify us for liabilities arising from its former ownership or operations of subsidiaries or properties where such ownership or operation ceased prior to the completion of the Ply Gem acquisition, including environmental liabilities, liabilities arising in connection with certain leases, product liability and other litigations, benefit plans, and for certain other liabilities. Our ability to seek indemnification from Nortek is, however, limited by the strength of Nortek's financial condition, which could change in the future. These liabilities could be significant, and if we are unable to enforce the Nortek indemnification rights, could make it difficult to pay the interest or principal amount of the notes when due. Nortek has covenanted to use their reasonable commercial efforts to novate certain sale and lease contracts relating to discontinued operations, thereby removing us and our affiliates from certain indemnification obligations thereunder, which obligations we retained in connection with the sales of certain of our businesses. Accordingly, during 2004, Nortek successfully novated four sale contracts relating to our discontinued operations, including our disposition of Hoover Treated Wood Products, Inc., Sagebrush Sales, Peachtree Doors and Windows and SNE Enterprises. As a consequence, we are no longer responsible for any indemnification obligations to the buyers of these former operations. Nortek has also covenanted that after the Ply Gem acquisition, it will not dispose of all or substantially all of its property and assets in a single transaction or series of related transactions, unless the acquirer of either its residential building products segment or HVAC segment (whichever is sold first) assumes all of Nortek's obligations (including Nortek's indemnification obligations) under the stock purchase agreement.

We completed the acquisition of MW during 2004. Our ability to seek indemnification from the selling stockholders of MWM Holding is restricted to breaches of a limited amount of corporate representations and warranties, and for the first \$250,000 in costs of compliance by MW with the New Jersey Industrial Site Recovery Act at an MW facility in Hammonton, New Jersey and for 75% of any such costs between \$250,000 and \$5.5 million resulting from the compliance by MW with that same act.

We completed the acquisition of Alenco in February of 2006. Our ability to seek indemnification from the selling stockholders of AWC for specified matters is subject to limitations, including the periods to submit claims, minimum amount of losses suffered and aggregate amounts of recovery.



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We completed the acquisition of AHE in October of 2006. Our ability to seek indemnification from the selling stockholders of AHE for specified matters is subject to limitations, including the periods to submit claims, minimum amount of losses suffered and aggregate amounts of recovery.

We completed the acquisition of Pacific Windows in September of 2007. Our ability to seek indemnification from the selling stockholders of Pacific Windows for specified matters is subject to limitations, including the periods to submit claims, minimum amount of losses suffered and aggregate amounts of recovery.

We could face potential product liability claims relating to products we manufacture.

Our historical product liability claims have not been material and while management is not aware of any material product liability issues, we do face an inherent business risk of exposure to product liability claims in the event that the use of any of our products results in personal injury or property damage. In the event that any of our products proves to be defective, among other things, we may be responsible for damages related to any defective products and we may be required to recall or redesign such products. Because of the long useful life of our products, it is possible that latent defects might not appear for several years. Any insurance we maintain may not continue to be available on terms acceptable to us or such coverage may not be adequate for liabilities actually incurred. Further, any claim or product recall could result in adverse publicity against us, which could cause our sales to decline or increase our costs.

We are dependent on certain key personnel, the loss of whom could materially affect our financial performance and prospects.

Our continued success depends to a large extent upon the continued services of our senior management and certain key employees. Each member of our senior management team has substantial experience and expertise in our industry and has made significant contributions to our growth and success. We do face the risk, however, that members of our senior management may not continue in their current positions and the loss of the services of any of these individuals could cause us to lose customers and reduce our net sales, lead to employee morale problems and/or the loss of key employees, or cause disruptions to our production. Also, we may be unable to find qualified individuals to replace any of the senior executive officers who leave our company. To encourage the retention of certain key executives in the past, we have entered into various equity-based agreements with our senior executives, including Messrs. Robinette, Poe, Wayne, Sveinson and Veach designed to encourage their retention. However, for 2008, we have eliminated our management incentive bonus that ties management compensation to attainment of our objectives.

Interruptions in deliveries of raw materials or finished goods could adversely affect our production and increase our costs, thereby decreasing our profitability.

Our dependency upon regular deliveries from particular suppliers means that interruptions or stoppages in such deliveries could adversely affect our operations until arrangements with alternate suppliers could be made. If any of our suppliers were unable to deliver materials to us for an extended period of time, as the result of financial difficulties, catastrophic events affecting their facilities or other factors beyond our control, or if we were unable to negotiate acceptable terms for the supply of materials with these or alternative suppliers, our business could suffer. We may not be able to find acceptable alternatives, and any such alternatives could result in increased costs for us. Even if acceptable alternatives were found, the process of locating and securing such alternatives might be disruptive to our business. Extended unavailability of a necessary raw material or finished good could cause us to cease manufacturing one or more of our products for a period of time.

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Environmental requirements may impose significant costs and liabilities on us.

Our facilities are subject to numerous United States and Canadian federal, state, provincial and local laws and regulations relating to the presence of hazardous materials, pollution and the protection of the environment, including those governing emissions to air, discharges to water, use, storage and transport of hazardous materials, storage, treatment and disposal of waste, remediation of contaminated sites and protection of worker health and safety. From time to time, our facilities are subject to investigation by governmental regulators. In addition, we have been identified as one of many potentially responsible parties for contamination present at certain offsite locations to which we or our predecessors are alleged to have sent hazardous materials for recycling or disposal. We believe that we are in material compliance with all applicable requirements of such laws and regulations. However, our efforts to comply with environmental requirements do not remove the risk that we may be held liable, or incur fines or penalties, and that the amount of liability, fines or penalties may be material, for, among other things, releases of hazardous substances occurring on or emanating from current or formerly owned or operated properties or any associated offsite disposal location, or for newly-discovered contamination at any of our properties from activities conducted by previous occupants. Certain environmental laws impose strict, and under certain circumstances joint and several, liability for the cost of addressing releases of hazardous substances upon certain classes of persons, including site owners or operators and persons that disposed or arranged for the disposal of hazardous substances at contaminated sites. Under the stock purchase agreement governing the Ply Gem acquisition, our former parent, Nortek, has agreed to indemnify us for any such liabilities arising from our former ownership or operation of subsidiaries or properties where such ownership or operation ceased prior to the completion of the Ply Gem acquisition and for certain other properties. Our ability to seek indemnification from Nortek is, however, limited by the strength of Nortek's financial condition. Nortek has also covenanted that after the Ply Gem acquisition, it will not dispose of all or substantially all of its property and assets in a single transaction or series of related transactions, unless the acquirer of either its residential building products segment or HVAC segment (whichever is sold first) assumes all of Nortek's obligations (including Nortek's indemnification obligations) under the stock purchase agreement.

We are currently involved in environmental proceedings involving CWD (arising from subsurface contamination discovered at our Calgary, Alberta property), and we may in the future be subject to environmental proceedings involving Thermal-Gard, Inc. (arising from groundwater contamination in Punxsutawney, Pennsylvania) and Kroy (relating to contamination in a drinking water well in York, Nebraska). Under the stock purchase agreement governing the Ply Gem acquisition, Nortek is to indemnify us for fifty percent of any liability in excess of \$750,000 with respect to the Calgary contamination and to indemnify us fully for any liability in connection with the Punxsutawney contamination. Alcan Aluminum Corporation assumed the obligation to indemnify us with respect to certain liabilities for environmental contamination of the York property occurring prior to 1994 when it sold the property to us in 1998. Our former subsidiary, Hoover Treated Wood Products, Inc., is involved in an environmental proceeding in connection with a contaminated landfill site in Thomson, Georgia. While we had assumed an obligation to indemnify the purchaser of our former subsidiary when we sold Hoover Treated Wood Products, Inc., our obligation has been novated and assumed by Nortek.

Under the stock purchase agreement governing the acquisition of MW, the sellers agreed to indemnify us for the first \$250,000 in costs of compliance with the New Jersey Industrial Site Recovery Act at an MW facility in Hammonton, New Jersey and for 75% of any such costs between \$250,000 and \$5.5 million. In connection with the MW acquisition, MW achieved compliance with the Industrial Site Recovery Act by obtaining a Remediation in Progress waiver from the New Jersey Department of Environmental Protection based on the ongoing remediation of the site by a previous occupant. MW's Rocky Mount, Virginia property is subject to an environmental investigation relating to contamination associated with an underground storage tank formerly located at the Rocky Mount, VA property. Liability for the underground storage tank contamination and related investigation has been previously assumed by U.S. Industries, Inc., pursuant to its indemnity obligation under the Stock Purchase Agreement dated August 11, 1995, whereby U.S. Industries, Inc. sold the stock of MW to Fenway Partners. As the successor in interest of Fenway

Partners, we are similarly indemnified by U.S. Industries, Inc. U.S. Industries and MW are working to develop a course of action to address the site contamination that is acceptable to both companies and the Virginia regulatory authorities.

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Changes in environmental laws and regulations or in their enforcement, the discovery of previously unknown contamination or other liabilities relating to our properties and operations or the inability to enforce the indemnification obligations of Nortek, the MW sellers and U.S. Industries, Inc. could result in significant environmental liabilities which could make it difficult to pay the interest or principal amount of our debt when due. In addition, we might incur significant capital and other costs to comply with increasingly stringent U.S. or Canadian environmental laws or enforcement policies which would decrease our cash flow available to service our indebtedness.

Manufacturing or assembly realignments may result in a decrease in our short-term earnings, until the expected cost reductions are achieved, due to the costs of implementation.

We continually review our manufacturing and assembly operations and sourcing capabilities. Effects of periodic manufacturing realignments and cost savings programs could result in a decrease in our short-term earnings until the expected cost reductions are achieved. Such programs may include the consolidation and integration of facilities, functions, systems and procedures. Such actions may not be accomplished as quickly as anticipated and the expected cost reductions may not be achieved or sustained.

We rely on a variety of intellectual property rights. Any threat to, or impairment of, these rights could cause us to incur costs to defend these rights.

As a company that manufactures and markets branded products, we rely heavily on trademark and service mark protection to protect our brands. We have a significant number of issued patents and rely on copyright protection for certain of our technologies. These protections may not adequately safeguard our intellectual property and we may incur significant costs to defend our intellectual property rights, which may harm our operating results. There is a risk that third parties, including our current competitors, will infringe on our intellectual property rights, in which case we would have to defend these rights. There is also a risk that third parties, including our current competitors, will claim that our products infringe on their intellectual property rights. These third parties may bring infringement claims against us or our customers, which may harm our operating results.

We are controlled by our principal equity holder, which has the power to take unilateral action and whose interests in our business could conflict with yours.

Affiliates of, and companies managed by, CI Capital Partners, including Caxton-Iseman (Ply Gem) L.P., Caxton-Iseman (Ply Gem) II L.P. and Frederick Iseman, control our affairs and policies. Circumstances may occur in which the interests of these equity holders could be in conflict with the interests of the holders of the notes. In addition, these equity holders may have an interest in pursuing acquisitions, divestitures or other transactions that, in their judgment, could enhance their equity investment, even though such transactions might involve risks to holders of the notes.

Increases in key raw material and fuel costs could cause our cost of products sold to increase and net income to decrease.

Our cost of products sold may be significantly impacted by market prices for our primary raw materials which are PVC resin and aluminum. Current market forecasts indicate that market prices for these raw materials will increase in 2008 as compared to market levels in 2007. In addition, increases in fuel cost can negatively impact our cost to deliver our products to our customers and thus increase our cost of products sold. Fuel costs are currently forecasted to increase over levels in 2007. If these market forecasts are correct, and we are unable to increase the selling price of our products to our customers, net income may be adversely affected.





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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “continue,” the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. All written and oral forward-looking statements made in connection with this prospectus that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by the “Risk Factors” and other cautionary statements included herein. We are under no duty to update any of the forward-looking statements after the date of this prospectus to conform such statements to actual results or to changes in our expectations.

The information in this prospectus is not a complete description of our business or the risks associated with an investment in our securities. There can be no assurance that other factors will not affect the accuracy of these forward-looking statements or that our actual results will not differ materially from the results anticipated in such forward-looking statements. While it is impossible to identify all such factors, factors that could cause actual results to differ materially from those estimated by us include, but are not limited to, those factors or conditions described under “Risk Factors,” and the following:

- our high degree of leverage and significant debt service obligations;
- restrictions under the indenture governing the notes offered hereby and our existing notes and restrictions under our new senior secured asset-based revolving credit facility;
  - the competitive nature of our industry;
- changes in interest rates, and general economic and home repair and remodeling and new home construction market conditions;
  - changes in the price and availability of raw materials; and
  - changes in our relationships with our significant customers.

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## USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes in exchange for the outstanding initial notes. We are making this exchange solely to satisfy our obligations under the registration rights agreement entered into in connection with the offering of the initial notes. In consideration for issuing the exchange notes, we will receive initial notes in like aggregate principal amount.

In connection with the offering of the initial notes, we entered into the ABL Facility, initially a \$135.0 million senior secured asset-based revolving credit facility, of which \$40.0 million was drawn at closing. “See Description of Other Indebtedness — New Senior Secured Asset-Based Revolving Credit Facility.” The proceeds from the issuance of the initial notes was approximately \$693.5 million. We used such proceeds, together with the initial borrowings of \$40.0 million under the ABL Facility, to repay approximately \$708.0 million in borrowings outstanding under our existing senior credit facilities (including a call premium of \$6.8 million) and the financing costs and other expenses in connection with the issuance of the initial notes and the entering into of our ABL Facility.

The following is a summary of the sources and uses of proceeds from the offering of the initial notes and the initial borrowings under our new ABL Facility. You should read the following together with the information set forth under “Prospectus Summary — The Offering,” “Capitalization” and “Description of Other Indebtedness.”

Sources of funds (in millions)	Uses of funds (in millions)
Initial notes (1)	Repayment of our existing senior credit facilities (2)
\$ 693.5	\$ 708.0
Initial borrowings under the ABL facility	Financing costs and other expenses (3)
40.0	25.0
	Cash on hand
	0.5
\$ 733.5	\$ 733.5

(1) The initial notes have a face value of \$700.0 million, but were offered at a discount of \$6.5 million.

(2) Includes a payment of approximately \$676.2 million for the repayment of the term loan under our prior facility, a call premium of approximately \$6.8 million associated with the repayment, and approximately \$25.0 million for the repayment of the revolver borrowings under the prior term facility.

(3) Financing costs and other expenses include the initial purchasers’ discount and fees and expenses related to the offering of the initial notes and the entering into of our ABL Facility.

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## CAPITALIZATION

The following table shows our capitalization as of June 28, 2008 on an actual basis.

You should read this table in conjunction with our consolidated financial statements and the related notes included elsewhere in this prospectus. Also see “Use of Proceeds,” “Selected Historical Financial Information,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Description of Other Indebtedness.”

	As of June 28, 2008 (Unaudited, in thousands)
Cash and cash equivalents	\$ 61,480
Short-term and long-term debt:	
Senior subordinated notes due 2012 (1)	360,163
Initial notes (2)	693,566
ABL Facility (3)	40,000
Total debt	1,093,729
Stockholders’ equity:	
Common stock	—
Additional paid-in capital	209,884
Retained earnings	7,907
Accumulated other comprehensive income	9,056
Total stockholders’ equity	226,847
Total capitalization	\$ 1,320,576

(1) Consists of outstanding principal and unamortized premium on our senior subordinated notes due 2012.

(2) The initial notes have a face value of \$700.0 million, but were offered at a discount of \$6.5 million.

(3) Borrowings under our ABL Facility are subject to limits on debt incurrence imposed by the senior subordinated notes due 2012. Borrowings are limited to the lesser of the borrowing base and \$150.0 million, which was increased from \$135.0 million on August 14, 2008. Upon closing of the offering of the initial notes, we made an initial borrowing of approximately \$40.0 million, which was used, together with the proceeds of the offering, to refinance our existing senior credit facilities and pay related fees and expenses. In addition, we used \$3.9 million of availability to replace existing letters of credit. Future borrowings will be used for general corporate purposes.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The selected historical financial data presented below is for each of the years in the five-year period ended December 31, 2007.

The selected historical financial data as of December 31, 2007 and 2006 and for each of the years ended December 31, 2007, 2006 and 2005 have been derived from, and should be read together with, our audited consolidated financial statements and the accompanying notes included elsewhere in this prospectus. The selected historical financial data as of and for the six months ended June 28, 2008 and June 30, 2007 have been derived from, and should be read together with, our unaudited condensed consolidated financial statements and the accompanying notes included elsewhere in this prospectus. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. The results of operations for interim periods are not necessarily indicative of the operating results that may be expected for the entire year or any future period.

On January 9, 2003, our former indirect parent, Nortek Holdings was acquired in a recapitalization transaction by certain affiliates and designees of Kelso & Company L.P. and certain members of management of our former parent, Nortek. The Nortek recapitalization was accounted for as a purchase and resulted in a new valuation of the assets and liabilities of Nortek Holdings and its subsidiaries, including us. The audited data for the pre-Nortek recapitalization period from January 1, 2003 through January 9, 2003 have been prepared on different bases of accounting and therefore are not directly comparable to subsequent periods.

The audited data for calendar 2004 includes the operating results of Ply Gem Industries from January 1, 2004 until the date of the Ply Gem acquisition on February 12, 2004, and separately includes the operating results of Ply Gem Holdings from the date of its inception on January 23, 2004 through December 31, 2004. Subsequent to the Ply Gem acquisition, the financial statements presented are on a different basis of accounting. Therefore, they are not directly comparable to preceding periods.

The selected historical data set forth below is not necessarily indicative of the results of future operations and should be read together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and other financial information included elsewhere in this prospectus.

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	Consolidated Ply Gem Holdings			Combined Ply Gem Industries						
	Fiscal Year Ended December 31,			Jan. 23, 2004	Post-Nortek Recapitalization Jan. 1, 2004	Jan. 10, 2003	Pre-Nortek Recapitalization Jan. 1, 2003	Six Months Ended June 28, June 30,		
	2007	2006	2005	To Dec. 31, 2004	To Feb. 11, 2004	To Dec. 31, 2003	To Jan. 9, 2003	2008	2007	
				(in thousands)					(unaudited)	
Statement of operations data:										
Net sales	\$ 1,363,546	\$ 1,054,468	\$ 838,868	\$ 585,945	\$ 40,612	\$ 522,565	\$ 8,824	\$ 597,563	\$ 675,969	
Costs and expenses:										
Costs of products sold	1,075,507	831,418	647,576	448,733	33,611	393,674	7,651	495,359	530,980	
Selling, general and administrative expense	162,609	125,619	92,738	67,568	8,345	73,933	1,529	85,879	79,294	
Intangible asset impairment	4,150	782	-	-	-	-	-	-	-	
Amortization of intangible assets	17,631	11,942	9,761	5,911	201	3,837	70	9,826	8,936	
Total costs and expenses	1,259,897	969,761	750,075	522,212	42,157	471,444	9,250	591,064	619,210	
Operation earnings (loss)	103,649	84,707	88,793	63,733	(1,545)	51,121	(426)	6,589	56,759	
Foreign currency gain (loss)	3,961	77	1,010	2,473	-	-	-	(495)	2,208	
Interest expense	(98,496)	(72,218)	(57,657)	(37,373)	(3,684)	(33,117)	(976)	(74,139)	(51,089)	
Interest income	1,704	1,205	730	160	29	196	2	310	822	
Other expense	(1,202)	(4,462)	-	-	-	-	-	-	-	
Income (loss) before provision (benefit) for income taxes and cumulative	9,616	9,309	32,876	28,993	(5,200)	18,200	(1,400)	(67,735)	8,700	

effect of accounting change										
Provision (benefit) for income taxes	4,002	3,502	12,651	11,311	(1,850)	7,200	(500)	(26,400)	2,294	
Income (loss) before cumulative effect of accounting change	5,614	5,807	20,225	17,682	(3,350)	11,000	(900)	(41,335)	6,406	
Cumulative effect of accounting change, net of income tax benefit of \$57 (3)	-	(86)	-	-	-	-	-	-	-	-
Net income (loss)	\$ 5,614	\$ 5,721	\$ 20,225	\$ 17,682	\$ (3,350)	\$ 11,000	\$ (900)	\$ (41,335)	\$ 6,406	

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	Consolidated Ply Gem Holdings			Combined Ply Gem Industries					Six Months Ended June 28, 2008 (unaudited)	June 30, 2007
	Fiscal Year Ended December 31,			Post-Nortek Recapitalization(1)		Pre-Nortek Recapitalization(1)				
	2007	2006	2005 (in thousands)	Jan. 23, 2004 To Dec. 31, 2004	Jan. 1, 2004 To Feb. 11, 2004	Jan. 10, 2003 To Dec. 31, 2003	Jan. 1, 2003 To Jan. 9, 2003			
Other financial data:										
Capital expenditures	\$ 20,017	\$ 20,318	\$ 14,742	\$ (6,773)	\$ (718)	\$ (7,687)	\$ (349)	\$ 7,039	\$ 7,200	
Depreciation and amortization	54,067	33,816	26,125	17,745	1,373	14,702	327	30,680	25,550	
Net cash provided by (used in):										
Operating activities	\$ 82,545	\$ 57,878	\$ 63,910	\$ 49,427	\$ 1,648	\$ 24,205	\$ 1,853	\$ (65,108)	\$ (13,420)	
Investing activities	(56,407)	(432,168)	(14,362)	(890,034)	395	(7,973)	(312)	1,637	(7,400)	
Financing activities	(15,068)	405,396	(34,334)	847,277	(7,451)	(11,443)	(4,706)	59,958	11,530	
Ratio of earnings to fixed charges (2), (4)	1.1x	1.1x	1.5x	1.7x	N/A	1.5x	N/A	-	1.0x	
Balance sheet data (at period end):										
Cash and cash equivalents	\$ 65,207	\$ 53,274	\$ 22,173	\$ 6,794		\$ 8,517		\$ 61,480	\$ 44,260	
Total assets	1,625,607	1,649,721	1,049,998	1,104,299		503,368		1,663,633	1,659,270	
Total debt	1,038,096	1,048,764	637,468	707,591		424,297		1,093,729	1,065,550	
Stockholders' equity (Parent company deficit)	239,544	227,716	215,514	195,407		(27,699)		226,847	235,440	

(1) On January 9, 2003, our former indirect parent, Nortek Holdings was acquired in a recapitalization transaction by certain affiliates and designees of Kelso & Company L.P. and certain members of management of our former



parent, Nortek. The Nortek recapitalization was accounted for as a purchase and resulted in a new valuation of the assets and liabilities of Nortek Holdings and its subsidiaries, including us.

- (2) For the purposes of calculating the ratio of earnings to fixed charges, earnings represent net income (loss) before provision for income taxes plus fixed charges. Fixed charges consist of interest expense, net plus amortization of deferred financing expense and our estimate of the interest within rental expense.
- (3) Cumulative effect change in the fiscal year ended December 31, 2006 relates to the adoption of FAS 123(R), "Share-Based Payment".
- (4) Due to the Company's loss in the first six months of 2008, the ratio coverage was less than 1:1. The Company would need to generate additional earnings of approximately \$67.7 million to achieve a coverage ratio of 1:1. The loss incurred for the six months ended June 28, 2008 included interest expense of approximately \$27.6 million for financing costs incurred in the second quarter 2008.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in "Risk Factors" and elsewhere in this prospectus. Actual results may differ materially from those contained in any forward-looking statements. The following discussion should be read in conjunction with "Selected Historical Financial Information" and our financial statements and related notes included elsewhere in this prospectus.

General

We are a leading manufacturer of residential exterior building products in North America. We offer a comprehensive product line of vinyl siding and skirting, vinyl windows and doors, and vinyl and composite fencing and railing that serves both the home repair and remodeling and the new home construction sectors in all 50 states and Western Canada. We also manufacture vinyl and aluminum soffit and siding accessories, aluminum trim coil, aluminum, wood and aluminum and vinyl clad windows and steel and fiberglass doors, enabling us to bundle complementary and color-matched products and accessories with our core vinyl products. We have two reportable segments: (i) siding, fencing and railing and (ii) windows and doors. For periods prior to January 1, 2008, the siding, fencing and railing segment also included decking products, which were phased out due to unprofitability.

We market our products using several leading brands across multiple price points, which enables us to diversify our sales across distribution channels with minimal channel conflict and reach the greatest number of end customers. We believe we are able to compete on favorable terms and conditions and maintain a strong customer base as a result of our extensive distribution coverage, high quality, innovative and comprehensive product line, proprietary vendor managed inventory program and production efficiency.

Ply Gem Holdings, a wholly-owned subsidiary of Ply Gem Investment Holdings, Inc., was incorporated on January 23, 2004 for the purpose of acquiring Ply Gem Industries from Nortek. The Ply Gem acquisition was completed on February 12, 2004 when Nortek sold Ply Gem Industries to Ply Gem Holdings pursuant to the terms of a stock purchase agreement among Ply Gem Investment Holdings, Inc. and Nortek, Inc. and WDS LLC. Prior to February 12, 2004, the date of the Ply Gem acquisition, Ply Gem Holdings had no operations and Ply Gem Industries was a wholly-owned subsidiary of WDS LLC, which was a wholly-owned subsidiary of Nortek.

On August 27, 2004, Ply Gem Industries acquired all of the outstanding shares of capital stock of MWM Holding, in accordance with a stock purchase agreement entered into among Ply Gem, MWM Holding and certain selling stockholders.

On February 24, 2006, in connection with the acquisition of AWC Holding Company ("AWC," and together with its subsidiaries, "Alenco"), a new holding company, Ply Gem Prime Holdings, Inc., was formed pursuant to a merger involving Ply Gem Investment Holdings. As a result, Ply Gem Prime Holdings became the sole shareholder of Ply Gem Investment Holdings, each outstanding share of capital stock of Ply Gem Investment Holdings was converted into a share of a corresponding class of shares of the capital stock of Ply Gem Prime Holdings and Ply Gem Prime Holdings assumed Ply Gem Investment Holdings' obligations under the Ply Gem Investment Holdings 2004 Stock Option Plan. In connection therewith, each outstanding stock option and phantom unit of Ply Gem Investment Holdings was converted on a 1:1 basis into a stock option and phantom unit of Ply Gem Prime Holdings.

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On February 24, 2006, Ply Gem Industries completed the Alenco acquisition in accordance with a securities purchase agreement entered into among Ply Gem Industries, all of the direct and indirect stockholders, warrant holders and stock option holders of AWC and FNL Management Corp., as their representative on February 6, 2006. Pursuant to the securities purchase agreement, Ply Gem Industries purchased all of the issued and outstanding shares of common stock, warrants to purchase shares of common stock and options to purchase shares of common stock of AWC (other than certain shares of common stock held by certain members of the senior management of Alenco that were contributed separately to Ply Gem Prime Holdings, the new parent company of Ply Gem Investment Holdings, in exchange for shares of capital stock of Ply Gem Prime Holdings). Immediately following the completion of the Alenco acquisition, AWC became a wholly-owned subsidiary of Ply Gem Industries. The purchase price paid by Ply Gem was approximately \$89.4 million on cash, which included \$4.0 million in cash delivered by Ply Gem to an escrow agent to be held in escrow as security for the sellers' indemnification and other obligations under the securities purchase agreement, plus the repayment of approximately \$31.3 million of outstanding indebtedness of Alenco. In connection with the Alenco acquisition, certain members of Alenco management invested approximately \$8.1 million in the capital stock of Ply Gem Prime Holdings. The accompanying financial statements include the operating results of Alenco for the period February 24, 2006 through December 31, 2007.

On October 31, 2006, Ply Gem Industries acquired all of the outstanding shares of capital stock of Alcoa Home Exteriors, Inc. ("AHE"), in accordance with a stock purchase agreement entered into among Ply Gem Industries, Alcoa Securities Corporation and Alcoa Inc. The purchase price paid by Ply Gem was approximately \$305.0 million in cash. The accompanying financial statements include the operating results of AHE for the period October 31, 2006 through December 31, 2007.

On September 30, 2007, Ply Gem Industries acquired the vinyl window and patio door business of Certain Teed Corporation, through a stock acquisition. On the acquisition date, the Company changed the name of the acquired business to Ply Gem Pacific Windows Corporation ("Pacific Windows"). The purchase price paid by Ply Gem was approximately \$35.0 million in cash and was funded from a combination of cash on hand and borrowings against Ply Gem's prior \$75.0 million credit facility. The accompanying financial statements include the operating results of Pacific Windows for the period September 30, 2007 through December 31, 2007.

Ply Gem Holdings is a holding company with no operations or assets of our own other than the capital stock of our subsidiaries. The terms of the indenture governing the notes offered hereby and our senior subordinated notes place restrictions on the ability of Ply Gem Industries and its subsidiaries to pay dividends and otherwise transfer assets to Ply Gem Holdings.

### Financial Statement Presentation

**Net sales.** Net sales represent the fixed selling price of our products plus certain shipping charges less applicable provisions for discounts and allowances. Allowances include cash discounts, volume rebates and gross returns among others.

**Cost of products sold.** Cost of products sold includes direct material and manufacturing costs, manufacturing depreciation, third-party and in-house delivery costs and product warranty expense.

**Selling, general and administrative expense.** Selling, general and administrative expense, or SG&A expense, includes all non-product related operating expenses, including selling, marketing, research and development costs, information technology and other general and administrative expenses.

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Operating earnings. Operating earnings represents net sales less cost of products sold, SG&A expense and amortization of intangible assets.

Comparability. All periods after the Alenco acquisition in February 2006 include the results of operations of Alenco. All periods after the AHE acquisition in October 2006 include the results of operations of AHE. All periods after the Pacific Windows acquisition in September 2007 include the results of operations of Pacific Windows.

### Impact of Commodity Pricing

Our principal raw materials, PVC resin and aluminum, have historically been subject to rapid price changes. We have in the past been able to pass on a substantial portion of significant cost increases through price increases to our customers. Our results of operations for individual quarters can and have been impacted by a delay between the time of PVC resin and aluminum cost increases and decreases and related price changes that we implement in our products.

### Impact of Weather

Since our building products are intended for exterior use, our sales and operating earnings tend to be lower during periods of inclement weather. Weather conditions in the first quarter of each calendar year historically result in that quarter producing significantly less sales revenue than in any other period of the year. As a result, we have historically had lower profits or losses in the first quarter, and reduced profits in the fourth quarter of each calendar year due to the weather. Our results of operations for individual quarters in the future may be impacted by adverse weather conditions.

### Critical Accounting Policies

The following discussion and analysis of our financial position and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. Certain of our accounting policies require the application of judgments in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. We periodically evaluate the judgments and estimates used for our critical accounting policies to ensure that such judgments and estimates are reasonable for our interim and year-end reporting requirements. These judgments and estimates are based on our historical experience, current trends and information available from other sources, as appropriate. If different conditions result than those assumptions used in our judgments, the results could be materially different from our estimates. Management believes that the two areas where different assumptions could result in materially different reported results are accounts receivable related to estimation of allowances for doubtful accounts and inventories in estimating reserves for obsolete and excess inventory. Although we believe the likelihood of a material difference in either of these two areas is very low based upon our historical experience, a 10% change in our allowance for doubtful accounts and our inventory reserve estimates at June 28, 2008 would result in a \$0.7 million impact upon SG&A expense and a \$0.9 million impact upon cost of products sold. Additionally, we have included in the discussion that follows our estimation methodology for both accounts receivable and inventories. While all significant policies are important to our combined and consolidated financial statements, some of these policies may be viewed as being critical. Our critical accounting policies include:

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Revenue recognition. We recognize sales based upon shipment of products to our customers net of applicable provisions for discounts and allowances. Generally, the customer takes title upon shipment and assumes the risks and rewards of ownership of the product. For certain products, our customers take title upon delivery, at which time revenue is then recognized. Revenue includes selling price of the product and all shipping costs paid by the customer. Revenue is reduced at the time of sale for estimated sales returns and all applicable allowances and discounts based on historical experience. We also provide for estimates of warranty, bad debts, shipping costs and certain sales-related customer programs at the time of sale. Shipping and warranty costs are included in cost of products sold. Bad debt expense and marketing programs are included in SG&A expense. We believe that our procedures for estimating such amounts are reasonable and historically have not resulted in material adjustments in subsequent periods when the estimates are reconciled to the actual amounts.

Accounts receivable. We maintain an allowance for doubtful accounts for estimated losses from the inability of our customers to make required payments, which is provided for in bad debt expense. We determine the adequacy of this allowance by regularly reviewing our accounts receivable aging and evaluating individual customers' receivables, considering customers' financial condition, credit history and other current economic conditions. If a customer's financial condition were to deteriorate which might impact its ability to make payment, then additional allowances may be required.

Inventories. Inventories in the accompanying consolidated balance sheets are valued at the lower of cost or market. At June 28, 2008, and December 31, 2007, approximately \$11.5 million and \$10.9 million of total inventories, respectively, were valued on the last-in, first-out method, or "LIFO." Under the first-in, first-out method, or "FIFO," of accounting, such inventories would have been approximately \$3.7 million and \$3.7 million higher at June 28, 2008 and December 31, 2007, respectively. All other inventories were valued under the FIFO method. In connection with both LIFO and FIFO inventories, we record provisions, as appropriate, to write-down obsolete and excess inventory to estimated net realizable value. The process for evaluating obsolete and excess inventory often requires subjective judgments and estimates concerning future sales levels, quantities and prices at which such inventory will be sold in the normal course of business. Accelerating the disposal process or incorrect estimates of future sales potential may cause actual results to differ from the estimates at the time such inventory is disposed or sold.

Asset impairment. In accordance with SFAS No. 144, we evaluate the reliability of certain long-lived assets, which primarily consist of property and equipment and purchased intangible assets subject to amortization, based on expectations of non-discounted future cash flows for each subsidiary having a material amount of long-lived assets. If circumstances indicate a potential impairment, and if the sum of the expected non-discounted future cash flow is less than the carrying amount of all assets including SFAS No. 144 long-lived assets, we would recognize an impairment loss. A significant reduction in projected sales and earnings, which would lead to a reduction in future cash flows could indicate a potential impairment.

Goodwill and indefinite lived intangibles impairment. In accordance with SFAS No. 142, we perform annual tests for goodwill and indefinite lived intangibles impairment. We assess goodwill and indefinite lived intangibles which are not subject to amortization for impairment during the fourth quarter of each year and also at any other date when events or changes in circumstances indicate that the carrying value of these assets may exceed their fair value. To evaluate goodwill for impairment, the company estimates the fair value of reporting units considering such factors as discounted cash flows and EBITDA valuation multiples for comparable publicly traded companies. Based upon our most recent analysis, we believe that no impairment of goodwill existed at June 28, 2008. We did recognize an impairment of our indefinite lived intangibles, and recorded an impairment loss of approximately \$4.1 million during the fourth quarter of 2007. A significant reduction in projected sales and earnings, which would lead to a reduction in future cash flows could indicate a potential impairment.



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Share-based compensation. Effective January 1, 2006, the Company adopted SFAS No. 123R, "Share-Based Payments," which requires companies to measure and recognize compensation expense for all stock-based payments at fair value. Under FAS 123R, share-based compensation cost for the Company's stock option plan is measured at the grant date, based on the estimated fair value of the award, and is recognized over the requisite service period. We adopted the provisions of FAS 123R, effective January 1, 2006, using a modified prospective application. The fair value of each option award is estimated on the date of the grant using a Black-Scholes option valuation model. Expected volatility is based on a review of several market indicators, including peer companies. The risk-free interest rate is based on U.S. Treasury issues with a term equal to the expected life of the option.

Insurance liabilities. We record insurance liabilities and related expenses for health, workers' compensation, product and general liability losses and other insurance expenses in accordance with either the contractual terms of their policies or, if self-insured, the total liabilities that are estimable and probable as of the reporting date. Insurance liabilities are recorded as current liabilities to the extent they are expected to be paid in the succeeding year with the remaining requirements classified as long-term liabilities. The accounting for self-insured plans requires that significant judgments and estimates be made both with respect to the future liabilities to be paid for known claims and incurred but not reported claims as of the reporting date. The Company relies on historical trends when determining the appropriate health insurance reserves to record in our consolidated balance sheets. In certain cases where partial insurance coverage exists, the Company must estimate the portion of the liability that will be covered by existing insurance policies.

Income taxes. We account for deferred income taxes using the asset and liability method in accordance with SFAS No. 109 "Accounting for Income Taxes," or "SFAS No. 109," which requires that the deferred tax consequences of temporary differences between the amounts recorded in our financial statements and the amount included in our federal and state income tax returns be recognized in the balance sheet. The amount recorded in our consolidated financial statements reflects estimates of final amounts due to timing of completion and filing of actual income tax returns. Estimates are required with respect to, among other things, the appropriate state income tax rates to use in the various states in which we and our subsidiaries are required to file, the potential utilization of operating and capital loss carry-forwards for both federal and state income tax purposes and valuation allowances required, if any, for tax assets that may not be realized in the future. We establish reserves when, despite our belief that our tax return positions are fully supportable, certain positions could be challenged, and the positions may not be fully sustained. During 2005, the Company established reserves relating to net operating losses acquired in the MW acquisition and transaction costs associated with the Ply Gem acquisition and MW acquisition. If the benefits for which a reserve has been provided are subsequently recognized, they will reduce goodwill resulting from the application of the purchase method of accounting for these transactions. We have executed a tax sharing agreement with Ply Gem Holdings and Ply Gem Investment Holdings, Inc. pursuant to which tax liabilities for each respective party are computed on a stand-alone basis. Our U.S. subsidiaries file unitary, combined and separate state income tax returns. CWD files separate Canadian income tax returns.

Purchase accounting. Business acquisitions are accounted for using the purchase method of accounting. The cost of the acquired company is allocated to identifiable tangible and intangible assets based on estimated fair value generally determined by third party valuation specialists, with the excess allocated to goodwill.

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## Results of Operations

The following table summarizes net sales and net income by segment and is derived from the accompanying consolidated and combined statements of operations included in this report.

	Year Ended December 31,			Six Months Ended	
	2007	2006	2005	June 28, 2008	June 30, 2007
	(in thousands)				
Net sales					
Siding, fencing, railing and decking	\$ 828,124	\$ 502,610	\$ 390,925	\$ 356,310	\$ 416,486
Windows and doors	535,422	551,858	447,943	241,343	259,483
Operating earnings (loss)					
Siding, fencing, railing and decking	74,560	44,060	44,892	17,770	36,708
Windows and doors	36,134	50,524	47,699	(6,321)	23,792
Unallocated	(7,045)	(9,877)	(3,798)	(4,860)	(3,741)
Foreign currency gain (loss)					
Windows and doors	3,961	77	1,010	(495)	2,208
Interest expense, net					
Siding, fencing, railing and decking	(110)	(168)	296	29	75
Windows and doors	1,673	1,652	1,804	(593)	(753)
Unallocated	95,229	69,529	54,827	(73,265)	(49,589)
Other expense					
Unallocated	1,202	4,462	-	-	-
Income tax expense (benefit)					
Unallocated	4,002	3,502	12,651	(26,400)	2,294
Income (loss) before cumulative effect of accounting change	5,614	5,807	20,225	(41,335)	6,406
Net income (loss)	5,614	5,721	20,225	(41,335)	6,406

The following tables set forth our results of operations based on the amounts and the percentage relationship of the items listed to net sales for the periods indicated.

This review of performance is organized by business segment, reflecting the way we manage our business. Each business group leader is responsible for operating results down to operating earnings. We use operating earnings as a performance measure as it captures the income and expenses within the management control of our business leaders. Corporate management is responsible for making all financing decisions. Therefore, each segment discussion focuses on the factors affecting operating earnings, while interest expense and income taxes and certain other unallocated expenses are separately discussed at the corporate level.



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## Siding, Fencing, Railing and Decking Segment

	Fiscal Year Ended December 31,						Six Months Ended			
	2007		2006		2005		June 28, 2008 (unaudited)		June 30, 2007	
Statement of operations data:	(in thousands)									
Net sales	\$ 828,124	100.0 %	\$ 502,610	100.0 %	\$ 390,925	100.0 %	\$ 356,310	100.0 %	\$ 416,486	100.0 %
Cost of products sold	658,423	79.5 %	408,158	81.2 %	309,060	79.1 %	294,810	82.7 %	331,984	79.7 %
Gross profit	169,701	20.5 %	94,452	18.8 %	81,865	20.9 %	61,500	17.3 %	84,502	20.3 %
SG&A expense	86,068	10.4 %	46,571	9.3 %	33,752	8.6 %	39,456	11.1 %	43,056	10.3 %
Amortization of intangible assets	9,073	1.1 %	3,821	0.8 %	3,221	0.8 %	4,274	1.2 %	4,738	1.1 %
Operating earnings	\$ 74,560	9.0 %	\$ 44,060	8.8 %	\$ 44,892	11.5 %	\$ 17,770	5.0 %	\$ 36,708	8.8 %

## Net sales

Net sales for the six months ended June 28, 2008 decreased compared to the same period in 2007 by approximately \$60.2 million, or 14%. The decrease in net sales was driven by industry wide market declines resulting from lower single family housing starts which negatively impacted the new construction sector of the market and overall softness in repair and remodeling expenditures which negatively impacted demand for our products. According to the NAHB, second quarter 2008 single family housing starts are estimated to show a decline of approximately 28.1% from actual levels achieved in the second quarter of 2007. The new construction sector of the market is expected to continue to be negatively impacted during the balance of 2008 according to the NAHB's July 8, 2008 forecast. Additionally, according to the NAHB's July 2008 forecast, single family housing starts are expected to decline in 2008 by 35.4% as compared to their full year estimate for 2007. The decrease in net sales that resulted from industry wide market demand declines was partially offset by price increases that we implemented in response to increasing raw materials and freight costs as discussed below in cost of products sold.

Net sales for the year ended December 31, 2007 increased from the year ended December 31, 2006 by approximately \$325.5 million or 64.8%. The increase was primarily due to the addition of AHE which was acquired on October 31, 2006 and contributed approximately \$478.9 million and \$73.3 million of sales to the years ended December 31, 2007 and December 31, 2006, respectively, resulting in a net increase of approximately \$405.6 million. The increase in net sales due to AHE was partially offset by a decrease in sales due to industry wide market declines resulting from lower single family housing starts which negatively impacted the new construction sector of the market and corresponding decline in repair and remodeling expenditures which negatively impacted demand for our products. According to the NAHB, 2007 single family housing starts declined by approximately 29.6% from actual levels achieved in 2006. Additionally, according to the NAHB's forecast single family housing starts are expected to decline in 2008 by 30.8% as compared to actual levels achieved in 2007.

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Net sales for the year ended December 31, 2006 increased from the year ended December 31, 2005 by approximately \$111.7 million or 28.6%. The increase was primarily due to the addition of AHE, which was acquired on October 31, 2006 and contributed approximately \$73.3 million of sales to the year ended December 31, 2006. The increase in net sales was also driven by increased unit volume sold, as well as higher selling prices that were increased in response to industry wide increases in raw material and freight costs. The increase in units sold was driven by growth with new vinyl siding customers that were obtained during 2005, and was partially offset by industry wide market declines resulting from lower single family housing starts which negatively impacted the new construction sector of the market. According to the NAHB, single family housing starts declined by 14.2% in 2006. As a result of the Company's ability to grow unit volume sales in 2006, our vinyl siding sales outperformed the industry during 2006 and our market share of the vinyl siding industry increased during 2006 as compared to 2005.

Cost of products sold

Cost of products sold for the six months ended June 28, 2008 decreased compared to the same period in 2007 by approximately \$37.2 million, or 11%. The decrease in cost of products sold was due to lower sales as discussed above, but was partially offset by higher raw material costs, primarily PVC resin and aluminum, as well as higher freight costs driven by higher oil costs. Gross profit as a percentage of net sales for the six months ended June 28, 2008 decreased from the same period in 2007 from 20.3% to 17.3%. The decrease in gross profit as a percentage of sales was driven by lower unit sales volume and increased raw material and freight costs. We have implemented selling price increases in response to higher raw material costs and freight costs, however, our gross profit as a percentage of sales was negatively impacted by the delay between the time of raw material and freight cost increases and the price increases that we implemented. Additionally, in light of current market conditions for building products, the Company has adjusted the size of its workforce and reduced its fixed overhead structure, including reductions in certain fixed expenses related to the vinyl siding plants in Atlanta, GA and Denison, TX, which ceased production in April of 2007 and February of 2008, respectively. The Company expects to save approximately \$5.0 million and \$10.0 million from the closure of the Atlanta, GA and the Denison, TX facilities, respectively.

Cost of products sold for the year ended December 31, 2007 increased from the year ended December 31, 2006 by approximately \$250.3 million or 61.3%. The increase in cost of products sold was primarily driven by the cost of products sold contributed by AHE which was acquired on October 31, 2006. The increase due to the acquisition of AHE was partially offset by cost savings that the Company is realizing from its acquisition of AHE which included reduced purchased cost on certain raw materials, reduced fixed overhead and other manufacturing efficiency improvements.

Cost of products sold for the year ended December 31, 2006 increased from the year ended December 31, 2005 by approximately \$99.1 million or 32.1%. The increase in cost of products sold was primarily driven by the cost of products sold contributed by AHE which was acquired on October 31, 2006. Excluding the increase attributable to AHE, cost of products sold increased due to increased sales volume and market wide increases in raw material costs, specifically PVC resin and aluminum, and higher freight expense related to carrier fuel costs. The market wide increase in raw material and freight costs were fully offset by selling price increases and material strategic sourcing and other cost savings initiatives that management implemented during 2006. In addition, cost of products sold for the 2006 period was impacted by purchase accounting, primarily from the non-cash write off of purchase price allocated to inventory from the AHE acquisition, which increased cost of products sold by approximately \$3.0 million for the year ended December 31, 2006.

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## Selling, general and administrative expense

SG&A expense for the six months ended June 28, 2008 decreased by approximately \$3.6 million, or 8%, from the same period in 2007. The decrease in SG&A expenses was primarily due to lower marketing costs and other fixed expenses that have been reduced in light of current market conditions for building products.

SG&A expense for the year ended December 31, 2007 increased from the year ended December 31, 2006 by approximately \$39.5 million, or 84.8%. The increase was due to the addition of AHE, which contributed approximately \$39.2 million more to SG&A expense in 2007 as compared to 2006. During 2007 the Company reduced certain SG&A expenses in light of current market conditions and realized cost savings associated with its acquisition of AHE through the elimination of certain duplicative functions, however, these savings were largely offset in 2007 by expenses incurred to integrate the AHE acquisition into the Company's Siding, Fencing, Railing and Decking Segment. The Company believes that certain 2007 AHE integration expenses, such as computer systems consultants, are non-recurring in nature. In addition, SG&A expense for the year ended December 31, 2007 included non-recurring costs associated with the closure its Denison, TX vinyl siding facility which ceased production in February of 2008.

SG&A expense for the year ended December 31, 2006 increased from the year ended December 31, 2005 by approximately \$12.8 million, or 38.0%. The increase was due primarily to the addition of AHE, which contributed approximately \$9.7 to SG&A expense, in addition to increases due to higher selling and marketing expenses related to the increase in net sales, and higher management incentive compensation expense in 2006 as compared to 2005.

## Amortization of intangible assets

Amortization expense for the six months ended June 28, 2008 decreased by approximately \$0.5 million. Amortization expense for the year ended December 31, 2007 increased by approximately \$5.3 million, primarily due to the addition of AHE operations.

## Windows and Doors Segment

	Fiscal Year Ended December 31,						Six Months Ended			
	2007		2006		2005		June 28, 2008		June 30, 2007	
	(unaudited)									
Statement of operations data:	(in thousands)									
Net sales	\$ 535,422	100.0%	\$ 551,858	100.0%	\$ 447,943	100.0%	\$ 241,343	100.0%	\$ 259,483	100.0%
Cost of products sold	417,084	77.9%	423,260	76.7%	338,516	75.6%	200,549	83.1%	198,996	76.7%
Gross profit	118,338	22.1%	128,598	23.3%	109,427	24.4%	40,794	16.9%	60,487	23.3%
SG&A expense	69,496	13.0%	69,171	12.5%	55,188	12.3%	41,563	17.2%	32,497	12.5%
Intangible impairment	4,150	0.8%	782	0.0%	-	0.0%	-	-	-	-
Amortization of intangible assets	8,558	1.6%	8,121	1.5%	6,540	1.5%	5,552	2.3%	4,198	1.6%
	36,134	6.7%	50,524	9.2%	47,699	10.6%	(6,321)	-2.6%	23,792	9.2%

Operating  
earnings  
(loss)

Currency  
transaction  
gain (loss)

\$	3,961	0.7%	\$	77	0.0%	\$	1,010	0.2%	\$	(495)	-0.2%	\$	2,208	0.9%
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Net sales

Net sales for the six months ended June 28, 2008 decreased compared to the same period in 2007 by approximately \$18.1 million, or 7%. The decrease was due to lower sales of our new construction window products which were negatively impacted by market wide decreased demand that resulted from reductions in single family housing starts as discussed above, as well as lower demand for our repair and remodeling windows which declined due to a slowdown in the remodeling and replacement activity across the U.S. The decrease in sales was partially offset by the sales from Pacific Windows which was acquired in September 2007 and increased sales in our Canadian window business.

Net sales for the year ended December 31, 2007 decreased from the year ended December 31, 2006 by approximately \$16.4 million, or 3.0%. The decrease in net sales was due to lower sales of our new construction window products which were negatively impacted by market wide decreased demand that resulted from reductions in single family housing starts as discussed above, a decline in demand for our repair and remodeling windows due to a slowdown in the remodeling and replacement activity across the United States and the discontinuation of an unprofitable mechanical window product line that was produced at our Sarver, PA facility which was closed in June 2006. The decline in sales of our U.S. windows and doors was partially offset by a 27% increase in sales of our Canadian window and door business as well as additional sales contributed by Alenco during the first quarter of 2007 as compared to the same period in 2006 and Pacific Windows in 2007.

Net sales for the year ended December 31, 2006 increased from the year ended December 31, 2005 by approximately \$103.9 million, or 23.2%. The increase in net sales was driven by sales of Alenco, which was acquired on February 24, 2006 and contributed approximately \$121.2 million in sales to the year ended December 31, 2006. In addition, net sales were favorably impacted by higher selling prices which were increased to offset market wide increases in raw material and freight costs. The favorable impact on net sales from higher selling prices was more than offset by lower unit sales volume for our domestic new construction window products which were negatively impacted by market wide declines in single family housing starts during 2006. In addition, demand for our repair and replacement window products declined as a result of our inability to convert new customers during 2005, which was due to operational difficulties that we incurred in introducing our new repair and remodeling window product lines. Sales were also reduced by our transition of customers from an unprofitable mechanical window product that was produced at our Sarver, PA facility, which was closed in June 2006, to other more efficient products that we produce at our other window manufacturing facilities.

Cost of products sold

Cost of products sold for the six months ended June 28, 2008 increased by approximately \$1.6 million, or 0.8%, over the same period in 2007. The increase in costs of products sold was attributable to Pacific Windows, which was acquired in the fourth quarter of 2007, but was largely offset by a decrease in cost of products sold driven by the lower sales levels. Gross profit as a percentage of net sales for the six months ended June 28, 2008 decreased from the same period in 2007 from 23.3% to 16.9%. The decrease in gross profit percentage was driven by lower unit sales volume, increased raw material and freight costs, as well as Pacific Windows which currently carries a lower gross profit margin than the Company's other window and door products.

Cost of products sold for the year ended December 31, 2007 decreased from the prior year by approximately \$6.2 million, or 1.5%. The decrease in cost of products sold was primarily driven by the lower level of sales in our new construction window products and the discontinued mechanical window product line discussed above. The decrease in cost of products sold was partially offset by higher cost of products sold in our Canadian window and door business and due to higher volume and corresponding increases in cost of products sold for Alenco and Pacific Windows. Cost of products sold associated with Alenco for 2007 included 12 months as compared to only 10 months in 2006.



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Cost of products sold for the year ended December 31, 2006 increased from the prior year by approximately \$84.7 million, or 25.0%. The increase was primarily related to the cost of products sold contributed by Alenco, which was acquired on February 24, 2006. The increase in cost of products sold from Alenco was partially offset by lower costs due to lower unit sales volume in both our domestic new construction and repair and remodeling window and door products as discussed above. In addition, our cost of products sold was impacted in 2006 by market wide increases in raw material and freight costs which were partially offset by selling price increases and material cost synergies and savings in our new construction window and door products. In our repair and remodeling window and door products, raw material costs exceeded prior year costs primarily due to increases in PVC lineal costs during our transition from external sourcing to producing lineals within our MW lineal production facility. This transition was completed during 2006. In addition, cost of products sold for the 2006 period was impacted by purchase accounting, primarily from the non-cash write off of purchase price allocated to inventory from the Alenco acquisition, which increased cost of products sold by approximately \$0.3 million for the year ended December 31, 2006.

### Selling, general and administrative expense

SG&A expense for the six months ended June 28, 2008 increased by approximately \$9.1 million, or 28%, over the same period in 2007, primarily due to the addition of Pacific Windows and reorganization expense incurred to integrate our U.S. window companies into one operating group. The reorganization expense is primarily comprised of fees paid to third party consultants assisting with the reorganization and integration of our U.S. window group, as well as severance costs related to positions that have been eliminated. The Company believes that the reorganization of our U.S. window group will allow us to better serve our customers and markets, while reducing our operating costs.

SG&A expense for the year ended December 31, 2007 increased from the prior year by approximately \$0.3 million, or 0.5%. The change in SG&A expense was driven by reduced 2007 selling, marketing and professional fees of approximately \$2.2 million and a reduction to the 2007 net expense due to approximately \$1.2 million of cash received from an account receivable that had been fully reserved in periods prior to 2006. In addition, SG&A expenses for the first nine months of 2006 included approximately \$0.8 million of restructuring costs due to the closure of the Sarver, PA facility, and approximately \$0.6 million due to the loss on the sale of the Sarver building. The decreases were partially offset by higher SG&A expenses of approximately \$5.1 million due to the addition of Alenco in 2006 and Pacific Windows in 2007.

SG&A expense for the year ended December 31, 2006 increased from the prior year by approximately \$14.0 million, or 25.3%. The increase in SG&A expense was driven by the addition of Alenco which contributed approximately \$13.2 million, as well as costs incurred in our repair and remodeling business related to changes in management and consulting costs incurred to improve business performance. SG&A costs for the 2006 period also include approximately \$0.8 million of restructuring costs due to the closure of the Sarver, PA facility, and approximately \$0.6 million due to the loss on the sale of the Sarver building.

### Intangible impairment

We evaluated the intangible assets (tradenames) with indefinite lives for impairment as of November 30, 2007, and determined that there was an impairment. The impairment charge was primarily a result of a change in the assumption of long-term revenue growth related to the tradenames. As a result, we wrote down those assets by approximately \$4.2 million.

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In 2006, due to the Sarver facility closure, an intangible asset impairment of approximately \$0.8 million was recognized.

## Amortization of intangible assets

Amortization expense for the six months ended June 28, 2008 increased by \$1.4 million primarily due to the acquisition of Pacific Windows. Amortization expense for the year ended December 31, 2007 increased by approximately \$0.4 million, due to the addition Alenco in 2006 and Pacific Windows in 2007.

## Currency transaction gain

Currency transaction gains for the year ended December 31, 2007 increased by approximately \$3.9 million from the prior year. The transaction gain resulted from debt, denominated in U.S. dollars, recorded by our Canadian subsidiary, which fluctuated due to the changing exchange rate.

## Unallocated Operating Earnings, Interest, and Provision for Income Taxes

	Fiscal Year Ended December 31,			Six Months Ended	
	2007	2006	2005	June 28, 2008	June 30, 2007
	(in thousands)				
Statement of operations data:					
Operating loss	\$ (7,045)	\$ (9,877)	\$ (3,798)	\$ (4,860)	\$ (3,741)
Interest expense	(96,356)	(70,316)	(55,199)	(73,512)	(50,037)
Investment income	1,127	787	372	247	448
Other expense	(1,202)	(4,462)	-	-	-
Provision (benefit) for income taxes	4,002	3,502	12,651	(26,400)	2,294

## Operating loss

Unallocated losses include items which are not directly attributed to or allocated to either of our reporting segments. Such items include legal costs, corporate payroll, and unallocated finance and accounting expenses.

Unallocated operating loss for the six months ended June 28, 2008 increased by approximately \$1.1 million over the same period in 2007. The increase was driven by higher salary and travel and entertainment expenses primarily due to the addition of a corporate marketing department combined with costs incurred in the second quarter of 2008 to initiate the transition of back office functions to a centralized corporate office.

The decrease of approximately \$2.8 million in expenses for the year ended December 31, 2007 as compared to the prior year includes a decrease of approximately \$2.5 million in deferred compensation expense and a decrease of approximately \$1.4 million due to changes in the required insurance reserves, partially offset by an increase of approximately \$1.1 million in salaries, benefits and professional fees.



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The increase in expenses for the year ended December 31, 2006 from the prior year includes approximately \$1.7 million in salaries, benefits and professional fees, approximately \$3.0 million of deferred compensation expense, and approximately \$0.9 million to increase the insurance reserve.

### Interest expense

Interest expense for the six months ended June 28, 2008 increased by approximately \$23.5 million over the same period in 2007, primarily due to approximately \$27.6 million of interest costs incurred in the second quarter of 2008 related to the issuance of new debt (approximately \$14.0 million deferred financing costs associated with previous debt, approximately \$6.8 million for a prepayment premium, and approximately \$6.8 million of bank amendment fees that was subsequently retired). Financing costs of approximately \$1.1 million were included in interest expense recorded in the same period in 2007. Interest expense also increased by approximately \$4.6 million due to interest on the initial notes issued June 9, 2008. This increase was offset by a decrease of approximately \$7.6 million due to a lower variable interest rate on the Company's previous term loan and the retirement of the term loan debt effective June 9, 2008.

Interest expense for the year ended December 31, 2007 increased by approximately \$26.0 million or 37.0% as a result of increased borrowings used to finance the Alenco acquisition in February 2006 and the AHE acquisition in October 2006.

Interest expense for the year ended December 31, 2006 increased by approximately \$15.1 million or 27.4%, primarily as a result of increased borrowings used to finance the Alenco acquisition in February 2006 and the AHE acquisition in October 2006.

### Other expense

Expenses recognized as "other expense" during 2007 were third-party charges associated with the Company's bank refinancing costs. Expenses recognized as "other expense" during 2006 were third-party charges associated with business combination financing costs.

### Income taxes

The income tax provision (benefit) for the six months ended June 28, 2008 changed by approximately \$28.7 million from a tax provision in 2007 to a tax benefit in 2008, primarily as a result of the larger pre-tax loss for the 2008 period versus the 2007 period. The benefit for the first quarter of 2008 included approximately \$0.7 million of adjustments to correct for recent legislative changes in Canada that impact the future settlement of deferred taxes. Excluding these adjustments, our effective tax rate for the quarter was 38.98%, which is consistent with our expectations for the full fiscal year.

Income tax expense for the year ended December 31, 2007 increased from the prior year by approximately \$0.5 million, primarily as a result of higher state tax rates as a result of the inability to utilize losses as well as the Company was not able to realize the benefit from domestic production activity. In addition, the Company's 2007 tax expense included an approximate \$0.6 million tax benefit to correct for rates used in prior periods for the proper graduated rate structures. These errors were not considered to be material to current or prior periods.

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Income tax expense for the year ended December 31, 2006 decreased from the prior year by approximately \$9.1 million, primarily as a result of lower pretax earnings in 2006 as compared to 2005, in addition to a reduction in the effective tax rate to approximately 37.6% for the year ended December 31, 2006, as compared to approximately 38.5% for the year ended December 31, 2005.

Liquidity and Capital Resources

Our primary cash needs are for working capital, capital expenditures and debt service. We have historically financed these cash requirements through internally generated cash flow and funds borrowed under our credit facilities.

Cash provided by (used in) operating activities

Net cash used in operating activities for the first six months of 2008 and 2007 was approximately \$65.1 million and \$13.4 million, respectively. The increase in net cash used in operating activities for the 2008 period compared to the 2007 period was primarily driven by a higher net loss.

Net cash provided by operating activities for the year ended December 31, 2007 was approximately \$82.5 million. Net cash provided by operating activities for the years ended December 31, 2006 and 2005 was approximately \$57.9 million and \$63.9 million, respectively. The increase in net cash provided by operating activities for 2007 as compared to 2006 was primarily driven by higher net income before adjustments for depreciation and amortization which were higher in 2007 as compared to 2006. The decrease in net cash provided by operating activities for the 2006 period compared to the 2005 period was primarily driven by decreased earnings.

Cash provided by (used in) investing activities

Net cash provided by (used in) investing activities for the first six months of 2008 and 2007 was approximately \$1.6 million and (\$7.4) million, respectively. Net cash provided by investing activities for the 2008 period consisted of approximately \$5.8 million from the sale of assets, partially offset by capital expenditures of approximately \$4.7 million. Net cash used for capital expenditures was approximately \$3.7 million for the 2007 period.

Net cash used in investing activities for the year ended December 31, 2007 was approximately \$56.4 million. Net cash used in investing activities for the year ended December 31, 2006 and 2005 was approximately \$432.2 million and \$14.4 million, respectively. The cash used in investing activities for the year ended December 31, 2007 was primarily used to fund the acquisition of Pacific Windows. The cash used in investing activities for the year ended December 31, 2006 was primarily used to fund the Alenco and AHE acquisitions. The cash used in investing activities for the year ended December 31, 2005 was primarily used for capital expenditures.

Cash provided by (used in) financing activities

Net cash provided by financing activities for the first six months of 2008 and 2007 was approximately \$59.9 million and \$11.5 million, respectively.

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Net cash used in financing activities for the year ended December 31, 2007 was approximately \$15.1 million. Net cash provided by financing activities for the year ended December 31, 2006 was approximately \$405.4 million. Net cash used in financing activities for the year ended December 31, 2005 was approximately \$34.3 million. The cash used in financing activities for the year ended December 31, 2007 was primarily used to pay down debt. The increase in net cash provided by financing activities for the year ended December 31, 2006 was driven by the cash provided from the financing agreement associated with the Alenco and AHE acquisitions. The cash used in financing activities for the year ended December 31, 2005 was primarily used to pay down debt.

Long-term debt

We used the net proceeds of the issuance of the initial notes to repay all of the outstanding indebtedness under our existing credit facilities. Concurrent with the closing of the issuance of the initial notes, we entered into a new senior secured asset-based revolving credit facility, which we refer to as the ABL Facility.

Senior secured notes. The initial notes and the exchange notes offered hereby will mature on June 15, 2013 and bear interest at the rate of 11.75% per annum. The notes are secured as described in “Description of the Notes.” The indenture contains customary restrictive covenants. See “Description of the Notes—Certain Covenants.”

Senior subordinated notes. Concurrently with the acquisition of Ply Gem Industries on February 12, 2004, Ply Gem Industries issued \$225.0 million aggregate principal amount of our senior subordinated notes, which are guaranteed by Ply Gem Holdings and the domestic subsidiaries of Ply Gem Industries. Subsequently, in August 2004, in connection with the acquisition of MW, Ply Gem Industries issued an additional \$135.0 million of senior subordinated notes, which are guaranteed by Ply Gem Holdings and the domestic subsidiaries of Ply Gem Industries, including MWM Holding and its subsidiaries.

ABL Facility. Concurrently with the closing of the issuance of the initial notes on June 9, 2008, we entered into the ABL Facility, which initially provided for revolving credit financing of up to \$135.0 million, and was subsequently increased to \$150.0 million as of August 14, 2008, subject to borrowing base availability, with a maturity of five years, including sub-facilities for letters of credit, swingline loans and borrowings in Canadian dollars and United States dollars by CWD. However, the ABL Facility will mature on October 15, 2011 if Ply Gem Industries’ senior subordinated notes are not refinanced by such date. In addition, the ABL Facility provides that the revolving commitments may be further increased to \$200.0 million, subject to certain terms and conditions.

All obligations under the ABL Facility are fully and unconditionally guaranteed by substantially all of Ply Gem Industries’ existing and future, direct and indirect, wholly-owned domestic subsidiaries, and in any event by all subsidiaries that guarantee the notes. All obligations under the ABL Facility, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all of the assets of Ply Gem Industries and the guarantors, including a first-priority security interest in personal property consisting of accounts receivable, inventory, cash, deposit accounts, and certain related assets and proceeds of the foregoing and a second-priority security interest in, and mortgages on, substantially all of Ply Gem Industries’ material owned real property and equipment and all assets that secure the notes on a first-priority basis.

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The obligations of CWD, which is a borrower under the Canadian sub-facility under the ABL Facility, will be secured by a first-priority security interest in substantially all of the assets of such Canadian subsidiary and by Ply Gem Industries' and the guarantors' assets on the same basis as borrowings by Ply Gem Industries are secured under the ABL Facility, plus additional mortgages in Canada, and a pledge by Ply Gem Industries of the remaining 35% of the equity interests of CWD pledged only to secure the Canadian sub-facility.

As of June 28, 2008, \$40.0 million was outstanding under our ABL Facility and approximately \$3.9 million of letters of credit were issued under the ABL Facility, and based on our calculation as of that date, \$31.1 million was available for borrowing under the borrowing base of this facility. See Description of Other Indebtedness—Senior Secured Asset-Based Revolving Credit Facility.”

The Company's previous senior facilities with a syndicate of financial institutions and institutional lenders provided for senior secured financing of up to approximately \$762.1 million, originally consisting of approximately \$687.1 million of term loan facilities maturing in August 2011 and a \$75.0 million revolving loan facility, including a letter of credit subfacility, maturing in February 2009. These credit facilities imposed certain restrictions on Ply Gem Industries, including a requirement to maintain a minimum Leverage Ratio of EBITDA (adjusted for certain items as allowed) to Net Debt (as defined in the credit facility). In April 2008, the Company revised its 2008 forecast in response to market wide increases in raw material prices and fuel costs, as well as continued declines in both the residential new construction and repair/remodeling markets. Under the revised forecast, the Company did not expect to be able to comply with the required Leverage Ratio required for fiscal quarters in 2008 following March 29, 2008. The failure to comply with this covenant would have caused an event of default. On May 23, 2008, the Company entered into an amendment of the fifth amended and restated credit agreement which consisted of changes to certain debt covenant ratios. The amendment also increased the interest rate on the term loan and extended the maturity of the revolving credit facility from February 12, 2009 to August 12, 2010. On May 23, 2008, Ply Gem received from CI Capital Partners LLC a \$30.0 million cash equity contribution as a condition to the credit facility amendment. The outstanding indebtedness under the credit facility was subsequently paid off on June 9, 2008 with the proceeds from the Senior Secured Notes offering.

## Liquidity requirements

We intend to fund our ongoing capital and working capital requirements, including our internal growth, through a combination of cash flows from operations and, if necessary, from borrowings under our ABL Facility.

Because of the inherent seasonality in our business and the resulting working capital requirements, our liquidity position within a given year will fluctuate. The seasonal effect that creates greatest capital needs is experienced during the first nine months of the year and we anticipate the need to borrow funds under ABL Facility to support this requirement. However, we anticipate that the funds generated by operations and funds available under that credit facility will be adequate to finance our ongoing operational cash flow needs, capital expenditures, debt service obligations, management incentive expenses, fees payable under the General Advisory and other contractual obligations for the foreseeable future.

Our ability to meet our debt service obligations and reduce our total debt will depend upon our ability to generate cash in the future which, in turn, will be subject to general economic, financial, business, competitive, legislative, regulatory and other conditions, many of which are beyond our control. We may not be able to generate sufficient cash flow from operations and future borrowings may not be available to us under our amended revolving credit facility in an amount sufficient to enable us to repay our debt, including the notes, or to fund our other liquidity needs. If our future cash flow from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to reduce or delay our business activities and capital expenditures, sell assets, obtain additional debt or equity capital or restructure or refinance all or a portion of our debt,

including the notes, on or before maturity. We may not be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of our existing and future indebtedness, including the notes and our ABL Facility, may limit our ability to pursue any of these alternatives. See “Risk Factors—Risks Related to Our Substantial Indebtedness and the Notes—Our substantial debt could negatively impact our business, prevent us from fulfilling our outstanding debt obligations and adversely affect our financial condition.” Some risks that could adversely affect our ability to meet our debt service obligations include, but are not limited to, intense domestic and foreign competition in our industry, general domestic and international economic conditions, changes in currency exchange rates, interest and inflation rates, the financial condition or our customers and the operating performance of joint ventures, alliances and other equity investments.

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## Contractual Obligations

The following table summarizes our contractual cash obligations under financing arrangements and lease commitments as of June 28, 2008, including interest amounts, as adjusted to give effect to the offering of the notes and the repayment of amounts outstanding under our existing credit facilities. Except for the notes offered hereby and the senior subordinated notes, the interest rates are generally variable and have been presented at the current rates. Actual rates for future periods may differ from those presented here.

	Total Amount	Less Than 1 Year	1 - 3 Years	More Than 3 Years Yet Less Than 5 Years	5 Years or More
	(dollars in thousands)				
Long-term debt (1)	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000	\$ -
Interest payments (2)	543,246	116,829	233,658	192,759	-
Non-cancelable lease commitments (3)	163,488	21,677	35,099	27,012	79,700
Purchase obligations (4)	81,760	81,760	-	-	-
Other long-term liabilities (5)	12,500	1,250	2,500	2,500	6,250
	\$ 1,900,994	\$ 221,516	\$ 271,258	\$ 1,322,271	\$ 85,950

(1) Long-term debt is shown before discount (premium), and consists of the Company's senior secured notes, senior subordinated notes, and ABL Facility. For more information concerning the long-term debt, see "Liquidity and Capital Resources" above.

(2) Interest payments for variable interest debt are based on current interest rates at June 28, 2008.

(3) Non-cancelable lease commitments represent lease payments for facilities and equipment.

(4) Purchase obligations are defined as purchase agreements that are enforceable and legally binding and that specify all significant terms, including quantity, price and the approximate timing of the transaction. These obligations are related primarily to inventory purchases and capital expenditures.

(5) Other long term liabilities include pension obligations which are estimated based on the Company's 2008 annual funding requirement. Because we are unable to reliably estimate the timing of future tax payments related to uncertain tax positions, certain tax related obligations have been excluded from the table above.

As discussed in "Certain Relationships and Related Transactions," the Company will pay an annual fee to an affiliate of Caxton-Iseman each year based on 2% of EBITDA. No amount for this fee has been included in the above table.

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Inflation; Seasonality

Our performance is dependent to a significant extent upon the levels of home repair and remodeling and new home construction spending, all of which are affected by such factors as interest rates, inflation, consumer confidence and unemployment.

The demand for our products is seasonal, particularly in the Northeast and Midwest regions of the United States and Western Canada where inclement weather conditions during the winter months usually reduces the level of building and remodeling activity in both the home repair and remodeling and the new home construction sectors. Our sales in both segments are usually lower during the first and fourth quarters. Since a portion of our manufacturing overhead and operating expenses are relatively fixed throughout the year, operating income and net earnings tend to be lower in quarters with lower sales levels. In addition, the demand for cash to fund our working capital is greater from late in the fourth quarter through the first quarter.

Recent Accounting Pronouncements

In February 2008, the FASB issued FASB Staff Position 157-2 which defers the effective date of SFAS 157 "Fair Value Measurements," for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in an entity's financial statements on a recurring bases (at least annually). The Company will be required to adopt SFAS 157 for these nonfinancial assets and nonfinancial liabilities as of January 1, 2009. The Company does not believe that the adoption of the SFAS 157 deferral provision will have a material effect on its results of operations or financial position.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans an amendment of FASB Statements No. 87, 88, 106, and 132(R)." This standard requires employers to recognize the underfunded or overfunded status of a defined benefit postretirement plan as an asset or liability in its statement of financial position and to recognize changes in the funded status in the year in which the changes occur through accumulated other comprehensive income, which is a component of stockholders' equity. SFAS No. 158 does not change the amount of actuarially determined expense that is recorded in the consolidated statement of income. The new reporting requirements and related new footnote disclosure rules of SFAS No. 158 are effective for our December 31, 2007 financial statements. Additionally, SFAS No. 158 requires employers to measure the funded status of a plan as of the date of its year-end statement of financial position. For our financial statements as of December 31, 2008 we will change our September 30 measurement date for our plans' assets and obligations to comply with this requirement.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities." SFAS No. 159 permits entities to choose to measure certain financial assets and financial liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. SFAS No. 159 is effective for our fiscal year beginning January 1, 2008. However, the Company did not elect the option to report any of the selected financial assets and liabilities at fair value.

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In December 2007, the FASB issued SFAS No. 141R, "Business Combinations." This Statement requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date be measured at their fair values as of that date. An acquirer is required to recognize assets or liabilities arising from all other contingencies (contractual contingencies) as of the acquisition date, measured at their acquisition-date fair values, only if it is more likely than not that they meet the definition of an asset or a liability in FASB Concepts Statement No. 6, Elements of Financial Statements. Any acquisition related costs are to be expensed instead of capitalized. The impact to the company from the adoption of SFAS 141R in 2009 will depend on acquisitions at the time. The provisions of SFAS No. 141(R) are effective for the Company's fiscal year beginning January 1, 2009, and are to be applied prospectively.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements." This standard establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated. The Statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. The provisions of SFAS No. 160 are effective for the Company's fiscal year beginning January 1, 2009, and are to be applied prospectively. The Company is currently evaluating the impact that the implementation of SFAS No. 160 will have on its financial statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles". This standard reorganizes the GAAP hierarchy in order to improve financial reporting by providing a consistent framework for determining what accounting principles should be used when preparing U.S. GAAP financial statements. SFAS 162 shall be effective 60 days after the SEC's approval of the Public Company Accounting Oversight Board's amendments to Interim Auditing Standard, AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles". Management is currently evaluating the impact, if any, this new standard may have on our balance sheet, results of operations, or cash flows.

Quantitative and Qualitative Disclosures about Market Risk

Interest rate risk

Our principal interest rate exposure relates to the loans outstanding under our ABL Facility, which provides for borrowings of up to \$150.0 million, bearing interest at a variable rate, based on an adjusted LIBOR rate plus an applicable interest margin or the base rate plus an applicable interest margin. Assuming the ABL facility is fully drawn, each quarter point increase or decrease in the interest rate would change our interest expense by approximately \$0.4 million per year. In the future we may enter into interest rate swaps, involving exchange of floating or fixed rate interest payments, to reduce our exposure to interest rate volatility.



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Foreign currency risk

Our results of operations are affected by fluctuations in the value of the U.S. dollar as compared to the value of the Canadian dollar. For the six month period ended June 28, 2008, the net impact of foreign currency changes to the Company's results of operations was a loss of \$0.5 million. The impact of foreign currency changes related to translation resulted in a decrease in stockholder's equity of approximately \$0.6 million for the six months ended June 28, 2008. In 2007, the net impact of foreign currency changes to the Company's results of operations was a gain of \$4.0 million. The impact of foreign currency changes related to translation resulted in an increase in stockholder's equity of approximately \$5.7 million at December 31, 2007. The revenue or expense reported by us as a result of currency fluctuations will be greater in times of U.S. dollar devaluation and less in times of U.S. dollar appreciation. We generally do not enter into derivative financial instruments to manage foreign currency exposure. At June 28, 2008, we did not have any significant outstanding foreign currency hedging contracts.

Commodity pricing risk

We are subject to significant market risk with respect to the pricing of our principal raw materials, which include PVC resin, aluminum, and wood. If prices of these raw materials were to increase dramatically, we may not be able to pass such increases on to our customers and, as a result, gross margins could decline significantly. We manage the exposure to commodity pricing risk by continuing to diversify our product mix, strategic buying programs and vendor partnering.

Inflation

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. Our lease payments related to our sale/leaseback agreement include an annual increase based on the Consumer Price Index, which could expose us to potential higher costs in years with high inflation.

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BUSINESS

Company Overview

We are a leading manufacturer of residential exterior building products in North America. We offer a comprehensive product line of vinyl siding and skirting, vinyl windows and doors, and vinyl and composite fencing and railing that serves both the home repair and remodeling and the new home construction sectors in all 50 states and Western Canada. We also manufacture vinyl and aluminum soffit and siding accessories, aluminum trim coil, aluminum, wood and aluminum and vinyl clad windows and steel and fiberglass doors, enabling us to bundle complementary and color-matched products and accessories with our core vinyl products. We have two reportable segments: (i) siding, fencing and railing and (ii) windows and doors. For periods prior to January 1, 2008, the siding, fencing and railing segment also included decking products, which were phased out due to unprofitability.

We market our products using several leading brands across multiple price points, which enables us to diversify our sales across distribution channels with minimal channel conflict and reach the greatest number of end customers. We believe we are able to compete on favorable terms and conditions and maintain a strong customer base as a result of our extensive distribution coverage, high quality, innovative and comprehensive product line, proprietary vendor managed inventory program and production efficiency.

Additional information concerning our business is set forth in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this prospectus.

History

Ply Gem Holdings was incorporated on January 23, 2004 for the purpose of acquiring Ply Gem Industries from Nortek. Nortek was at the time a wholly-owned subsidiary of Nortek Holdings, Inc. The Ply Gem acquisition was completed on February 12, 2004, when Nortek sold Ply Gem Industries to Ply Gem Holdings, pursuant to the terms of a stock purchase agreement among Ply Gem Investment Holdings, Nortek and WDS LLC. Prior to February 12, 2004, Ply Gem Holdings had no operations and Ply Gem Industries was wholly-owned by a subsidiary of WDS LLC, which was a wholly owned subsidiary of Nortek. Ply Gem Holdings, a Delaware corporation, is a wholly-owned subsidiary of Ply Gem Investment Holdings, a Delaware corporation controlled by an affiliate of Caxton-Iseman Capital LLC. Prior to the Ply Gem acquisition, Ply Gem Industries was known as the Windows, Doors and Siding division of Nortek.

On August 27, 2004, Ply Gem Industries acquired all of the outstanding shares of capital stock of MWM Holding, in accordance with a stock purchase agreement entered into among Ply Gem Industries, MWM Holding and certain selling stockholders. MWM Holding, a Delaware corporation, is a wholly-owned subsidiary of Ply Gem Industries. MWM Holding is the sole owner of all of the outstanding shares of capital stock of MW Manufacturers, Inc. (“MW”). Prior to the MW acquisition, MWM Holding was owned by Investcorp SA and its affiliates and members of MW management.

On February 24, 2006, in connection with the Alenco acquisition, a new holding company, Ply Gem Prime Holdings, was formed pursuant to a merger involving Ply Gem Investment Holdings. As a result, Ply Gem Prime Holdings became the sole shareholder of Ply Gem Investment Holdings, each outstanding share of capital stock of Ply Gem Investment Holdings was converted into a share of a corresponding class of shares of the capital stock of Ply Gem Prime Holdings and Ply Gem Prime Holdings assumed Ply Gem Investment Holdings’ obligations under the Ply Gem Investment Holdings 2004 Stock Option Plan. In connection therewith, each outstanding stock option and phantom unit of Ply Gem Investment Holdings was converted on a 1:1 basis into a stock option and phantom unit of Ply Gem Prime Holdings.



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On February 24, 2006, Ply Gem completed the Alenco acquisition in accordance with a securities purchase agreement entered into among Ply Gem Industries, all of the direct and indirect stockholders, warrant holders and stock option holders of AWC and FNL Management Corp., as their representative on February 6, 2006. Pursuant to the securities purchase agreement, Ply Gem Industries purchased all of the issued and outstanding shares of common stock, warrants to purchase shares of common stock and options to purchase shares of common stock of AWC (other than certain shares of common stock held by certain members of the senior management of Alenco that were contributed separately to Ply Gem Prime Holdings, the new parent company of Ply Gem Investment Holdings, in exchange for shares of capital stock of Ply Gem Prime Holdings). Immediately following the completion of the Alenco acquisition, AWC became a wholly-owned subsidiary of Ply Gem Industries. The Alenco acquisition directly supports the Company's national window strategy and today operates under common leadership with our other U.S. Window businesses.

On October 31, 2006, Ply Gem completed the AHE acquisition in accordance with a stock purchase agreement entered into among Ply Gem Industries, Alcoa Securities Corporation and Alcoa Inc. on September 22, 2006. Pursuant to the stock purchase agreement, Ply Gem Industries purchased all of the issued and outstanding shares of common stock of AHE so that, immediately following the completion of such purchase, AHE became a wholly-owned subsidiary of Ply Gem Industries. The purchase price paid by Ply Gem was approximately \$305.0 million in cash. The AHE acquisition did not include an additional investment by management. AHE is a leading manufacturer of vinyl siding, aluminum siding, injection molded shutters and vinyl, aluminum and injection molded accessories. As a result of the AHE acquisition, AHE became part of our Siding, Fencing, Railing and Decking Segment and operates under common leadership with our existing Siding business.

On September 30, 2007, Ply Gem Industries completed the acquisition of the vinyl window and patio door business of Certain Teed Corporation through a stock acquisition. On the acquisition date, the Company changed the name of the acquired business to Ply Gem Pacific Windows Corporation. The acquired vinyl window business is a leading manufacturer of premium vinyl windows and patio doors and produces windows for the residential new construction and remodeling markets and produces and sells window lineals to licensed window fabricators in the eastern United States. Pacific Windows' vinyl window and patio door business operates three fabrication facilities which are located in Auburn, WA, Corona, CA, and Sacramento, CA. The purchase price paid by Ply Gem was approximately \$35.0 million in cash. The Pacific Windows acquisition directly supports the Company's national window strategy and today Pacific Windows operates under common leadership with our other U.S. window businesses. During the first quarter of 2008, Ply Gem sold certain assets that were acquired in the Pacific Windows acquisition that had been used to produce and sell window lineals to licensed fabricators in the eastern United States.

## Our Competitive Strengths

We believe we are well-positioned in our industry and that our key competitive strengths are:

- **Leading Sector Positions.** We maintain leadership positions across the siding, fencing, railing, windows and door market sectors. We believe we are the No. 2 supplier of vinyl siding and designer accents, the No. 1 supplier of related aluminum accessories and a leader and innovator in the vinyl fencing and railing products. Additionally, we believe we are among the top three producers of vinyl windows in North America. We believe we hold the No. 1 position in the manufactured housing channel and hold a strong position in both the retail and one-step distribution channels. We believe these market leading positions enable us to outperform the industry in unit volumes, increase our market share, launch new products and maintain profitability.

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- **Diverse, High-Quality Product Portfolio.** We offer a comprehensive range of exterior building products including vinyl siding and skirting, vinyl windows and patio doors and vinyl fencing and railing among others. Particularly, our window product platform offers a wide spectrum of aluminum, vinyl and wood clad windows at multiple price points. The breadth of our product offering meets many of the needs of our diverse customer base and allows us to reduce the potential impact of a decline in demand that might result from reliance on a single product.
- **Strong Brand Equity.** Our brands are well-recognized for innovation and quality in the building trade, and we believe that they are a distinguishing factor in customer selection. We sell our high-quality products under several brand names: MW, Patriot, Alenco, Great Lakes, Insulate, Mastic, Alcoa Home Exteriors, Variform, Georgia-Pacific, Napco, Kroy and CWD, among others. We believe there are significant opportunities to leverage our existing brands by targeting cross-selling opportunities.
- **Multi-Channel Distribution Network and Diversified Sales Base.** We have a multi-channel distribution network in the U.S. and Western Canada that serves both the home repair and remodeling and new home construction sectors, which exhibit different, but often counter-balancing, demand characteristics. Our multiple brand and multi-channel distribution strategy has increased our sales and penetration within these sectors. Our customer base includes distributors, retail home centers, lumberyards, remodeling dealers and builders. We believe our strategy enables us to minimize channel conflict, reduce our reliance on any one channel and reach the greatest number of end customers, and provides us with greater ability to sustain our financial performance through economic fluctuations.
- **Efficient Manufacturing.** We are a low-cost manufacturer of high-quality vinyl siding, windows and patio doors. We continue to achieve manufacturing efficiencies across our product categories through vertical integration, strategic sourcing, process-based reductions in material, production and warranty costs, and control of selling, general and administrative expense. We are committed to continuous improvement across product categories and have made approximately \$55.1 million in capital expenditures, including upgrades to equipment, facilities and technology, over the three years ended December 31, 2007. We believe our low cost production allows us to maintain attractive operating margins while offering a compelling value proposition to our customers.
- **Proven Ability to Realize Cost Savings.** We continue to demonstrate our ability to right size our manufacturing capacity to the scale of the market including closing two vinyl siding plants and one window plant within the past 24 months, which generated savings of over \$16.0 million. Additionally, we have reduced our headcount by approximately 30% since 2006 and have identified additional cost saving initiatives to take place in 2008. We have also been able to realize significant synergies and cost savings from the acquisitions of MW, Alenco and AHE's siding business.
- **Large Polyvinyl Chloride Resin Purchaser.** We are one of the largest procurers of polyvinyl chloride resin (PVC) in North America. As such, we are able to capitalize on our established relationships with key suppliers as a result of our purchasing scale and to strategically manage our sourcing to secure the best available prices, terms and input availability through various cycles. We believe our position helped us secure supply during the resin shortage caused by Hurricane Katrina in 2005.
  - **Strong Operating Cash Flow.** We have historically generated strong operating cash flow before debt service due to (i) our efficient manufacturing processes, (ii) our ability to pass increases in raw materials and freight costs through to our customers, (iii) economies of scale, (iv) low maintenance capital expenditures and (v) modest working capital needs.

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- **Strong Management Team with Significant Ownership.** We are led by an experienced and committed senior management team with an average of over approximately 20 years of relevant industry experience. We have successfully increased our share of sales by volume within the residential exterior building products industry and have continuously improved our manufacturing operations to develop a low-cost manufacturing platform. As of June 28, 2008, members of our management held stock and stock awards representing approximately 15% of the shares of common stock of Ply Gem Prime Holdings, Inc., the sole stockholder of Ply Gem Investment Holdings, Inc., our sole stockholder.

## Business Strategy

We seek to distinguish ourselves from other manufacturers of residential exterior building products and to sustain our profitability through the following key strategies:

- **Continued Market Share Gains.** We intend to increase our market share both in our siding, fencing and railing products in the United States and in our window and door products by utilizing the breadth of our broad geographical footprint to serve customers across the United States. Additionally, our continued investments in product innovation and quality coupled with strong customer service further enhance our ability to capture market share in each of our markets. Furthermore, we believe there is substantial opportunity across our product families to cross-sell and bundle products to further leverage our channel partners and exclusive industry relationships. We believe our broad geographical footprint allows us to better serve our customers across the United States and provides a competitive advantage over some of our competitors.

We have integrated our siding businesses into one operating company and have placed all of our siding, fencing and railing businesses under common leadership to improve strategic focus, reduce cost and better serve our customers. We have organized our United States window businesses under one common leadership team to enhance our strategic focus. With our extensive manufacturing capabilities, product breadth and national distribution capabilities, we believe that we can provide our customers with a cost-effective, single source from which to purchase their residential exterior building product needs.

- **Expand Brand Coverage and Product Innovation.** We intend to leverage the reputation of our brands for innovation and quality to fill in our product offerings and price points. In addition, we plan to maximize the value of our new product innovations and technologies by deploying best practices and manufacturing techniques across our product categories. Our vertical integration in producing aluminum windows has positioned us to introduce a new aluminum and wood clad window. As of June 28, 2008, we employed 39 research and development professionals dedicated to new product development, reformulation, product redesign and other manufacturing and product improvements.
- **Further Improve Operating Efficiencies.** While we have significantly improved our vinyl siding manufacturing cost structure over the last several years, we believe that there are further opportunities for improvement. We have expanded our efforts to vertically integrate certain raw materials used in window lineal production, including PVC compound, as well as expanding our in-house window lineal production. In addition, we implemented manufacturing improvements and best practices across all of our product categories, including, for example, expansion of our virtual plant strategy in our vinyl siding facilities and further vertical integration in our window product lines which will be demonstrated with the introduction of our new aluminum clad window line in early 2008. We also plan to optimize product development, sales and marketing, materials procurement, operations and administrative functions across all of our product categories. We believe that significant opportunities remain as we further leverage our buying power across raw materials as well as spending for non-raw material items by obtaining volume discounts and minimizing costs. In addition, the integration of our sales and marketing efforts across our product categories provides an ongoing opportunity to significantly improve sector penetration.



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### Industry Overview

Demand for exterior building products, including siding, fencing and railing, and windows and doors, is primarily driven by repair and remodeling of existing homes and construction of new homes, which are affected by changes in national and local economic and demographic conditions, employment levels, availability of financing, interest rates, consumer confidence and other factors.

### Home Repair and Remodeling

Since the early 1990's and through 2006, demand for home repair and remodeling products remained robust as a result of strong economic growth, low interest rates and favorable demographic trends. According to the U.S. Census Bureau, expenditures for maintenance, repairs, and improvements increased from \$130.6 billion in 1994 to \$142.9 billion in 1999 and \$198.5 billion in 2004, representing a five and ten-year compound annual growth rate of 1.8% and 4.3%, respectively. Recently however, the ability for home owners to finance repair and remodeling expenditures, such as replacement windows or vinyl siding, has been negatively impacted by a general tightening of lending requirements by banks and other financial institutions. As such, management believes expenditures for home repair and remodeling products declined in 2007 from 2006 levels and expects that expenditures for home repair and remodeling products to decline in 2008 from 2007 levels.

### New Home Construction

New home construction experienced strong growth from the early 1990s to 2006, with housing starts having increased at a compound annual growth rate of 3.9%. In 2007, new housing starts declined by 29.6%, according to the National Association of Home Builders, and are expected to decline further in 2008 by approximately 30.8%.

While the industry is experiencing declining demand, the long-term economics for new construction are favorable supported by a favorable interest rate environment and strong demographic trends, as increasing immigration drives demand for starter homes, and maturing baby boomers seek second homes and trade-up properties. According to the Joint Center for Housing Studies of Harvard University, net new households between 2005 and 2015 is expected to reach 14.6 million units, as compared to 12.6 million units added from 1995 - 2005.

### Description of Business

Financial information about our segments is included in the notes to our consolidated financial statements included elsewhere in this prospectus.

### Siding, Fencing, Railing and Decking Segment