

GREAT LAKES WINDOW INC
Form S-4
June 17, 2011

As filed with the Securities and Exchange Commission on June 17, 2011
Registration No. 333-

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

FORM S-4

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

Ply Gem Holdings, Inc.
(Exact name of registrant as specified in its
charter)
Delaware
(State or other jurisdiction of incorporation or
organization)
3089
(Primary Standard Industrial Classification
Code Number)
20-0645710
(I.R.S. Employer Identification No.)

Ply Gem Industries, Inc.
(Exact name of registrant as specified in its
charter)
Delaware
(State or other jurisdiction of incorporation or
organization)
3089
(Primary Standard Industrial Classification
Code Number)
11-1727150
(I.R.S. Employer Identification No.)

5020 Weston Parkway, Suite 400
Cary, North Carolina 27513
(919) 677-3900
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Shawn K. Poe
Chief Financial Officer
Ply Gem Holdings, Inc.
5020 Weston Parkway, Suite 400
Cary, North Carolina 27513
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(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐
Non-accelerated filer ☒ (Do not check if a smaller reporting company) Smaller reporting company ☐

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ☐

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ☐

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price(1)	Amount of registration fee(2)
8.25% Senior Secured Notes due 2018	\$800,000,000	100%	\$800,000,000	\$92,880
Guarantees of 8.25% Senior Secured Notes due 2018	N/A	N/A	N/A	N/A (3)

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) of the Securities Act of 1933.

(2) The registration fee has been calculated pursuant to Rule 457(f) under the Securities Act of 1933.

(3) No additional consideration is being received for the guarantees, and, therefore no additional fee is required.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANTS

Name	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number
Alenco Building Products Management, L.L.C.	Delaware	3089	76-0674044
Alenco Extrusion GA, L.L.C.	Delaware	3089	74-2994904
Alenco Extrusion Management, L.L.C.	Delaware	3089	76-0674041
Alenco Holding Corporation	Delaware	3089	75-2908312
Alenco Interests, L.L.C.	Delaware	3089	58-2609498
Alenco Trans, Inc.	Delaware	3089	75-2908315
Alenco Window GA, L.L.C.	Delaware	3089	74-2994900
Aluminum Scrap Recycle, L.L.C.	Delaware	3089	76-0674046
AWC Arizona, Inc.	Delaware	3089	30-3399914
AWC Holding Company	Delaware	3089	20-1096406
Glazing Industries Management, L.L.C.	Delaware	3089	76-0674043
Great Lakes Window, Inc.	Ohio	3089	34-1548026
Kroy Building Products, Inc.	Delaware	3089	04-3248415
Mastic Home Exteriors, Inc.	Ohio	3089	31-0459490
MW Manufacturers Inc.	Delaware	3089	63-0400153
MWM Holding, Inc.	Delaware	3089	22-3889412
Napco, Inc.	Delaware	3089	13-3637496
New Alenco Extrusion, Ltd.	Texas	3089	76-0674016
New Alenco Window, Ltd.	Texas	3089	76-0674017
New Glazing Industries, Ltd.	Texas	3089	76-0674018
Ply Gem Pacific Windows Corporation	Delaware	3089	20-5169626
Variform, Inc.	Missouri	3089	43-0799731

The address of each of the additional registrants is c/o Ply Gem Holdings, Inc., 5020 Weston Parkway, Suite 400, Cary, North Carolina 27513.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 17, 2011

PROSPECTUS

Ply Gem Industries, Inc.
Exchange Offer for \$800,000,000
8.25% Senior Secured Notes due 2018 and Related Guarantees

The Notes and the Guarantees

- We are offering to exchange \$800,000,000 of our outstanding 8.25% Senior Secured Notes due 2018 and certain related guarantees, which were issued on February 11, 2011 and which we refer to collectively as the initial notes, for a like aggregate amount of our registered 8.25% Senior Secured Notes due 2018 and certain related guarantees, which we refer to collectively as the exchange notes. The exchange notes will be issued under an indenture dated as of February 11, 2011.
- The exchange notes will mature on February 15, 2018. We will pay interest on the exchange notes semi-annually on February 15 and August 15 of each year, commencing on August 15, 2011, at a rate of 8.25% per annum, to holders of record on the February 1 or August 1 immediately preceding the interest payment date.
 - 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 of 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) 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 _____, 2011, 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 16.

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 notes 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.”

The date of this prospectus is _____, 2011.

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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 or completeness. Gary E. Robinette, our President and Chief Executive Officer, is a member of the Policy Advisory Board of Harvard University's Joint Center for Housing Studies, and we have relied, in part, on its study for the market and statistical information included in this prospectus.

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.

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 subsidiary. The use of these terms is not intended to imply that Ply Gem Holdings and Ply Gem Industries are not separate and distinct legal entities. “Adjusted EBITDA” has the meaning set forth in the footnotes to “— Summary Historical Financial Information.” References to the “Transactions” refer to the transactions described below under “The Transactions” as well as the offering of the initial notes and the use of proceeds from such offering. The term “initial notes” refers to the 8.25% Senior Secured Notes due 2018 that were issued on February 11, 2011 in a private offering, and the term “exchange notes” refers to the 8.25% Senior Secured Notes due 2018 offered with this prospectus. The term “notes” refers to the initial notes and the exchange notes, collectively.

Our Company

We are a leading manufacturer of residential exterior building products in North America, operating in two reportable segments: (i) Siding, Fencing, and Stone and (ii) Windows and Doors, which comprised approximately 60% and 40% of our sales, respectively, for the fiscal year ended December 31, 2010. These two segments produce a comprehensive product line of vinyl siding, designer accents and skirting, vinyl fencing, vinyl and composite railing, stone veneer and vinyl windows and doors used in both new construction and home repair and remodeling in the United States and Western Canada. Vinyl building products have the leading share of sales volume in siding and windows in the United States. We also manufacture vinyl and aluminum soffit and siding accessories, aluminum trim coil, wood windows, aluminum windows, vinyl and aluminum-clad windows and steel and fiberglass doors, enabling us to bundle complementary and color-matched products and accessories with our core products. We believe that our comprehensive product portfolio and geographically diverse, low cost manufacturing platform allow us to better serve our customers and provide us with a competitive advantage over other exterior building products suppliers. For the three months ended April 2, 2011, we had net sales of \$200.1 million, adjusted EBITDA of \$6.5 million and a net loss of \$70.9 million, including a loss on modification or extinguishment of debt of \$27.9 million. For the year ended December 31, 2010, we had net sales of \$995.9 million, adjusted EBITDA of \$120.6 million and net income of \$27.7 million.

Our Competitive Strengths

We believe the following competitive strengths differentiate us from our competitors and are critical to our continued success:

Leading Manufacturer of Exterior Building Products. Based on our internal estimates and industry experience, we believe we have established leading positions in many of our core product categories including: No. 1 in vinyl siding in the U.S.; No. 1 in aluminum accessories in the U.S.; No. 2 in vinyl and aluminum windows in the U.S.; and No. 2 in windows and doors in Western Canada. We achieved this success by developing a broad offering of high quality products and providing superior service to our customers. We are one of the few companies in our line of business that operate a geographically diverse manufacturing platform capable of servicing our customers across the entire

United States and Western Canada. The scale of our operations also positions us well as customers look to consolidate their supplier base. We believe our broad offering of leading products, geographically diverse manufacturing platform and long-term customer relationships make us the manufacturer of choice for our customers' exterior building products needs.

Comprehensive Product Portfolio with Strong Brand Recognition. We offer a comprehensive portfolio of over twenty exterior building product categories covering a full range of price points. Our broad product line gives us a competitive advantage over other exterior building product suppliers who provide a narrower range of products by enabling us to provide our customers with a differentiated value proposition to meet their own customers' needs. Our leading brands, such as Ply Gem®, Mastic® Home Exteriors, Variform®, Napco®, Georgia-Pacific (which we license) and Great Lakes® Window, are well recognized in the industry. Many of our customers actively support our brands and typically become closely tied to our brands through joint marketing and training, fostering long-term relationships under the common goal of delivering a quality product.

We believe a distinguishing factor in our customers' selection of Ply Gem as a supplier is the innovation and quality for which our brands are known. As a result, our customers' positive experience with one product or brand affords us the opportunity to cross-sell additional products and effectively introduce new products. Since 2007, we have successfully implemented a more unified brand strategy to expand our cross-selling opportunities between our siding and window product offerings. For instance, we recently consolidated certain window product offerings under the Ply Gem brand to offer a national window platform to our customers, which we believe represents a comprehensive line of new construction and home repair and remodeling windows in the industry. With our extensive product line breadth, industry-leading brands and national platform, we believe we can provide our customers with a more cost-effective, single source from which to purchase their exterior building products.

Multi-Channel Distribution Network Servicing a Broad Customer Base. We have a multi-channel distribution network that serves both the new construction and home repair and remodel end markets through our broad customer base of specialty and wholesale distributors, retail home centers, lumberyards, remodeling dealers and builders. Our multi-channel distribution strategy has increased our sales and penetration within these end markets, while limiting our exposure to any one customer or channel, such that our top ten customers only accounted for approximately 38.4% of our net sales in 2010. 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 while providing us with the ability to increase our sales and to sustain our financial performance through economic fluctuations.

Balanced Exposure to New Construction and Home Repair and Remodeling. Our products are used in new construction and home repair and remodeling, with our diversified product mix reducing our overall exposure to any single sector. We operate in two reportable segments: (i) Siding, Fencing, and Stone, which has been weighted towards home repair and remodeling, and (ii) Windows and Doors, which has historically focused on new construction. We have recently begun to expand our presence in the home repair and remodel window sector through the launch of a new series of repair and remodel window products, focusing on the unique requirements of this sector while leveraging our existing customer relationships. This is one of several new initiatives that have been well received by our customers and that complement our established product offerings by utilizing our national sales force to sell multiple products in our portfolio. We believe the diversity of our end markets and products provides us with a unique opportunity to capitalize on the overall housing market recovery.

Highly Efficient, Low Cost Operating Platform. Since mid-2006, we have closed or consolidated eight plants, generating savings of over \$30 million annually, and reduced our workforce by approximately 50%. During this time, we also invested approximately \$62 million in capital expenditures, including new product introductions and upgrades to equipment, facilities and technology, to continue improving our vertically integrated manufacturing platform. For example, our multi-plant window manufacturing platform allows us to service our customers with less than one week lead times across a broad geographic coverage area, providing us a competitive advantage with the ability to operate in just-in-time fashion. This capability provides a unique service proposition to our customers while allowing us to maintain minimal inventory levels in our window product offerings. In addition, as a result of our Polyvinyl Chloride Resin (PVC) purchasing scale (we are one of the largest purchasers in North America based on industry estimates), we are able to secure favorable prices, terms and input availability through various cycles.

Through our strong cost controls, vertically-integrated manufacturing platform, continued investment in technology and significant purchasing scale, we have improved efficiency and safety in our manufacturing facilities while reducing fixed costs to approximately 21% of our total cost structure, which provides significant operating leverage as the housing market recovers. Furthermore, our manufacturing facilities are among the safest in all of North America with four of them having received the highest federal, state and/or provincial safety award and rating. We believe that we have one of the most efficient and safest operating platforms in the exterior building products industry, helping to drive our profitability.

Proven Track Record of Acquisition Integration and Cost Savings Realization. Our five acquisitions since early 2004 have enhanced our geographic diversity, expanded our product offerings and enabled us to enter new product categories. Most recently, our acquisition of United Stone Veneer (now branded Ply Gem Stone) in 2008 enabled us to enter the stone veneer product category, which is one of the fastest growing categories of exterior cladding products. We have maintained a disciplined focus on integrating new businesses, rather than operating them separately, and have created meaningful synergies as a result. Through facility and headcount rationalizations, strategic sourcing and other manufacturing improvements, we have permanently eliminated over \$50 million in aggregate costs. We view our ability to identify, execute and integrate acquisitions as one of our core strengths.

Strong Management Team with Significant Ownership. We are led by a committed senior management team that has an average of over 20 years of relevant industry experience. Our current senior management, with financial and advisory support from affiliates of CI Capital Partners LLC, has successfully transformed Ply Gem from operating as a holding company with a broad set of brand offerings to an integrated business model under the Ply Gem brand, positioning our Company to grow profitably and rapidly as the market recovers.

Our Business Strategy

We are pursuing the following business and growth strategies:

- **Capture Growth Related to Housing Market Recovery.** As a leading manufacturer of exterior building products, we intend to capitalize on the recovery in new construction and home repair and remodeling. The 2009 and 2010 levels of 445,000 and 472,000 single family housing starts, respectively, were approximately 60% and 57% below the 50-year average, respectively, representing a significant opportunity for growth as activity returns to historical levels. Furthermore, we believe that the underinvestment in homes during the recent recession and the overall age of the U.S. housing stock will drive significant future spending for home repair and remodeling.

We expect current and new homeowners' purchases to focus on including or replacing items that provide the highest return on investment, have positive energy efficiency attributes and provide potential cost savings. Our broad product offering addresses expected demand growth from all of these key trends, through our balanced exposure to the new construction and home repair and remodel end markets, diverse price points, the high recovery value for home improvements derived from our core product categories and the ability to provide products that qualify for many of the energy efficiency rebate and tax programs currently in effect or under consideration.

• **Continue to Increase Market Penetration.** We intend to increase the market penetration of our siding, fencing and stone products and our window and door products by leveraging the breadth of our product offering and broad geographical footprint to serve customers across North America. Additionally, our continued investments in product innovation and quality, coupled with strong customer service, further enhance our ability to capture increased sales in each of our core product categories. For example, based on our internal estimates and industry experience, we believe that we have increased our penetration of the U.S. vinyl siding end market by approximately 370 basis points from 2008 to 2010. In addition, we believe that we have increased our share of total unit sales of U.S. vinyl and aluminum windows for new construction by approximately 330 basis points from 2008 to 2010. In 2010, we introduced a new line of vinyl windows under our Ply Gem brand as well as under our Mastic Home Exteriors brand, historically associated with vinyl siding products, that is marketed and sold by our vinyl siding sales force, a first for Ply Gem. We believe that this demonstrates the substantial opportunity across our product categories to continue to cross-sell and bundle products, thereby increasing revenues from our existing channel partners and industry relationships. We expect to build upon the approximate \$285 million in product share gains we have achieved since 2008, and as the market recovers from its current low levels we expect to further enhance our leading positions.

• **Expand Brand Coverage and Product Innovation.** We will continue to increase the value of the Ply Gem brands by introducing new product categories for our customers and by developing innovative new products within our existing product categories. For example, we have developed a complete series of window products under the Ply Gem brand to target the higher margin home repair and remodeling window end market. Furthermore, our recent addition of stone veneer to our product offering in the Siding, Fencing, and Stone segment provides existing siding customers with access to the fastest growing category of exterior cladding products.

Our new products frequently receive industry recognition, as evidenced by our Ply Gem Mira aluminum-clad wood window, which was an International Builder's Show Product Pick in 2008. In addition, our Cedar Discovery designer accent product and our Ovation vinyl siding product were both named one of the top 100 products by leading industry publications. The result of our commitment to product development and innovation has been demonstrated in the \$190.3 million of incremental annualized sales that we recognized from new products introduced from 2008 to 2010.

• **Drive Operational Leverage and Further Improvements.** While we reduced our production capacity during the past several years, we have retained the flexibility to bring back idled lines, facilities and/or production shifts in order to

increase our production as market conditions improve. This incremental capacity can be selectively restarted, providing us with the ability to match increasing customer demand levels as the housing market returns to historical levels of approximately one million or more single family housing starts without the need for significant capital investment. In our Windows and Doors segment, where we have historically focused on new construction, we believe that our new window products for home repair and remodeling will be able to drive increased volumes through these manufacturing facilities and enhance operating margins.

Over the past several years, we have significantly improved our manufacturing cost structure; however, there are opportunities for further improvements. We believe that the continued expansion of lean manufacturing and vertical integration in our manufacturing facilities, along with the further consolidation of purchases of key raw materials, supplies and services will continue to provide us with cost advantages compared to our competitors. In addition, the integration of our sales and marketing efforts across our product categories provides an ongoing opportunity to significantly improve our customer penetration and leverage the strength of our brands. Furthermore, we have centralized many back office functions into our corporate office in Cary, North Carolina and believe that additional opportunities remain. We believe all of these factors should drive continued growth in profitability while improving our cash flow and capital efficiency.

Building Products End Markets

Demand for exterior building products, including siding, fencing, stone, windows and doors, is primarily driven by the construction of new homes and the repair and remodeling of existing 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 economic factors.

New construction

New construction in the United States experienced strong growth from the early 1990s to 2006, with housing starts increasing at a compounded annual growth rate of 3.8%. However, from 2006 to 2010, single family housing starts declined 68.0% according to the National Association of Home Builders (“NAHB”). While the industry has experienced a period of severe correction and downturn, management believes that the long-term economic outlook for new construction in the United States is favorable and supported by an attractive interest rate environment and strong demographics, as new household formations and increasing immigration drives demand for starter homes. According to the Joint Center for Housing Studies of Harvard University, net new households between 2010 and 2020 are expected to be between 12.5 million units and 14.8 million units, with the low end of the range equal to net new housing units achieved between 1995 and 2005. Strong demographics and interest rates on home loans at historically low levels are stimulants for demand in the United States for new construction. During 2010, the Federal First-Time and Repeat Home Buyer Tax Credit programs provided a stimulant for housing demand during the first half of 2010 as the program expired on April 30, 2010. According to the U.S. Census Bureau, single family housing starts were estimated to increase by approximately 27.0% during the first half of 2010 compared to the first half of 2009, while single family housing starts for the second half of 2010 were estimated to decrease by approximately 11.7% compared to the second half of 2009. According to the NAHB May 20, 2011 forecast, annual single family housing starts are expected to decrease 5.9% in 2011 to 443,000 starts and increase 41.0% to 625,000 starts in 2012. In addition, new construction in Canada is expected to benefit from similar demand stimulants as new construction in the United States, such as strong demographic trends and historically low interest rate levels. According to the Canadian Mortgage and Housing Corporation (“CMHC”), while housing starts in Alberta, Canada are estimated to decrease by approximately 5.0% in 2011, they are expected to increase 12.8% in 2012, demonstrating the recovery in new construction in Western Canada.

Home repair and remodeling

Since the early 1990s and through 2006, demand for home repair and remodeling products in the United States increased at a compounded annual growth rate of 4.3%, according to the U.S. Census Bureau, as a result of strong economic growth, low interest rates and favorable demographics. However, beginning in 2007 the ability for homeowners 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 financial institutions and the significant decrease in home values, which limited the amount of home equity against which homeowners could borrow. Management believes that expenditures for home repair and remodeling products are also affected by consumer confidence that continued to decline during 2010 due to general economic conditions and increased unemployment levels. Although certain aspects of the federal stimulus plan enacted in early 2009, such as energy saving tax credits and Homestar, may have encouraged some consumers to make home improvements, including the replacement of older windows with newer more energy-efficient windows, management believes that these favorable measures were offset during 2010 by the effects of high unemployment, limited availability of consumer financing and lower consumer confidence levels. However, management believes the long-term economic outlook of the demand for home repair and remodeling products in the United States is favorable and supported by the move towards more energy-efficient products, recent underinvestment in home maintenance and repair and an aging housing stock.

The Transactions

ABL Facility. On January 26, 2011, we entered into a new senior secured asset-based revolving credit facility (the “ABL Facility”) with a syndicate of lenders. On the closing date, Ply Gem Industries used approximately \$55.0 million of borrowings under the ABL Facility to repay outstanding indebtedness under its prior senior secured asset-based revolving credit facility and pay related fees and expenses.

The ABL Facility provides for revolving credit financing of up to \$175.0 million 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 Ply Gem Canada, Inc. (“Ply Gem Canada”), Ply Gem Industries’ Canadian subsidiary. Under the ABL Facility, \$160.0 million is available to Ply Gem Industries and \$15.0 million is available to Ply Gem Canada. In addition, the ABL Facility provides that the revolving commitments may be increased to \$250.0 million, subject to certain terms and conditions.

Borrowings under the ABL Facility bear interest at a rate per annum equal to, at Ply Gem Industries' option, either (a) a base rate determined by reference to the higher of (1) the corporate base rate of the administrative agent and (2) the federal funds effective rate plus 0.5% or (b) a Eurodollar rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs, in each case plus an applicable margin, which is subject to step ups and step downs based on average excess availability under the facility. All obligations under the ABL Facility are unconditionally guaranteed by Ply Gem Holdings and substantially all of Ply Gem Industries' existing and future, direct and indirect, wholly-owned domestic subsidiaries. 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' and the guarantors' material owned real property and equipment and all assets that secure the notes on a first-priority basis.

For more information regarding our ABL Facility, see "Description of Other Indebtedness — Senior Secured Asset-Based Revolving Credit Facility."

Tender Offer. On January 28, 2011, we commenced a tender offer for any and all of our outstanding 11.75% Senior Secured Notes due 2013 (the "11.75% Senior Secured Notes"). On such date, we had outstanding \$725.0 million in aggregate principal amount of the 11.75% Senior Secured Notes. The total consideration offered for each \$1,000 principal amount of the 11.75% Senior Secured Notes validly tendered pursuant to the tender offer and not validly withdrawn prior to February 10, 2011 (the "Early Tender Date") was \$1,069.00, which amount included an early tender payment of \$40.00 per \$1,000 principal amount of 11.75% Senior Secured Notes validly tendered in the tender offer and not validly withdrawn prior to the Early Tender Date, plus accrued and unpaid interest. Holders who validly tendered their 11.75% Senior Secured Notes in the tender offer after the Early Tender Date but prior to the expiration date of the tender offer received \$1,029.00 per \$1,000 principal amount of 11.75% Senior Secured Notes, which amount represented the total consideration less the early tender payment each as described above, plus accrued and unpaid interest.

On February 11, 2011, we used a portion of the net proceeds of the offering of the initial notes to purchase \$718,597,000 principal amount of the 11.75% Senior Secured Notes validly tendered in the tender offer prior to the Early Tender Date. On February 28, 2011, we used a portion of the net proceeds of the offering of the initial notes to purchase \$6,000,000 principal amount of the 11.75% Senior Secured Notes validly tendered in the tender offer after the Early Tender Date.

Redemption and Discharge. On February 10, 2011, we provided the trustee under the indenture governing the 11.75% Senior Secured Notes (the "11.75% Trustee") with notice of our election to redeem any and all of the 11.75% Senior Secured Notes not purchased in the tender offer on March 13, 2011 (the "Redemption Date") at a redemption price of 103% of the principal amount thereof, plus accrued and unpaid interest. On February 11, 2011, we delivered instructions to and irrevocably deposited with the 11.75% Trustee an amount sufficient to pay and discharge the principal and accrued interest outstanding on all of the remaining 11.75% Senior Secured Notes to the Redemption Date such that the Company's obligations under the 11.75% Senior Secured Notes, the indenture governing the 11.75% Senior Secured Notes and the related security documents were discharged and the collateral securing the 11.75% Senior Secured Notes was released. Following the redemption on March 13, 2011, there were no longer any 11.75% Senior Secured Notes outstanding.

As a result of the tender offer and redemption described above, we incurred a loss on modification or extinguishment of debt of approximately \$27.9 million, consisting of \$10.9 million in tender premiums, \$2.8 million write-off of debt issuance costs associated with the 11.75% Senior Secured Notes, \$0.8 million write-off of unamortized discounts for

the 11.75% Senior Secured Notes, \$12.2 million write-off of third party fees for the 8.25% Senior Secured Notes, and \$1.2 million for the write-off of unamortized debt issuance costs for the previous ABL Facility.

Ownership Structure

The chart below summarizes our ownership and corporate structure:

Our Sponsor

As of the date of this prospectus, affiliates of, and companies managed by, CI Capital Partners LLC, formerly known as Caxton-Iseman Capital LLC, including Caxton-Iseman (Ply Gem), L.P. and Caxton-Iseman (Ply Gem) II, L.P. (collectively, the “CI Partnerships”), Frederick J. Iseman and Steven M. Lefkowitz (collectively, the “Sponsor”), beneficially own approximately 87% of the common stock of the indirect parent company of Ply Gem Industries.

Ply Gem Industries 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.

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

Summary of the Exchange Offer

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

Exchange Offer We are offering to exchange \$800,000,000 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 validly tendered and not validly withdrawn.

Expiration Date This exchange offer will expire at 5:00 p.m., New York City time, on _____, 2011, 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 which 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 which 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 Wells Fargo 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.”

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	Wells Fargo Bank, National Association is serving as exchange agent in the exchange offer.
Fees and Expenses	We will pay all 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.
Consequences to Holders Who Do Not Participate in the Exchange Offer	<p>If you do not participate in this exchange offer:</p> <ul style="list-style-type: none"> • 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 of 1933, as amended (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 under an exemption from the registration requirements of, or in a transaction not subject to, 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. <p>You will not be able to require us to register your initial notes under the Securities Act unless:</p> <ul style="list-style-type: none"> • an initial purchaser requests us to register initial notes that are not eligible to be exchanged notes in the exchange offer; • you are not eligible to participate in the exchange offer;

- you may not resell the exchange notes you acquire in the exchange offer to the public without delivering a prospectus and that the prospectus contained in the exchange offer registration statement is not appropriate or available for such resales by you; or
- you are a broker-dealer and hold initial notes that are part of an unsold allotment from the original sale of the initial notes.

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 “Risk Factors—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:

- 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) that 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.

Summary of Terms of the Exchange Notes

Issuer	Ply Gem Industries, Inc., a Delaware corporation.
Exchange Notes	Up to \$800.0 million aggregate principal amount of 8.25% Senior Secured Notes due 2018. 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, 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 notes will bear interest at a rate per annum equal to 8.25%, payable semi-annually, on February 15 and August 15 of each year, commencing on August 15, 2011.
Maturity Date	February 15, 2018.
Guarantees	The notes will be jointly and severally, irrevocably and unconditionally guaranteed on a senior secured basis, subject to certain limitations described herein, by our parent company, Ply Gem Holdings, and all of our wholly-owned 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 notes. See "Description of the Notes — Note Guarantees."
Collateral	The 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 our senior secured asset-based revolving credit facility, or ABL Facility, 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 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.

The collateral securing the notes will not include (i) certain excluded assets and (ii) 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.

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

Ranking

The 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, and 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 structurally junior to the liabilities of the non-guarantor subsidiaries.

As of April 2, 2011, we and the guarantors had \$890.0 million in aggregate principal amount of senior indebtedness outstanding (excluding unused commitments). See “Description of the Notes — Ranking.”

Optional Redemption

Prior to February 15, 2014, we may redeem up to 35% of the aggregate principal amount of the notes with the net cash proceeds from certain equity offerings at a redemption price equal to 108.250% of the aggregate principal amount of the notes, plus accrued and unpaid interest, if any, provided that at least 55% of the original aggregate principal amount of the notes remains outstanding after the redemption.

In addition, not more than once during any twelve-month period we may redeem up to the greater of (i) \$80 million of the notes and (ii) 10% of the principal amount of the notes issued under the indenture (including additional notes) at a redemption price equal to 103% of the aggregate amount of the notes, plus accrued and unpaid interest, if any.

Prior to February 15, 2014, we may redeem the notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a “make-whole” premium.

At any time on or after February 15, 2014, we may redeem the 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 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 February 15, 2014, we may redeem all, but not less than all, of the notes not tendered in such offer at a

price equal to 101% of the principal amount, plus accrued and unpaid interest.

Certain Covenants

The indenture governing the 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.

These covenants are subject to important exceptions and qualifications, which are described under the heading "Description of the Notes" in this prospectus.

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.
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 Relating 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 Wells Fargo 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 the 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 16 for a discussion of factors you should carefully consider before deciding to invest in the notes.

Summary Historical Financial Information

The summary historical financial data presented below as of and for each of the years in the three-year period ended December 31, 2010 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 as of and for the three-month periods ended April 2, 2011 and April 3, 2010 have been derived from, and should be read together with, our unaudited consolidated financial statements and the accompanying notes included elsewhere in this prospectus. In the opinion of management, our unaudited consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation of the financial position and results of operations in these periods. The results of any interim period are not necessarily indicative of the results that can be expected for the full 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,			Three months ended	
(Amounts in thousands)	2010	2009	2008	April 2, 2011 (unaudited)	April 3, 2010 (unaudited)
Statement of operations data(1):					
Net sales	\$ 995,906	\$ 951,374	\$ 1,175,019	\$ 200,107	\$ 204,205
Costs and expenses:					
Cost of products sold	779,946	749,841	980,098	172,325	167,308
Selling, general and administrative expenses	130,460	141,772	155,388	35,364	33,806
Amortization of intangible assets	27,099	19,651	19,650	6,684	6,794
Write-off of previously capitalized offering costs	1,571	—	—	—	—
Goodwill impairment	—	—	450,000	—	—
Total costs and expenses	939,076	911,264	1,605,136	214,373	207,908
Operating earnings (loss)	56,830	40,110	(430,117)	(14,266)	(3,703)
Foreign currency gain (loss)	510	475	(911)	133	104
Interest expense(2)	(122,992)	(135,514)	(110,418)	(26,460)	(34,007)
Interest income	159	211	617	36	53
Gain (loss) on modification or extinguishment of debt(2)	98,187	—	(27,597)	(27,863)	98,187
Income (loss) before provision (benefit)					
for income taxes	32,694	(94,718)	(568,426)	(68,420)	60,634
Provision (benefit) for income taxes	5,027	(17,966)	(69,951)	2,472	6,532
Net income (loss)	\$ 27,667	\$ (76,752)	\$ (498,475)	\$ (70,892)	\$ 54,102
Other financial data:					

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Adjusted EBITDA(3)	\$ 120,603	\$ 113,718	\$ 94,416	\$ 6,545	\$ 12,109
Capital expenditures	11,105	7,807	16,569	2,761	3,029
Depreciation and amortization	60,718	56,271	61,765	13,690	15,454
Annual single family housing starts(4)	472	442	616	N/A	N/A
Ratio of earnings to fixed charges(5)	1.3	—	—	—	2.7
Selected Statements of Cash Flows Data:					
Net cash provided by (used in):					
Operating activities	\$ 6,748	\$ (16,882)	\$ (58,865)	\$ (51,700)	\$ (21,416)
Investing activities	(9,073)	(7,835)	(11,487)	(2,752)	(3,028)
Financing activities	2,407	(17,528)	78,233	60,830	38,950
Balance Sheet data:					
Cash and cash equivalents	\$ 17,498	\$ 17,063	\$ 58,289	\$ 24,000	\$ 31,659
Total assets	922,237	982,033	1,104,053	971,929	1,011,301
Total debt	894,163	1,100,397	1,114,186	992,255	926,778
Stockholders' deficit	(173,088)	(313,482)	(242,628)	(242,977)	(143,831)

- (1) We adopted the measurement provisions in 2008 of Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans an amendment of FASB Statements No. 87, 88, 106, and 132(R) (now included in Accounting Standards Codification (ASC) 715, Compensation — Retirement Benefits). In addition, we elected to change our method of accounting for a portion of our inventory in 2008 from the last-in, first out (LIFO) method to the first-in, first-out (FIFO) method.

- (2) During the year ended December 31, 2010 and the three months ended April 3, 2010, we separately classified a non-cash gain on extinguishment in connection with the redemption of our 9% Senior Subordinated Notes due 2012. During the year ended December 31, 2008, we classified extinguishment losses arising from \$14.0 million of non-cash deferred financing costs associated with previous term debt, \$6.8 million for a prepayment premium and \$6.8 million of bank amendment fees as interest expense. During the three months ended April 2, 2011, we incurred a loss on modification or extinguishment of debt of approximately \$27.9 million consisting of \$10.9 million in tender premiums, \$2.8 million write-off of debt issuance costs associated with the 11.75% Senior Secured Notes, \$0.8 million write-off of unamortized discounts for the 11.75% Senior Secured Notes, \$12.2 million write-off of third party fees for the 8.25% Senior Secured Notes, and \$1.2 million for the write-off of unamortized debt issuance costs for the previous ABL Facility.
- (3) Adjusted EBITDA means net income (loss) plus interest expense (net of interest income), provision (benefit) for income taxes, depreciation and amortization, non-cash gain (loss) on modification or extinguishment of debt, non-cash foreign currency gain/(loss), amortization of non-cash write-off of the portion of excess purchase price from acquisitions allocated to inventories, write-off of previously capitalized offering costs, restructuring and integrations costs, customer inventory buybacks and impairment charges. 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. We have included adjusted EBITDA because it is a key financial measure used by management to (i) assess our ability to service our debt and/or incur debt and meet our capital expenditure requirements; (ii) internally measure our operating performance; and (iii) determine our incentive compensation programs. In addition, our ABL Facility has certain covenants that apply ratios utilizing this measure of adjusted EBITDA.

Despite the importance of this measure in analyzing our business, measuring and determining incentive compensation and evaluating our operating performance, as well as the use of adjusted EBITDA measures by securities analysts, lenders and others in their evaluation of companies, adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under U.S. generally accepted accounting principles ("U.S. GAAP"); nor is adjusted EBITDA intended to be a measure of liquidity or free cash flow for our discretionary use. Some of the limitations of adjusted EBITDA are:

Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures;

Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

Adjusted EBITDA does not reflect the interest expense or the cash requirements to service interest or principal payments under the notes, our 11.75% Senior Secured Notes, our 13.125% senior subordinated notes due 2014 (the "13.125% Senior

Subordinated Notes") or the ABL Facility.

Adjusted EBITDA does not reflect income tax payments we are required to make; and

Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized often will have to be replaced in the future, and adjusted EBITDA does not reflect any cash requirements for such replacements.

Adjusted EBITDA included in this prospectus should be considered in addition to, and not as a substitute for, net earnings or operating earnings in accordance with U.S. GAAP as a measure of performance in accordance with U.S. GAAP. You are cautioned not to place undue reliance on adjusted EBITDA.

The following table presents our calculation of adjusted EBITDA reconciled to net income (loss):

(Amounts in thousands)	Fiscal Year Ended December 31,			Three months ended	
	2010	2009	2008	April 2, 2011 (unaudited)	April 3, 2010 (unaudited)
Net income (loss)	\$27,667	\$(76,752)	\$(498,475)	\$(70,892)	\$54,102
Interest expense, net(2)	122,833	135,303	109,801	26,424	33,954
Provision (benefit) for income taxes	5,027	(17,966)	(69,951)	2,472	6,532
Depreciation and amortization	60,718	56,271	61,765	13,690	15,454
Non-cash gain (loss) on modification or extinguishment of debt(2)	(98,187)	-	27,597	27,863	(98,187)
Write-off of previously capitalized offering costs	1,571	-	-	-	-
(Gain)/loss on currency transaction	(510)	(475)	911	(133)	(104)
Non-cash charge of purchase price allocated to inventories	-	-	19	-	-
Restructuring/integration expense	910	8,992	10,859	429	106
Customer inventory buyback	574	8,345	1,890	6,692	252
Goodwill impairment	-	-	450,000	-	-
Adjusted EBITDA	\$120,603	\$113,718	\$94,416	\$6,545	\$12,109

(4) Single family housing starts in thousands data furnished by NAHB forecast (as of May 20, 2011).

(5) The ratio of earnings to fixed charges is computed by dividing fixed charges into 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 interest within rental expense. For the years ended December 31, 2009 and 2008, the deficiency in the ratio of earnings to fixed charges to achieve a one to one ratio was \$94.7 million and \$568.4 million, respectively, which resulted from the depressed residential U.S. housing market. For the three months ended April 2, 2011, the deficiency in the ratio of earnings to fixed charges to achieve a one to one ratio was \$68.4 million.

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

The significant amount of our indebtedness may limit the cash flow available to invest in the ongoing needs of our business.

As of April 2, 2011, we had approximately \$992.3 million of indebtedness outstanding, including \$90.0 million of outstanding borrowings under the ABL Facility. The terms of our outstanding debt, including the notes, our 13.125% Senior Subordinated Notes and our 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 our 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.

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 governing the notes and our 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 or repay 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 13.125% Senior Subordinated Notes is July 15, 2014, which is before the maturity of the notes, and all outstanding loans under the ABL Facility will be due and payable on January 26, 2016, which is before the maturity date of the notes. Further, if the 13.125% Senior Subordinated Notes have not been repaid or refinanced in full or the maturity thereof extended on or prior to April 15, 2014, then the ABL Facility will become due and fully payable and the commitments thereunder will terminate on April 15, 2014. We may need to refinance, extend the maturity or otherwise amend the terms of this indebtedness. Our ability to refinance the ABL Facility and/or the 13.125% Senior Subordinated Notes is dependent on, among other things, business conditions and our financial performance. The indenture governing the notes does not limit our ability to pay fees or interest on any permitted refinancing, and therefore, the indebtedness issued in any refinancing of the ABL Facility or the 13.125% Senior Subordinated Notes could have a significantly higher rate of interest and costs than the ABL Facility or the 13.125% Senior Subordinated Notes, respectively. We cannot assure you that we will be able to refinance, extend the maturity or otherwise amend the terms of our ABL Facility and/or the 13.125% Senior Subordinated Notes, or whether any refinancing, extension or amendment 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 issued to refinance our ABL Facility or the 13.125% Senior Subordinated Notes will be the same or as favorable as those under our ABL Facility and our 13.125% Senior Subordinated Notes.

Our ability to complete a refinancing of our ABL Facility and our 13.125% 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 and/or the 13.125% Senior Subordinated Notes and seeking or raising new capital. If we were unsuccessful in executing such an alternative, the lenders under our ABL Facility and the holders of our 13.125% 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 indentures that govern the notes and the 13.125% 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;
 - 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.

These restrictions may affect our ability to grow our business and take advantage of market and business opportunities or to raise additional debt or equity capital.

In addition, under the ABL Facility, if our excess availability is less than the greater of (a) 12.5% of the lesser of the revolving credit commitments and the borrowing base and (b) \$17.5 million, we will be required to comply with a minimum fixed charge coverage ratio test. 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 under the ABL Facility or the indentures governing the notes or our 13.125% Senior Subordinated Notes could result in an event of default under the ABL Facility or the indentures. An event of default under any of our debt agreements would permit some of our lenders to declare all amounts borrowed from them to be due and payable and, in some cases, proceed against the collateral securing such indebtedness.

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 liquidity.

A breach of the covenants under the indenture that governs the notes, the indenture that governs our 13.125% Senior Subordinated Notes or under the credit agreement that governs our 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.

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. We may also be unable to generate sufficient cash to make required capital expenditures.

Our ability to make scheduled payments on or to refinance our debt obligations and to make capital expenditures depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to financial, business and other factors. We will not be able to control many of these factors, such as economic conditions in the industry in which we operate and competitive pressures. 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, the 13.125% Senior Subordinated Notes or our indebtedness under our ABL Facility, or make required capital expenditures. 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.

In addition, 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 offerings 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 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 our 13.125% Senior Subordinated Notes and 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 13.125% Senior Subordinated Notes at 101% of the principal amount thereof, together with accrued and unpaid interest. An event of default under our ABL Facility may result in an event of default under the indenture that governs the notes and under the indenture governing our 13.125% 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 the notes and the indenture that governs our 13.125% Senior Subordinated Notes. Upon the occurrence of a change of control, we could seek to refinance the indebtedness under our ABL Facility, the notes, and our 13.125% Senior Subordinated Notes or obtain a waiver from the lenders under our ABL Facility, the holders of our 13.125% 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
- 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 for purposes of these fraudulent transfer laws 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 for purposes of these fraudulent transfer laws, 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.

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 and there is no established trading market for the notes. We do not intend to apply for the exchange notes to be listed on any securities exchange or to arrange for their quotation on any automated dealer quotation system. The initial purchasers in the offering of the initial notes have advised us that as of the issuance date of the initial notes they intended to make a market in the initial notes and the exchange notes, but the initial purchasers are not obligated to do so. The initial purchasers may discontinue any market making in the initial notes or 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 initial notes or the exchange notes.

We also cannot assure you that you will be able to sell your initial notes or 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 initial notes and 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, Ply Gem Canada, is not a guarantor of the notes. This non-guarantor subsidiary generated approximately 7.4% and 5.7% of our net sales, 15.9% and 12.5% of our operating loss and 8.2% and (24.0%) of our adjusted EBITDA for the year ended December 31, 2010 and the three months ended April 2, 2011, respectively. In addition, it held approximately 3.8% of our consolidated assets as of April 2, 2011. 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 April 2, 2011, the notes are structurally junior to approximately \$5.1 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:

- 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;
- 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 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 and certain 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 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).

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 and related guarantees 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, cash, deposit accounts, securities accounts, chattel paper and proceeds of the foregoing and certain assets such as contract rights, instruments and documents 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 will depend upon market and other economic conditions.

The notes are also be secured on a second-priority lien basis (subject to certain exceptions) by our and each guarantor’s accounts receivable, inventory, cash, deposit accounts, securities accounts, chattel paper 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 April 2, 2011, we had \$90.0 million of indebtedness outstanding under the ABL Facility, with approximately \$58.5 million of borrowing base availability under the ABL Facility (including the consideration of \$6.7 million of letters of credit and priority payables reserves). 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 secure the notes or repay outstanding indebtedness.

The value of the pledged assets in the event of a liquidation will depend 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 the offering of the initial notes or this exchange offer. 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 governing the relative rights to the collateral between the lenders under the ABL Facility and the noteholders, 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.

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 date of the bankruptcy filing 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 will 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.”

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.

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 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. It is possible that there will be no mortgages at the closing of this exchange offer to secure certain real estate interests, and such mortgages are only required to be entered into within 180 days of the closing of the offering of the initial notes. As such, it is possible that there will be a period of time when the notes will not have a perfected security on such real property interests. 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.

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 relating to the release of Collateral or substitution thereof 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. In addition, under interpretations provided by the SEC, to the extent that a release of a lien is made without the need for consent by the holders of the notes or the trustee, the provisions of Section 314(d) may be

inapplicable. With respect to such releases, we must deliver to the collateral agent, an officers' certificate to the effect that all releases and withdrawals during the preceding year 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 is 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 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 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 the Securities Act. We do not and will not assume, or indemnify you against, this liability.

Risks Associated with Our Business

Downturns in the home repair and remodeling and new construction sectors or the economy and the availability of consumer credit could adversely impact our end users and 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 construction spending, which declined significantly in 2009 and 2010 as compared to 2008 and are affected by such factors as interest rates, inflation, consumer confidence, unemployment and the availability of consumer credit.

Our performance is also dependent upon consumers having the ability to finance home repair and remodeling projects and/or the purchase of new homes. The ability of consumers to finance these purchases is affected by such factors as new and existing home prices, homeowners’ equity values, interest rates and home foreclosures, which in turn could result in a tightening of lending standards by financial institutions and reduce the ability of some consumers to finance home purchases or repair and remodeling expenditures. Recent trends, including declining home values, increased home foreclosures and tightening of credit standards by lending institutions, have negatively impacted the home repair and remodeling and the new construction sectors. If these credit market trends continue, our net sales and net income may be adversely affected.

We face competition from other 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 exterior building products. Some of these companies are larger and have greater financial resources than we do. Accordingly, these competitors may be better equipped to

withstand changes in conditions in 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 exterior building products manufacturers and alternative building materials could cause us to lose our customers and lead to decreases in net sales.

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. 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.

Certain of our customers have been expanding and may continue to expand through consolidation and internal growth, which may increase their buying power, which could materially and adversely affect our revenues, results of operations and financial position.

Certain of our important customers are large companies with significant buying power. In addition, potential further consolidation in the distribution channels could enhance the ability of certain of our customers to seek more favorable terms, including pricing, for the products that they purchase from us. Accordingly, our ability to maintain or raise prices in the future may be limited, including during periods of raw material and other cost increases. If we are forced to reduce prices or to maintain prices during periods of increased costs, or if we lose customers because of pricing or other methods of competition, our revenues, operating results and financial position may be materially and adversely affected.

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 that they purchase from us.

Our top ten customers accounted for approximately 38.4% of our net sales in the year ended December 31, 2010. Our largest customer accounted for approximately 9.0% of our net sales in the year ended December 31, 2010 and approximately 9.2% of our net sales for both the years ended December 31, 2008 and 2009. 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 any of our major customers could cause a material decrease in our net sales.

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 that 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 operating expenses are spread ratably 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.

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 April 2, 2011, approximately 12.0% 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 various businesses arising from periods prior to the dates we acquired them. 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, including Ply Gem Industries, MWM Holding, Inc., AWC Holding Company, Mastic Home Exteriors, Inc. (f/k/a Alcoa Home Exteriors, Inc.), Ply Gem Pacific Windows Corporation and substantially all the assets of United Stone Veneer, LLC (now known as “Ply Gem Stone”), in the last several years. We may be subject to claims or liabilities arising from the ownership or operation of our subsidiaries for the periods prior to our acquisition of them, including environmental liabilities. These claims or liabilities could be significant. Our ability to seek indemnification from the former owners of our subsidiaries for these claims or liabilities is limited by various factors, including the specific limitations contained in the respective acquisition agreement and the financial ability of the former owners to satisfy such claims or liabilities. If we are unable to enforce our indemnification rights against the former owners or if the former owners are unable to satisfy their obligations for any reason, including because of their current financial position, we could be held liable for the costs or obligations associated with such claims or liabilities, which could adversely affect our operating performance.

We could face potential product liability claims, including class action claims, relating to products we manufacture.

We face an inherent business risk of exposure to product liability claims, including class action 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. To encourage the retention of certain key executives, we have entered into various equity-based compensation agreements with our senior executives, including Messrs. Robinette, Poe, Wayne, and Morstad, designed to encourage their retention. 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 their loss of services 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.

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 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.

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 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 may be held liable, or incur fines or penalties in connection with such requirements or liabilities 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 known or newly-discovered contamination at any of our properties from activities conducted by previous occupants. The amount of such liability, fine or penalty may be material. 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, subject to certain limitations, for environmental 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 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, as well as by specific financial limits for certain aspects of the indemnity.

We are currently involved in environmental proceedings involving Ply Gem Canada and Alberta Environment (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), Kroy Building Products, Inc. (relating to contamination in a drinking water well in York, Nebraska) and Mastic Home Exteriors, Inc. (relating to a closed landfill site in Sidney, Ohio). Under the stock purchase agreement governing the Ply Gem acquisition, Nortek has agreed 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 with the Georgia Department of Natural Resources 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. Our ability to seek indemnification or enforce other obligations is, however, limited by the strength of the financial condition of the indemnitor or responsible party, which could change in the future, as well as by specific limits of any such indemnities or obligations.

On February 24, 2011, MW received a draft Administrative Order on Consent from the United States Environmental Protection Agency (EPA), Region III, under Section 3008(h) of the Resource Conservation and Recovery Act (RCRA) relating to contamination associated with an underground storage tank formerly located at its Rocky Mount, Virginia property. MW provided comments on the draft Consent Order to the EPA, Region III, on April 6, 2011, and is currently in the process of finalizing the Consent Order with the EPA, Region III. Certain liability for this subject contamination 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. Our ability to seek indemnification from U.S. Industries is, however, limited by the strength of U.S. Industries' financial condition, which could change in the future, as well as by specific financial limits for certain aspects of the indemnity.

Under the stock purchase agreement governing the MWM Holding acquisition, the sellers agreed to indemnify us for the first \$250,000 in certain costs of compliance with the New Jersey Industrial Site Recovery Act at a facility of MW in Hammonton, New Jersey and for 75% of any such costs between \$250,000 and \$5.5 million. Our ability to seek indemnification is, however, limited by the strength of the sellers' financial condition, which could change in the future, as well as by specific financial limits for certain aspects of the indemnity.

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 the previous owners of our subsidiaries could result in significant environmental liabilities that could adversely impact our operating performance. In addition, we might incur significant capital and other costs to comply with increasingly stringent United States or Canadian environmental laws or enforcement policies that would decrease our cash flow.

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 also have issued patents and rely on trade secret and 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.

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

Increases in fuel costs can negatively impact our cost to deliver our products to our customers and thus increase our cost of products sold. If we are unable to increase the selling price of our products to our customers to cover any increases in fuel costs, net income may be adversely affected.

Declines in our business conditions may result in an impairment of our tangible and intangible assets which could result in a material non-cash charge.

A negative long-term performance outlook, could result in an impairment of our tangible and intangible assets which results when the carrying value of the assets exceed their fair value. In 2008, we incurred a goodwill impairment of approximately \$450.0 million. Additional impairment charges could occur in future periods.

Our income tax net operating loss carryovers may be limited and our results of operations may be adversely impacted.

We have substantial deferred tax assets related to net operating loss carryforwards (“NOLs”) for United States federal and state income tax purposes, which are available to offset future taxable income. As a result, we project that the U.S. cash tax rate will be reduced from the federal statutory rate and state rate as a result of approximately \$216.5 million of gross NOLs for federal purposes and \$225.0 million of gross state NOLs. Our ability to utilize the NOLs may be limited as a result of certain events, such as insufficient future taxable income prior to expiration of the NOLs or annual limits imposed under Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”), or by state law, as a result of a change in control. A change in control is generally defined as a cumulative change of more than 50 percentage points in the ownership positions of certain stockholders of us or Ply Gem during a rolling three-year period. Changes in the ownership positions of certain stockholders could occur as the result of stock transactions by such stockholders and/or by the issuance of stock by us or Ply Gem Holdings, including the issuance of stock by Ply Gem Holdings in its initial public offering. Such limitations may cause us to pay income taxes earlier and in greater amounts than would be the case if the NOLs were not subject to such limitations. Should we determine that it is likely that our recorded NOL benefits are not realizable, we would be required to reduce the NOL tax benefits reflected on our consolidated financial statements to the net realizable amount by establishing a valuation reserve and recording a corresponding charge to earnings. Conversely, if we are required to reverse any portion of the accounting valuation allowance against our U.S. deferred tax assets related to our NOLs, such reversal could have a positive effect on our financial condition and results of operations in the period in which it is recorded.

In addition, upon the consummation of its initial public offering, Ply Gem Holdings may enter into a tax receivable agreement with an entity controlled by its current stockholders (the "Tax Receivable Entity"). This tax receivable agreement is expected to generally provide for the payment by Ply Gem Holdings to the Tax Receivable Entity of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that it actually realizes in periods after Ply Gem Holdings' initial public offering as a result of (i) NOL carryovers from periods (or portions thereof) ending before January 1, 2011, (ii) deductible expenses attributable to the transactions related to Ply Gem Holdings' initial public offering and (iii) deductions related to imputed interest deemed to be paid by Ply Gem Holdings as a result of the tax receivable agreement.

If Ply Gem Holdings enters into a tax receivable agreement in connection with its initial public offering, it may be required to pay an affiliate of our current stockholders for certain tax benefits it may claim, the amounts it may pay could be significant and the amounts it pays may not be reimbursed even if the claimed tax benefits are later determined by the U.S. Internal Revenue Service ("IRS") not to be allowed. The agreement could also adversely affect the ability of Ply Gem Holdings or us to enter into transactions with third parties because of additional obligations that might arise under the agreement.

The amount and timing of any payments under the tax receivable agreement may vary depending upon a number of factors, including the amount and timing of the taxable income Ply Gem Holdings generates in the future and the tax rate then applicable, its use of NOL carryovers and the portion of its payments under the tax receivable agreement constituting imputed interest.

The payments it may be required to make under the tax receivable agreement could be substantial. Ply Gem Holdings expects that, as a result of the amount of the NOL carryovers from prior periods (or portions thereof) and the deductible expenses attributable to the transactions related to its initial public offering, assuming no material changes in the relevant tax law and that Ply Gem Holdings earns sufficient taxable income to realize in full the potential tax benefit described above, future payments under the tax receivable agreement, in respect of the federal and state NOL carryovers, are expected to be approximately \$75.0 million and are expected to be paid within the next five years. These amounts reflect only the cash savings attributable to current tax attributes resulting from the NOL carryovers. It is possible that future transactions or events could increase or decrease the actual tax benefits realized and the corresponding tax receivable agreement payments from these tax attributes.

In addition, although Ply Gem Holdings is not aware of any issue that would cause the IRS to challenge the benefits expected to arise under the tax receivable agreement, the tax receivable agreement is expected to provide that the Tax Receivable Entity will not reimburse Ply Gem Holdings for any payments previously made if such benefits are subsequently disallowed, except that excess payments made to the Tax Receivable Entity will be netted against payments otherwise to be made, if any, after Ply Gem Holding's determination of such excess. As a result, if such circumstances were to occur, Ply Gem Holdings could make payments under the tax receivable agreement that are greater than its actual cash tax savings and may not be able to recoup those payments, which could adversely affect its liquidity.

Finally, because Ply Gem Holdings is a holding company with no operations of its own, its ability to make payments under the tax receivable agreement will be dependent on the ability of its subsidiaries to make distributions to it. The ABL Facility and the indentures governing the notes and the 13.125% Senior Subordinated Notes restrict the ability of Ply Gem Holdings' subsidiaries to make distributions to it, which could affect its ability to make payments under the tax receivable agreement. To the extent that Ply Gem Holdings is unable to make payments under the tax receivable agreement for any reason, such payments will be deferred and will accrue interest until paid, which could adversely affect our results of operations and could also affect our liquidity in periods in which such payments are made.

In addition, the tax receivable agreement is expected to provide that, upon certain mergers, asset sales, or other forms of business combinations or certain other changes of control, Ply Gem Holdings' or its successor's obligations with respect to tax benefits would be based on certain assumptions, including that Ply Gem Holdings or its successor would have sufficient taxable income to fully utilize the NOL carryovers covered by the tax receivable agreement. As a result, upon a change of control, Ply Gem Holdings may be required to make payments under the tax receivable agreement that are greater than or less than the specified percentage of its actual cash tax savings.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. 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” or “continue,” the negative of such terms or comparable terminology. Other forward-looking statements relate to projected housing starts and revenue. 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 in this prospectus. 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, except as required by federal securities laws. 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 which could cause actual results to differ materially from those estimated by us include, but are not limited, to the following:

• downturns in the home repair and remodeling and new construction sectors or the economy and the availability of consumer credit;

- competition from other exterior building products manufacturers and alternative building materials;
 - changes in the costs and availability of raw materials;
 - consolidation and further growth of our customers;
- loss of, or a reduction in orders from, any of our significant customers;
 - inclement weather conditions;

• increases in the cost of labor, union organizing activity and work stoppages at our facilities or the facilities of our suppliers;

- claims arising from the operations of our various businesses prior to our acquisitions;
 - products liability claims relating to the products we manufacture;
 - loss of certain key personnel;
- interruptions in deliveries of raw materials or finished goods;

- environmental costs and liabilities;
- manufacturing or assembly realignments;
- threats to, or impairments of, our intellectual property rights;
 - increases in fuel costs;
- material non-cash impairment charges;
- our significant amount of indebtedness;

covenants in the senior secured asset-based revolving credit facility and the indentures governing the notes and the 13.125% Senior Subordinated Notes;

- limitations on our net operating losses; and
- failure to generate sufficient cash to service all of our indebtedness and make capital expenditures.

These and other factors are more fully discussed in the “Risk Factors” section and elsewhere in this prospectus. These risks could cause actual results to differ materially from those implied by forward-looking statements in this prospectus.

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 agreements 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.

The proceeds from the issuance of the initial notes, prior to netting related fees, expenses, or commissions, was approximately \$800.0 million. We used such proceeds, together with cash on hand, to purchase \$724.6 million principal amount of our outstanding 11.75% Senior Secured Notes in a tender offer, to redeem the remaining \$0.4 million principal amount of outstanding 11.75% Senior Secured Notes, and to pay related fees and expenses.

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

Sources of Funds (In Millions)		Uses of Funds (In Millions)	
Initial notes	\$800.0	Purchase and redemption of our outstanding 11.75% Senior Secured Notes(1)	\$788.1
Cash on hand	14.0	Transaction fees and expenses(2)	25.9
	\$814.0		\$814.0

(1) Includes principal payments of \$724.6 million plus tender premiums of approximately \$49.8 million and accrued interest of approximately \$13.3 million for the 11.75% Senior Secured Notes purchased in the tender offer. See “Prospectus Summary — The Transactions — Tender Offer” for further information regarding the tender offer. Also includes principal payments of \$0.4 million for the 11.75% Senior Secured Notes redeemed on March 13, 2011. See “Prospectus Summary — The Transactions — Redemption and Discharge” for further information regarding the redemption. The 11.75% Senior Secured Notes bore interest at 11.75% per annum and were to mature on June 15, 2013.

(2) Includes transaction fees and legal, accounting and other costs payable in connection with the Transactions, but excludes tender premiums and the payment of accrued interest in connection with the tender offer and the redemption. As of April 2, 2011, we had accrued approximately \$4.6 million of transaction costs. We anticipate these costs will be paid during the second and third quarters of 2011.

CAPITALIZATION

The following table shows our capitalization as of April 2, 2011 on an actual basis.

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

(Amounts in thousands)	As of April 2, 2011 Actual (unaudited)
Cash and cash equivalents	\$ 24,000
Short-term and long-term debt:	
ABL Facility(1)	90,000
8.25% Senior Secured Notes due 2018(2)	800,000
Unamortized early tender premium and discount(2)	(44,426)
13.125% Senior Subordinated Notes due 2014(3)	150,000
Unamortized discount on \$150.0 million 13.125% Senior Subordinated Notes due 2014(3)	(3,319)
Total debt	992,255
Stockholders’ deficit:	
Common stock	—
Additional paid-in capital	321,839
Accumulated deficit(4)	(566,970)
Accumulated other comprehensive income	2,154
Total stockholders’ deficit	(242,977)
Total capitalization	\$ 749,278

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- (1) On January 26, 2011, Ply Gem Industries used approximately \$55.0 million of borrowings under the \$175.0 million ABL Facility to repay outstanding indebtedness under its prior senior secured asset-based revolving credit facility and pay related fees and expenses. See “Description of Other Indebtedness — Senior Secured Asset-Based Revolving Credit Facility” for a further description of the terms of the ABL Facility. As of April 2, 2011, we had approximately \$78.3 million of contractual availability and approximately \$58.5 million of borrowing base availability, reflecting \$90.0 million of borrowings outstanding and approximately \$6.7 million of letters of credit and priority payables reserves.
- (2) The 8.25% Senior Secured Notes had an aggregate face value of \$800.0 million, and were offered at par. As of April 2, 2011, we had an unamortized early tender premium and discount from the purchase and redemption of the 11.75% Senior Secured Notes of approximately \$44.4 million.

- (3) The 13.125% Senior Subordinated Notes have a face value of \$150.0 million, but were offered with an aggregate original discount of \$4.3 million.
- (4) The accumulated deficit reflects a loss on modification or extinguishment of debt of approximately \$27.9 million including the write-off of \$10.9 million of tender premiums, \$0.8 million of unamortized discounts for the 11.75% Senior Secured Notes, \$2.8 million of unamortized debt issuance costs for the 11.75% Senior Secured Notes, \$12.2 million of third party fees for the 8.25% Senior Secured Notes, and \$1.2 million of unamortized debt issuance costs for the previous ABL Facility.

SELECTED HISTORICAL FINANCIAL INFORMATION

The selected historical consolidated financial data presented below is for each of the years in the five-year period ended December 31, 2010.

The selected data presented below under the captions “Selected Statements of Operations Data” and “Selected Statements of Cash Flows Data” for the year ended December 31, 2008 are derived from the consolidated financial statements of Ply Gem Holdings and subsidiaries, which financial statements have been audited by KPMG LLP, an independent registered public accounting firm. The consolidated financial statements for the year ended December 31, 2008, and the report thereon, are included elsewhere in this prospectus. The consolidated balance sheets as of December 31, 2008, 2007 and 2006, and the consolidated financial statements for the years ended December 31, 2007 and 2006, are not included in this prospectus.

The selected data presented below under the captions “Selected Statements of Operations Data,” “Selected Statements of Cash Flows Data” and “Selected Balance Sheet Data” as of and for the years ended December 31, 2010 and 2009 are derived from the consolidated financial statements of Ply Gem Holdings and subsidiaries, which financial statements have been audited by Ernst and Young LLP, an independent registered public accounting firm. The consolidated financial statements as of December 31, 2010 and 2009, and for the years ended December 31, 2010 and 2009, and the report thereon, are included elsewhere in this prospectus.

The selected historical consolidated financial data presented below as of and for the three month periods ended April 2, 2011 and April 3, 2010 have been derived from, and should be read together with, the unaudited consolidated financial statements of Ply Gem Holdings and subsidiaries included elsewhere in this prospectus. In the opinion of management, our unaudited consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation of the financial position and results of operations in these periods. The selected historical consolidated financial data set forth below is not necessarily indicative of the results of future operations. The results of any interim period are not necessarily indicative of the results that may be expected for the full year or any future period.

The selected historical consolidated financial 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.

(Amounts in thousands)	Year ended December 31,					Three Months Ended	
	2010	2009	2008	2007	2006	April 2, 2011 (unaudited)	April 3, 2010 (unaudited)
Selected Statements of Operations Data:							
(1)							
Net sales	\$ 995,906	\$ 951,374	\$ 1,175,019	\$ 1,363,546	\$ 1,054,468	\$ 200,107	\$ 204,205
Costs and expenses:							
Cost of products sold	779,946	749,841	980,098	1,083,153	829,518	172,325	167,308
Selling, general and administrative	130,460	141,772	155,388	155,963	125,619	35,364	33,806

expenses

Amortization of intangible assets	27,099	19,651	19,650	17,631	11,942	6,684	6,794
Write-off of previously capitalized offering costs	1,571	--	--	--	--	--	--
Goodwill impairment	--	--	450,000	--	--	--	--
Intangible asset impairment	--	--	--	4,150	782	--	--
Total costs and expenses	939,076	911,264	1,605,136	1,260,897	967,861	214,373	207,908
Operating earnings (loss)	56,830	40,110	(430,117)	102,649	86,607	(14,266)	(3,703)
Foreign currency gain (loss)	510	475	(911)	3,961	77	133	104
Interest expense(2)	(122,992)	(135,514)	(110,418)	(99,698)	(76,680)	(26,460)	(34,007)
Interest income	159	211	617	1,704	1,205	36	53
Gain (loss) on modification or extinguishment of debt	98,187	--	(27,597)	--	--	(27,863)	98,187
Income(loss) before provision (benefit)							
for income taxes	32,694	(94,718)	(568,426)	8,616	11,209	(68,420)	60,634
Provision (benefit) for income taxes	5,027	(17,966)	(69,951)	3,634	4,147	2,472	6,532
Income (loss) before cumulative effect of accounting change	27,667	(76,752)	(498,475)	4,982	7,062	(70,892)	54,102
Cumulative effect of accounting change, net of income tax benefit of \$57	--	--	--	--	(86)	--	--
Net income (loss)	\$ 27,667	\$ (76,752)	\$ (498,475)	\$ 4,982	\$ 6,976	\$ (70,892)	\$ 54,102

(Amounts in thousands)	Year ended December 31,					Three Months Ended	
	2010	2009	2008	2007	2006	April 2, 2011 (unaudited)	April 3, 2010 (unaudited)
Other Data:							
Adjusted EBITDA(3)	\$ 120,603	\$ 113,718	\$ 94,416	\$ 172,511	\$ 127,529	\$ 6,545	\$ 12,109
Capital expenditures	11,105	7,807	16,569	20,017	20,318	2,761	3,029
Depreciation and amortization	60,718	56,271	61,765	54,067	33,816	13,690	15,454
Annual single family housing starts(4)	471	441	616	1,036	1,474	N/A	N/A
Ratio of earnings to fixed charges(5)	1.3	--	--	1.1	1.1	--	2.7

Selected
Statements of Cash
Flows Data:

Net cash provided
by (used in):

Operating activities	\$ 6,748	\$ (16,882)	\$ (58,865)	\$ 73,844	\$ 53,425	\$ (51,700)	\$ (21,416)
Investing activities	(9,073)	(7,835)	(11,487)	(56,407)	(432,168)	(2,752)	(3,028)
Financing activities	2,407	(17,528)	78,233	(15,068)	405,396	60,830	38,950

Selected Balance
Sheet Data (at
period end):

Cash and cash equivalents	\$ 17,498	\$ 17,063	\$ 58,289	\$ 52,053	\$ 53,274	\$ 24,000	\$ 31,659
Total assets	922,237	982,033	1,104,053	1,616,153	1,649,721	971,929	1,011,301
Total debt	894,163	1,100,397	1,114,186	1,038,096	1,048,764	992,255	926,778
Stockholder's equity (deficit)	(173,088)	(313,482)	(242,628)	241,787	227,716	(242,977)	(143,831)

(1) We adopted the recognition and disclosure requirements in 2007 and the measurement provisions in 2008 of Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans an amendment of FASB Statements No. 87, 88, 106, and 132(R) (now included in Accounting Standards Codification (ASC) 715, Compensation—Retirement Benefits). On January 1, 2007, we adopted FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109 (now included in ASC 740, Income Taxes). We adopted FASB Statement of Financial Accounting Standards No. 123(R) (revised 2004), Share-Based Payment (now included in ASC 718, Compensation—Stock Compensation and ASC 505, Equity) on January 1, 2006. In addition, we elected to change our method of accounting for a portion of our inventory in 2008 from the last-in, first-out (LIFO) method to the first-in, first-out (FIFO) method.

(2) During the year ended December 31, 2010 and the three months ended April 3, 2010, we separately classified a non-cash gain on extinguishment in connection with the redemption of our 9% Senior Subordinated Notes due

2012. During the year ended December 31, 2008, we classified extinguishment losses arising from \$14.0 million of non-cash deferred financing costs associated with previous term debt, \$6.8 million for a prepayment premium and \$6.8 million of bank amendment fees as interest expense. During the three months ended April 2, 2011, we incurred a loss on modification or extinguishment of debt of approximately \$27.9 million consisting of \$10.9 million in tender premiums, \$2.8 million write-off of debt issuance costs associated with the 11.75% Senior Secured Notes, \$0.8 million write-off of unamortized discounts for the 11.75% Senior Secured Notes, \$12.2 million write-off of third party fees for the 8.25% Senior Secured Notes, and \$1.2 million for the write-off of unamortized debt issuance costs for the previous ABL Facility.

(3) Adjusted EBITDA means net income (loss) plus interest expense (net of interest income), provision (benefit) for income taxes, depreciation and amortization, non-cash gain (loss) on modification or extinguishment of debt, non-cash foreign currency gain/(loss), amortization of non-cash write-off of the portion of excess purchase price from acquisitions allocated to inventories, write-off of previously capitalized offering costs, restructuring and integrations costs, customer inventory buybacks and impairment charges. 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. We have included adjusted EBITDA because it is a key financial measure used by management to (i) assess our ability to service our debt and/or incur debt and meet our capital expenditure requirements; (ii) internally measure our operating performance; and (iii) determine our incentive compensation programs. In addition, our ABL Facility has certain covenants that apply ratios utilizing this measure of adjusted EBITDA.

Despite the importance of this measure in analyzing our business, measuring and determining incentive compensation and evaluating our operating performance, as well as the use of adjusted EBITDA measures by securities analysts, lenders and others in their evaluation of companies, adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP; nor is adjusted EBITDA intended to be a measure of liquidity or free cash flow for our discretionary use. Some of the limitations of adjusted EBITDA are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense or the cash requirements to service interest or principal payments under the notes, our 11.75% Senior Secured Notes, our 13.125% Senior Subordinated Notes or the ABL Facility;
- Adjusted EBITDA does not reflect income tax payments we are required to make; and
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized often will have to be replaced in the future, and adjusted EBITDA does not reflect any cash requirements for such replacements.

Adjusted EBITDA included in this prospectus should be considered in addition to, and not as a substitute for, net earnings or operating earnings in accordance with U.S. GAAP as a measure of performance in accordance with U.S. GAAP. You are cautioned not to place undue reliance on adjusted EBITDA.

The following table presents our calculation of adjusted EBITDA reconciled to net income (loss):

(Amounts in thousands)	Year ended December 31,					Three Months Ended	
	2010	2009	2008	2007	2006	April 2, 2011 (unaudited)	April 3, 2010 (unaudited)
Net income (loss)	\$ 27,667	\$ (76,752)	\$ (498,475)	\$ 4,982	\$ 6,976	\$ (70,892)	\$ 54,102
Interest expense, net(2)	122,833	135,303	109,801	97,994	75,475	26,424	33,954
Provision (benefit) for income taxes	5,027	(17,966)	(69,951)	3,634	4,147	2,472	6,532
Depreciation and amortization	60,718	56,271	61,765	54,067	33,816	13,690	15,454
Non-cash gain (loss) on extinguishment of debt(2)	(98,187)	--	27,597	--	--	27,863	(98,187)
Write-off of previously capitalized offering costs	1,571	--	--	--	--	--	--
(Gain)/loss on currency transaction	(510)	(475)	911	(3,961)	(77)	(133)	(104)
Non-cash charge of purchase price allocated to inventories	--	--	19	1,289	3,266	--	--
Restructuring/2006 phantom stock conversion expense	910	8,992	10,859	10,356	3,840	429	106
Customer inventory buyback	574	8,345	1,890	--	--	6,692	252
Goodwill impairment	--	--	450,000	--	--	--	--
Intangible asset impairment	--	--	--	4,150	--	--	--
Cumulative effect of accounting change	--	--	--	--	86	--	--
Adjusted EBITDA	\$ 120,603	\$ 113,718	\$ 94,416	\$ 172,511	\$ 127,529	\$ 6,545	\$ 12,109

(4) Single family housing starts data furnished by NAHB forecast (as of May 20, 2011).

(5) The ratio of earnings to fixed charges is computed by dividing fixed charges into 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 interest within rental expense. For the years ended December 31, 2009 and 2008, the deficiency in the ratio of earnings to fixed charges to achieve a one to one ratio was \$94.7 million and \$568.4 million, respectively, which resulted from the depressed residential U.S. housing market. For the three months ended April 2, 2011, the deficiency in the ratio of earnings to fixed charges to achieve a one to one ratio was \$68.4 million.

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, operating in two reportable segments: (i) Siding, Fencing, and Stone and (ii) Windows and Doors, which comprised approximately 60% and 40% of our sales, respectively, for the fiscal year ended December 31, 2010 and for the three months ended April 2, 2011. These two segments produce a comprehensive product line of vinyl siding, designer accents and skirting, vinyl fencing, vinyl and composite railing, stone veneer and vinyl windows and doors used in both new construction and home repair and remodeling in the United States and Western Canada. Vinyl building products have the leading share of sales volume in siding and windows in the United States. We also manufacture vinyl and aluminum soffit and siding accessories, aluminum trim coil, wood windows, aluminum windows, vinyl and aluminum-clad windows and steel and fiberglass doors, enabling us to bundle complementary and color-matched products and accessories with our core products. We believe that our comprehensive product portfolio and geographically diverse, low cost manufacturing platform allow us to better serve our customers and provide us with a competitive advantage over other exterior building products suppliers.

Ply Gem Holdings was incorporated on January 23, 2004 by affiliates of CI Capital Partners for the purpose of acquiring Ply Gem Industries from Nortek. The Ply Gem acquisition was completed on February 12, 2004. Prior to the Ply Gem acquisition, our business was known as the Windows, Doors and Siding division of Nortek, where the business operated as a holding company with a broad set of brands. Since the Ply Gem acquisition, we have acquired five additional businesses to complement and expand our product portfolio and geographical diversity. After being recruited by our directors affiliated with CI Capital Partners, Gary E. Robinette, our President and Chief Executive Officer, joined Ply Gem in October 2006, and has employed the strategy of transitioning Ply Gem to an integrated and consolidated business model under the Ply Gem brand.

The following is a summary of Ply Gem's acquisition history:

- On August 27, 2004, Ply Gem acquired MWM Holding, a manufacturer of vinyl, wood, wood-clad, composite, impact and aluminum windows.
- On February 24, 2006, Ply Gem acquired Alenco, a manufacturer of aluminum and vinyl windows products. This acquisition supported our national window strategy and today operates under common leadership with our other U.S. window businesses.
- On October 31, 2006, Ply Gem completed the acquisition of MHE (formerly known as Alcoa Home Exteriors), a leading manufacturer of vinyl siding, aluminum siding, injection molded shutters and vinyl, aluminum and injection molded accessories. As a result of the MHE acquisition, MHE became part of our Siding, Fencing, and Stone segment and operates under common leadership with our existing siding business. In November 2010, MHE's legal name was formally changed from Alcoa Home Exteriors, Inc. to Mastic Home Exteriors, Inc.

- On September 30, 2007, Ply Gem completed the acquisition of CertainTeed Corporation's vinyl window and patio door business, which we have named Ply Gem Pacific Windows, a leading manufacturer of premium vinyl windows and patio doors.
- On October 31, 2008, Ply Gem acquired substantially all of the assets of Ply Gem Stone (formerly United Stone Veneer), a manufacturer of stone veneer products. As a result of the Ply Gem Stone acquisition, we modified the name of our "Siding, Fencing, and Railing" segment to "Siding, Fencing, and Stone" during 2008.

Prior to January 11, 2010, Ply Gem Holdings was a wholly owned subsidiary of Ply Gem Investment Holdings, Inc. ("Ply Gem Investment Holdings"), which was a wholly owned subsidiary of Ply Gem Prime Holdings, Inc. ("Ply Gem Prime"). On January 11, 2010, Ply Gem Investment Holdings was merged with and into Ply Gem Prime, with Ply Gem Prime being the surviving corporation. As a result, Ply Gem Holdings is now a wholly owned subsidiary of Ply Gem Prime.

We are a holding company with no operations or assets of our own other than the capital stock of our subsidiaries. The terms of the \$175.0 million senior secured asset-based revolving credit facility place restrictions on the ability of Ply Gem Industries and our other subsidiaries to pay dividends and otherwise transfer assets to us. Further, the terms of the indentures governing the 8.25% Senior Secured Notes and the 13.125% Senior Subordinated Notes place restrictions on the ability of Ply Gem Industries and our other subsidiaries to pay dividends and otherwise transfer assets to us.

Recent developments

On January 26, 2011, we entered into a new senior secured asset-based revolving credit agreement due 2016. The new ABL Facility provides for revolving credit financing of up to \$175.0 million subject to borrowing base availability. We used the proceeds from the initial borrowing to repay all of the outstanding indebtedness under the existing senior secured asset-based revolving credit facility due 2013. The new ABL Facility lowers our interest expense and extends the maturity to 2016.

On February 11, 2011, we issued \$800.0 million of the 8.25% Senior Secured Notes at par. We used the proceeds to redeem the existing 11.75% Senior Secured Notes by purchasing \$724.6 million principal amount of our outstanding 11.75% Senior Secured Notes in a tender offer and redeeming \$0.4 million principal amount of outstanding 11.75% Senior Secured Notes. This transaction lowers our interest expense and extends the maturity to 2018. In total, the ABL Facility and 8.25% Senior Secured Notes transactions lower our recurring cash interest expense by approximately \$21.0 million.

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 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 ("SG&A expense") includes all non-product related operating expenses, including selling, marketing, research and development costs, information technology, restructuring, and other general and administrative expenses.

Operating earnings (loss). Operating earnings (loss) represents net sales less cost of products sold, SG&A expense, amortization of intangible assets, and write-off of previously capitalized offering costs.

Comparability. All periods after the Ply Gem Stone (formerly United Stone Veneer) acquisition in October 2008 include the results of operations of Ply Gem Stone.

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 and fourth quarters of each calendar year historically result in these quarters producing significantly less sales revenue than in any other period of the year. As a result, we have historically had lower profits or higher 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 condition 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 upon our historical experience, current trends and information available from other sources, as appropriate. If different conditions result compared to our assumptions and judgments, the results could be materially different from our estimates. Management also believes that the seven areas where different assumptions could result in materially different reported results are 1) goodwill and intangible asset impairment tests, 2) accounts receivable related to estimation of allowances for doubtful accounts, 3) inventories in estimating reserves for obsolete and excess inventory, 4) warranty reserves, 5) income taxes, 6) rebates, and 7) pensions. Although we believe the likelihood of a material difference in these areas is low based upon our historical experience, a 10% change in our allowance for doubtful accounts, inventory reserve estimates, and warranty reserve at April 2, 2011 would result in an approximate \$0.5 million, \$0.7 million, and \$4.2 million impact on expenses, respectively. 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 consolidated financial statements, some of these policies may be viewed as being critical. Our critical accounting policies include:

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 the 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 sales-related 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 was 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. 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. As of April 2, 2011, the Company had inventory purchase commitments of approximately \$79.4 million. Inventory reserves were approximately \$7.3 million at April 2, 2011, increasing approximately \$0.1 million compared to the December 31, 2010 reserve balance of approximately \$7.2 million.

Asset Impairment. We review long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. We perform undiscounted operating cash flow analyses to determine if impairment exists. If impairment is determined to exist, any related impairment loss is calculated based on the asset's fair value and the discounted cash flow. We test for long-lived asset impairment at the following asset group levels: (i) Siding, Fencing, and Stone ("Siding"), (ii) the combined U.S. Windows companies in the Windows and Doors segment ("US Windows"), and (iii) Ply Gem Canada (formerly known as CWD Windows and Doors, Inc.) in the Windows and Doors segment. For purposes of recognition and measurement of an impairment loss, a long-lived asset or asset group should represent the lowest level for which an entity can separately identify cash flows that are largely independent of the cash flows of other assets and liabilities. A decrease in projected cash flows due to the depressed residential housing and remodeling market was determined to be a triggering event during 2009 and 2008. The impairment test results did not indicate that an impairment existed at December 31, 2009 or December 31, 2008. There were no triggering events during the year ended December 31, 2010, and there were no indications of impairment during the quarter ended April 2, 2011.

Goodwill Impairment. We evaluate goodwill for impairment on an annual basis and whenever events or business conditions warrant. All other intangible assets are amortized over their estimated useful lives. We assess goodwill for impairment at the November month end 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. We use the two-step method to determine goodwill impairment. If the carrying amount of a reporting unit exceeds its fair value (Step One Analysis), we measure the possible goodwill impairment based upon a hypothetical allocation of the fair value estimate of the reporting unit to all of the underlying assets and liabilities of the reporting unit, including previously

unrecognized intangible assets (Step Two Analysis). The excess of the reporting unit's fair value over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. An impairment loss is recognized to the extent that a reporting unit's recorded goodwill exceeds the implied fair value of goodwill.

To evaluate goodwill for impairment, we estimate the fair value of reporting units considering such factors as discounted cash flows and valuation multiples for comparable publicly traded companies. A significant reduction in projected sales and earnings, which would lead to a reduction in future cash flows, could indicate potential impairment. The depressed residential housing and remodeling market was determined to be a triggering event during the third quarter of 2008. The test results indicated that an estimated impairment of approximately \$200.0 million existed at September 27, 2008. This impairment was recognized within the Windows and Doors segment's operating earnings in the third quarter of 2008. Our annual goodwill impairment test performed during the fourth quarter of 2008 was affected by further housing market declines as well as significant decreases in market multiples. The test results indicated that an additional impairment of approximately \$127.8 million existed in our Windows and Doors segment at December 31, 2008. In addition, an impairment of approximately \$122.2 million was recognized in our Siding, Fencing, and Stone segment. These impairments were recognized in the respective segments in the fourth quarter of 2008. Our annual goodwill impairment test performed during the fourth quarter of 2009 (November 28, 2009) and 2010 (November 27, 2010) indicated no impairment. The Windows and Doors and Siding, Fencing, and Stone reporting units exceeded their carrying values at November 27, 2010 by approximately 21% and 87%, respectively.

We performed the following sensitivity analysis on the reporting unit Step One fair values as of November 27, 2010, November 28, 2009, November 22, 2008, and September 27, 2008.

(Amounts in thousands)	As of November 27, 2010	As of November 28, 2009	As of November 22, 2008	As of September 27, 2008
Estimated Windows and Doors reporting unit fair value increase (decrease) in the event of a 10% increase in the weighting of the market multiples method	\$ 5,600	\$ 5,000	\$ (5,900)	\$ (15,800)
Estimated Siding, Fencing, and Stone reporting unit fair value increase (decrease) in the event of a 10% increase in the weighting of the market multiples method	2,700	7,000	(1,200)	2,900

A summary of the key assumptions utilized in the goodwill impairment analysis at November 27, 2010, November 28, 2009, November 22, 2008, and September 27, 2008, as it relates to the Step One fair values and the sensitivities for these assumptions follows:

(Amounts in thousands)	As of November 27, 2010	As of November 28, 2009	As of November 22, 2008	As of September 27, 2008
Assumptions:				
Income approach:				
Estimated housing starts in terminal year	1,150,000	1,100,000	850,000	1,100,000
Terminal growth rate	3.5%	3.5%	3.5%	3.5%
Discount rates	19.0%	19.0%	19.0%	14.0%
Market approach:				
Control premiums	20.0%	20.0%	20.0%	20.0%
Sensitivities:				
Estimated fair value decrease in the event of a 1% decrease in the terminal year growth	\$ 10,679	\$ 11,565	\$ 7,937	\$ 26,629
Estimated fair value decrease in the event of a 1% increase in the discount rate	16,859	18,563	15,876	43,331
Estimated fair value decrease in the event of a 1% decrease in the control premium	2,330	2,699	1,545	2,518

(Amounts in thousands)	As of	Siding, Fencing, and Stone As of	As of	As of
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	November 27, 2010	November 28, 2009	November 22, 2008	September 27, 2008
Assumptions:				
Income approach:				
Estimated housing starts in terminal year	1,150,000	1,100,000	850,000	1,100,000
Terminal growth rate	3.0%	3.0%	3.0%	3.0%
Discount rates	16.0%	19.0%	18.0%	14.0%
Market approach:				
Control premiums	10.0%	10.0%	10.0%	10.0%
Sensitivities:				
Estimated fair value decrease in the event of a				
1% decrease in the terminal year growth	\$ 47,251	\$ 23,989	\$ 18,330	\$ 38,064
Estimated fair value decrease in the event of a				
1% increase in the discount rate	71,220	45,248	35,659	64,261
Estimated fair value decrease in the event of a				
1% decrease in the control premium	8,865	7,470	5,316	7,348

There were no indications of impairment during the quarter ended April 2, 2011 that would trigger an interim impairment test. We provide no assurance that: 1) valuation multiples will not decline, 2) discount rates will not increase, or 3) the earnings, book values or projected earnings and cash flows of our reporting units will not decline. We will continue to analyze changes to these assumptions in future periods. We will continue to evaluate goodwill during future periods and further declines in the residential housing and repair and remodeling markets could result in goodwill impairments.

Income Taxes. We utilize the asset and liability method in accounting for income taxes, which requires that the deferred tax consequences of temporary differences between the amounts recorded in our financial statements and the amounts included in our federal and state income tax returns be recognized in the consolidated 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 used 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. We have executed a tax sharing agreement with Ply Gem Holdings and Ply Gem Investment Holdings (Ply Gem Investment Holdings has since been merged with and into Ply Gem Prime, with Ply Gem Prime being the surviving corporation) pursuant to which tax liabilities for each respective party are computed on a stand-alone basis. Our U.S. subsidiaries file unitary, combined federal income tax returns and separate state income tax returns. Ply Gem Canada files separate Canadian income tax returns.

At December 31, 2009, we were in a full federal valuation allowance position as we were no longer in a net deferred liability tax position and continued to incur losses for income tax purposes. At December 31, 2010 and April 2, 2011, we remained in a full federal valuation allowance position as we continued to incur cumulative losses for income tax purposes.

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 with the excess allocated to goodwill.

Results of Operations

The following table summarizes net sales and net income (loss) by segment and is derived from the accompanying consolidated statements of operations included in this prospectus.

(Amounts in thousands)	Year ended December 31,			Three Months Ended	
	2010	2009	2008	April 2, 2011 (unaudited)	April 3, 2010 (unaudited)
Net sales					
Siding, Fencing, and Stone	\$604,406	\$577,390	\$709,432	\$122,142	\$117,668
Windows and Doors	391,500	373,984	465,587	77,965	86,537
Operating earnings (loss)					
Siding, Fencing, and Stone	92,612	77,756	(75,431)	5,244	10,514
Windows and Doors	(19,410)	(23,504)	(344,140)	(15,201)	(10,756)
Unallocated	(16,372)	(14,142)	(10,546)	(4,309)	(3,461)
Foreign currency gain(loss)					
Windows and Doors	510	475	(911)	133	104

Interest expense, net					
Siding, Fencing, and Stone	121	169	125	24	43
Windows and Doors	(90)	(183)	(518)	8	(46)
Unallocated	(122,864)	(135,289)	(109,408)	(26,456)	(33,951)
Income tax benefit (expense)					
Unallocated	(5,027)	17,966	69,951	(2,472)	(6,532)
Gain (loss) on modification or extinguishment of debt					
Unallocated	98,187	--	(27,597)	(27,863)	98,187
Net income (loss)					
	\$27,667	\$(76,752)	\$(498,475)	\$(70,892)	\$54,102

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 (loss). 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.

Siding, Fencing, and Stone Segment

(Amounts in thousands)

thousands)	Year ended December 31,						Three months ended			
	2010		2009		2008		April 2, 2011		April 3, 2010	
							(Unaudited)		(Unaudited)	
Statement of operations data:										
Net sales	\$ 604,406	100%	\$ 577,390	100%	\$ 709,432	100%	\$ 122,142	100%	\$ 117,668	100%
Cost of products sold	448,871	74.3%	428,037	74.1%	578,850	81.6%	100,067	81.9%	90,294	76.7%
Gross profit	155,535	25.7%	149,353	25.9%	130,582	18.4%	22,075	18.1%	27,374	23.3%
SG&A expense	54,410	9.0%	63,072	10.9%	75,240	10.6%	14,743	12.1%	14,729	12.5%
Amortization of intangible assets	8,513	1.4%	8,525	1.5%	8,546	1.2%	2,088	1.7%	2,131	1.8%
Goodwill impairment	-	0.0%	-	0.0%	122,227	17.2%	-	0.0%	-	0.0%
Operating earnings (loss)	\$ 92,612	15.3%	\$ 77,756	13.5%	\$ (75,431)	-10.6%	\$ 5,244	4.3%	\$ 10,514	8.9%

As a result of the Ply Gem Stone acquisition, we shortened the name of its “Siding, Fencing, Railing and Decking” segment to “Siding, Fencing, and Stone” during 2008. The Ply Gem Stone results were included within this segment from October 31, 2008 forward. The other operations within this segment remain unchanged.

Net Sales

Net sales for the three months ended April 2, 2011 increased compared to the same period in 2010 by approximately \$4.5 million, or 3.8%. The net sales increase was primarily driven by market share gains in the three months ended April 2, 2011 relative to the three months ended April 3, 2010. Included as a reduction of net sales for the three months ended April 2, 2011 was an inventory buyback for the lift-out of competitor’s inventory of approximately \$7.9 million related to these market share gains. Excluding the impact of this buyback, net sales would have increased 10.5% compared to the prior period. Our market share gains allowed us to significantly outperform the vinyl siding industry for the first quarter of 2011. For the three months ended April 2, 2011, we achieved a 3.8% sales increase despite a challenging U.S. housing market. According to the U.S. Census Bureau, first quarter 2011 single family housing starts were estimated to decrease approximately 21% from actual levels achieved in the first quarter of 2010. This decrease is attributable in part to the poor first quarter weather conditions that existed throughout the U.S. for much of the first quarter. In addition, the 2010 first quarter single family housing activity was inflated as a direct result of the Federal First-Time and Repeat Home Buyer Tax Credit programs, which expired on April 30, 2010. These tax incentives pulled demand into the first half of 2010 compared to the full year for 2010. Finally, our sales increase for the three months ended April 2, 2011 were favorably impacted by higher selling prices that were increased in response to rising raw material and freight costs.

Net sales for the year ended December 31, 2010 increased from the year ended December 31, 2009 by approximately \$27.0 million, or 4.7%. The increase in net sales was driven by higher selling prices in 2010 as compared to 2009 as a result of price increases that were implemented in response to increasing raw material costs as discussed below in cost

of products sold. Demand for our products increased during the first six months of 2010, but decreased during the last six months of the year driven by industry-wide market conditions in new construction. According to the U.S. Census Bureau, single family housing starts were estimated to increase by approximately 27.0% during the first half of 2010 compared to the first half of 2009, while single family housing starts for the second half of 2010 were estimated to decrease by approximately 11.7% compared to the second half of 2009. Management believes that the improvement in industry wide market conditions during the first half of 2010 was partially influenced by the Federal First-Time and Repeat Home Buyer Tax Credit programs which expired on April 30, 2010, which had the effect of pulling market demand forward into the first half of 2010 resulting in market demand being artificially lower in second half of 2010. Our 2010 unit shipments of vinyl siding decreased by approximately 3.3% as compared to the U.S. vinyl siding industry, as summarized by the Vinyl Siding Institute, which reported a 1.5% unit shipment decline in 2010. As a result, we estimated that our share of vinyl siding units shipped decreased slightly from approximately 32.9% in 2009 to 32.3% for the year ended December 31, 2010.

Net sales for the year ended December 31, 2009 decreased from the year ended December 31, 2008 by approximately \$132.0 million, or 18.6%. 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 and overall softness in repair and remodeling expenditures. These market conditions negatively impacted demand for our products. According to the NAHB, single family housing starts for 2009 were 442,000 units which represented a decline of approximately 28.2% from 2008 actual levels of 616,000. In addition to lower unit volume shipments, selling prices were generally lower in 2009 as compared to 2008 due to market pressure that resulted from lower raw material and freight costs. The decrease in net sales that resulted from industry wide market demand declines and lower selling prices were partially offset by market share gains from sales to new customers and/or expanded sales to existing customers from additional products or sales in new geographical regions. As a result of our share gains, we believe that we outperformed the vinyl siding industry. Our 2009 unit shipments of vinyl siding decreased by approximately 12% as compared to the U.S. vinyl siding industry, as summarized by the Vinyl Siding Institute, which reported a 23% unit shipment decline in 2009. As a result, we estimated that our share of vinyl siding units shipped increased from approximately 29% in 2008 to 33% for the year ended December 31, 2009. Additionally, our 2009 sales included sales contributed by Ply Gem Stone, which was acquired in October 2008.

Cost of Products Sold and Gross Profit

Gross profit for the three months ended April 2, 2011 decreased compared to the same period in 2010 by approximately \$5.3 million as cost of products sold increased \$9.8 million or 10.8%. The gross profit decrease resulted from higher material and freight costs, which were negatively impacted by rising oil costs. According to the London Metal Exchange, the price of aluminum has increased approximately 15.7% for the three months ended April 2, 2011 compared to the three months ended April 3, 2010. In addition, market prices for PVC resin were estimated to have increased 5.7% for the three months ended April 2, 2011 compared to the three months ended April 3, 2010. Gross profit percentage decreased from 23.3% for the three months ended April 3, 2010 to 18.1% for the three months ended April 2, 2011. Included in gross profit is a net inventory buyback of approximately \$6.7 million resulting from the buyback, or lift-out, of our competitor's product on initial stocking orders partially offset by the scrap value of inventory received. Our gross profit percentage for the three months ended April 2, 2011 would have been 22.1% excluding this buyback, which is lower than the prior year gross profit percentage due to material and freight cost increases not fully offset by our selling price increases. Inventory buybacks in the 2010 period were approximately \$0.2 million.

Cost of products sold for the year ended December 31, 2010 increased from the year ended December 31, 2009 by approximately \$20.8 million, or 4.9%. The increase was driven by higher material costs in 2010, which were negatively impacted by market wide price increases for our two largest raw materials, PVC resin and aluminum. While rising commodity prices negatively impacted our cost of products sold, the increase was partially offset by a one-time cost decrease that occurred in the first half of 2010 as compared to 2009 due to the termination of an aluminum supply agreement in early 2009, which resulted in abnormally high aluminum material cost charged to cost of products sold in the first half of 2009. In addition, we incurred approximately \$6.9 million less expense associated with new customers that resulted from the buy-back, or lift-out, of our competitor's product on initial stocking orders for the full year 2010 as compared to 2009. Gross profit percentage decreased slightly from 25.9% in 2009 to 25.7% in 2010. The modest decrease in gross profit percentage resulted from increased raw material costs which were largely offset by our selling price increases and improved operating efficiencies and management's initiatives to reduce fixed manufacturing expenses, including the consolidation of the majority of the production from our vinyl siding plant in Kearney, Missouri, into our other three remaining vinyl siding plants which was completed in the second quarter of 2009 and lower new customer buy-back expense as previously discussed.

Cost of products sold for the year ended December 31, 2009 decreased from the year ended December 31, 2008 by approximately \$150.8 million, or 26.1%. The decrease in cost of products sold was primarily due to lower sales and decreased raw material costs, primarily PVC resin and aluminum, as well as lower freight costs driven by lower oil costs. We estimated that the 2009 full year average market cost of pipe grade PVC resin and aluminum declined by approximately 8.1% and 33.2%, respectively, as compared to 2008. Gross profit percentage increased from 18.4% in 2008 to 25.9% in 2009. The improvement in gross profit percentage resulted from decreased raw material and freight cost discussed above, partially offset by lower selling prices. In addition, our gross profit percentage improved as a result of management's initiatives to reduce fixed expenses, which included the closure of the vinyl siding plant in Denison, Texas, which ceased production in February 2008, the consolidation of the majority of the production from our vinyl siding plant in Kearney, Missouri into our other three remaining vinyl siding plants, and the consolidation of our metal accessory production from our Valencia, Pennsylvania facility into our Sidney, Ohio facility, which occurred during the later part of 2008 and early 2009. The improvement in gross profit that resulted from management's initiatives was partially offset by initial costs that were incurred with new customers that resulted from the buy-back, or lift-out, of our competitor's product on the initial stocking orders with our new customers which totaled \$7.4 million in 2009 as compared to \$1.4 million in 2008.

SG&A Expense

SG&A expenses as a percentage of sales for the three months ended April 2, 2011 improved modestly as compared with the same period in 2010 at 12.1% and 12.5% of net sales, respectively. We have effectively managed our SG&A expenses during the current housing market environment.

SG&A expense for the year ended December 31, 2010 decreased from the year ended December 31, 2009 by approximately \$8.7 million, or 13.7%. The decrease in SG&A expense was primarily caused by lower marketing expenses related to our brand conversion from Alcoa Home Exteriors to Mastic Home Exteriors during 2009. In addition, we reduced administrative and other fixed expenses in light of current market conditions and incurred lower restructuring and integration expense, which totaled approximately \$0.3 million in 2010 as compared to approximately \$2.9 million in 2009.

SG&A expense for the year ended December 31, 2009 decreased from the year ended December 31, 2008 by approximately \$12.2 million, or 16.2%. The decrease in SG&A expense was due to lower administrative and other fixed expenses that were reduced in light of market conditions, as well as lower restructuring and integration expense. We incurred restructuring and integration expense of approximately \$2.9 million in 2009 as compared to approximately \$6.9 million in 2008.

Amortization of Intangible Assets

Amortization expense for the three months ended April 2, 2011 was consistent with the same period in 2010. Amortization expense for the year ended December 31, 2010 was consistent with the years ended December 31, 2009 and December 31, 2008.

Goodwill Impairment

Our annual goodwill impairment tests performed during the fourth quarters of 2010 and 2009 indicated no impairment. During 2008, as a result of the depressed residential housing and remodeling markets, we incurred a \$122.2 million impairment charge to operating earnings during the fourth quarter of 2008 for our Siding, Fencing, and Stone operating segment.

Windows and Doors Segment

(Amounts in thousands)

	Year ended December 31,						Three months ended			
	2010		2009		2008		April 2, 2011		April 3, 2010	
							(Unaudited)		(Unaudited)	
Statement of operations data:										
Net sales	\$ 391,500	100%	\$ 373,984	100%	\$ 465,587	100%	\$ 77,965	100%	\$ 86,537	100%
Cost of products sold	331,075	84.6%	321,804	86.0%	401,248	86.2%	72,258	92.7%	77,014	89.0%
Gross profit	60,425	15.4%	52,180	14.0%	64,339	13.8%	5,707	7.3%	9,523	11.0%
SG&A expense	61,285	15.7%	64,579	17.3%	69,602	14.9%	16,321	20.9%	15,625	18.1%
Amortization of intangible assets	18,550	4.7%	11,105	3.0%	11,104	2.4%	4,587	5.9%	4,654	5.4%
Goodwill impairment	-	0.0%	-	0.0%	327,773	70.4%	-	0.0%	-	0.0%
Operating earnings (loss)	\$ (19,410)	-5.0%	\$ (23,504)	-6.3%	\$ (344,140)	-73.9%	\$ (15,201)	-19.5%	\$ (10,756)	-12.4%
Currency transaction gain (loss)	510	0.1%	475	0.1%	(911)	-0.2%	133	0.2%	104	0.1%

Net Sales

Net sales for the three months ended April 2, 2011 decreased compared to the same period in 2010 by approximately \$8.6 million, or 9.9%. The net sales decrease was driven by the aforementioned 21% decrease in U.S. single family housing starts for the three months ended April 2, 2011 compared to the three months ended April 3, 2010. This housing industry decrease resulted in lower demand for our window and door products during the three months ended April 2, 2011. In addition, sales of our window and door products in Western Canada were negatively impacted by market wide decreased demand that resulted from decreased housing starts in Alberta, Canada. According to the Canadian Mortgage and Housing Corporation, housing starts in Alberta, Canada were estimated to have decreased by 22.6% in the first three months of 2011 as compared to the same period in 2010. The decrease in unit volume sales was partially offset by increased selling prices that were increased in response to rising raw material and freight costs.

Net sales for the year ended December 31, 2010 increased compared to the year ended December 31, 2009 by approximately \$17.5 million, or 4.7%. The net sales increase resulted from higher sales of our new construction window and door products resulting from increased U.S. single family housing starts, which according to the NAHB, were estimated to have increased from 442,000 units in 2009 to 472,000 units in 2010. In addition, sales of our window and door products in Western Canada were favorably impacted by market wide increased demand primarily caused by increased housing starts in Alberta, Canada. According to the CMHC, total housing starts in Alberta, Canada were estimated to have increased 39.6% for the full twelve months of 2010 as compared to 2009, but were estimated to have decreased by 17.1% in the fourth quarter of 2010 as compared to the same period in 2009. Our unit shipments of windows and doors in the United States increased 1.2% in 2010 as compared to 2009, while our unit shipments of windows and doors in Western Canada increased by 9.1% in 2010 as compared to 2009.

Net sales for the year ended December 31, 2009 decreased compared to the same period in 2008 by approximately \$91.6 million, or 19.7%. The decrease in net sales was due to lower demand for our window and door products due to lower sales of our new construction window and door products which were negatively impacted by market wide decreased demand that resulted from reductions in single family housing starts in the United States. According to the NAHB, single family housing starts decreased 28.2% from 616,000 units in 2008 to 442,000 in 2009. In addition, sales of our window and door products in Western Canada were negatively impacted by market wide decreased demand that resulted from reductions in housing starts in Alberta, Canada which were estimated to show a decline of 30.4% in 2009 as compared to 2008 according to the CMHC. The decrease in net sales that resulted from industry wide market demand declines in both the U.S. and Western Canadian markets were partially offset by market share gains from sales to new customers and/or expanded sales to existing customers from additional products or sales in new geographical regions. Our unit shipments of windows and doors in the United States were down 16.8% in 2009 as compared to 2008. Our unit shipments of windows and doors in Western Canada were down 15.8% in 2009 as compared to 2008, while according to the CMHC, housing starts in Alberta, Canada in 2009 were estimated to show a decline of 30.4% from actual levels achieved in 2008.

Cost of Products Sold and Gross Profit

Gross profit for the three months ended April 2, 2011 decreased compared to the same period in 2010 by approximately \$3.8 million while cost of products sold decreased \$4.8 million or 6.2%. Gross profit as a percentage of sales decreased from 11.0% for the first quarter of 2010 to 7.3% for the first quarter of 2011. The decline in the gross profit percentage is predominantly attributed to lower operating leverage on fixed costs which did not decrease in direct proportion to sales and increased material costs, including aluminum, as well as higher freight costs associated with the rising cost of oil that were not fully offset by our selling price increases.

Cost of products sold for the year ended December 31, 2010 increased compared to the year ended December 31, 2009 by approximately \$9.3 million, or 2.9%. The increase in cost of products sold was primarily due to increased sales volume as discussed above. Gross profit percentage increased from 14.0% in 2009 to 15.4% in 2010. The improvement in gross profit percentage resulted from improved operating leverage on fixed manufacturing costs which did not increase in proportion to sales and also from lower fixed manufacturing costs resulting from the closure of our Hammonton, New Jersey, Phoenix, Arizona and Tupelo, Mississippi window plants in early 2009 and realigned production within our three west coast window plants, including the realignment of window lineal production during 2009. Also impacting our gross profit were the initial costs that were incurred with new customers that resulted from the buy-back, or lift-out, of our competitor's product on the initial stocking orders with our new customers, which were approximately \$0.1 million in 2010 as compared to approximately \$1.0 million for 2009.

Cost of products sold for the year ended December 31, 2009 decreased compared to the same period in 2008 by approximately \$79.4 million, or 19.8%. The decrease in cost of products sold was primarily due to lower sales and decreased raw material costs, primarily PVC resin and aluminum, as well as lower freight costs driven by lower oil costs. Gross profit percentage increased from 13.8% in 2008 to 14.0% in 2009. The increase in gross profit percentage resulted from lower fixed manufacturing costs that were reduced in response to lower market demand and decreased raw material costs, primarily PVC resin, aluminum and glass, as well as lower freight costs driven in part by lower oil costs. The reduction in fixed manufacturing costs resulted from the closure of our Hammonton, New Jersey, Phoenix, Arizona and Tupelo, Mississippi window plants during 2009 and realigned production within our three west coast window plants, including the realignment of window lineal production during 2009. Also impacting our gross profit results were the initial costs that were incurred with new customers that resulted from the buy-back, or lift-out, of our competitor's product on the initial stocking orders with our new customers, which totaled \$1.0 million in 2009 as compared to \$0.5 million for 2008.

SG&A Expense

SG&A expenses for the three months ended April 2, 2011 increased compared to the same period in 2010 by approximately \$0.7 million, or 4.5%. The increase in SG&A expense was primarily driven by higher selling and marketing expenses due to expenses associated with the introduction of our new repair and remodeling window.

SG&A expense for the year ended December 31, 2010 decreased compared to the year ended December 31, 2009 by approximately \$3.3 million, or 5.1%. The decrease in SG&A expense was a result of incurring approximately \$5.4 million less restructuring and integration expense in 2010 as compared to 2009. The decrease in SG&A expense from lower restructuring and integration expense was partially offset by higher selling and marketing expenses related to increased sales, higher expenses associated with the introduction of a new repair and remodeling window product, and increased expenses in our Western Canada window business due in part to increased sales demand.

SG&A expense for the year ended December 31, 2009 decreased from the year ended December 31, 2008 by approximately \$5.0 million, or 7.2%. The decrease in SG&A expense was due to lower administrative and other fixed expenses that were reduced in light of market conditions. These SG&A expense reductions were partially offset by higher restructuring and integration expenses that were incurred in 2009 of approximately \$5.6 million as compared to approximately \$3.3 million in 2008.

Amortization of Intangible Assets

Amortization expense for the three months ended April 2, 2011 was consistent with the same period in 2010. Amortization expense for the year ended December 31, 2010 increased compared to the same period in 2009 by approximately \$7.4 million due to the change in the estimated lives of certain tradenames. During the year ended December 31, 2010, we decreased the life of certain trademarks to three years (applied prospectively) as a result of

future marketing plans regarding the use of the trademarks. Amortization expense for the year ended December 31, 2009 was consistent with the amortization expense for the year ended December 31, 2008.

Goodwill Impairment

Our annual goodwill impairment tests performed during the fourth quarters of 2010 and 2009 indicated no impairment. As a result of the depressed residential housing and remodeling markets, we incurred a \$127.8 million impairment charge to operating earnings during the fourth quarter of 2008 for our Windows and Doors operating segment. The \$127.8 million impairment charge taken in the fourth quarter of 2008 was in addition to the estimated \$200.0 million impairment charge to operating earnings taken in the fiscal third quarter of 2008 for our Windows and Doors operating segment.

Currency Transaction Gain (Loss)

Currency transaction gain was substantially the same for the years ended December 31, 2010 and December 31, 2009 as well as for the three months ended April 2, 2011 and April 3, 2010. Currency transaction gain (loss) changed from a loss of approximately \$0.9 million for the year ended December 31, 2008 to a gain of approximately \$0.5 million for the year ended December 31, 2009. The currency gain was approximately \$0.1 million for each of the three months ended April 2, 2011 and April 3, 2010.

Unallocated Operating Earnings, Interest, and Benefit (Provision) for Income Taxes

(Amounts in thousands)	Year ended December 31,			Three Months Ended	
	2010	2009	2008	April 2, 2011 (Unaudited)	April 3, 2010 (Unaudited)
Statement of operations data:					
SG&A expense	\$(14,765)	\$(14,121)	\$(10,546)	\$(4,300)	\$(3,452)
Amortization of intangible assets	(36)	(21)	--	(9)	(9)
Write-off of previously capitalized offering costs	(1,571)	--	--	--	--
Operating loss	(16,372)	(14,142)	(10,546)	(4,309)	(3,461)
Interest expense	(122,881)	(135,328)	(109,798)	(26,459)	(33,960)
Interest income	17	39	390	3	9
Gain (loss) on modification or extinguishment of debt	98,187	--	(27,597)	(27,863)	98,187
Benefit (provision) for income taxes	\$(5,027)	\$17,966	\$69,951	\$(2,472)	\$(6,532)

SG&A Expense

Unallocated SG&A expense includes 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. The SG&A expense for the three months ended April 2, 2011 increased by approximately \$0.8 million compared to the same period in 2010 primarily due to personnel costs and the transition of treasury functions to the corporate office. The SG&A expense increase of approximately \$0.6 million for the year ended December 31, 2010 as compared to the year ended December 31, 2009 is primarily due to the expansion of the corporate office. The SG&A expense increase of approximately \$3.6 million for the year ended December 31, 2009 as compared to the year ended December 31, 2008 was driven by the expansion of the corporate office and centralization of back office functions from the operating units to the corporate office including payroll, payables, credit (US Windows), cash application, and billing.

Amortization of Intangible Assets

Amortization expense for the three months April 2, 2011 was consistent with the three months ended April 3, 2010. Amortization expense for the year ended December 31, 2010 was consistent with the year ended December 31, 2009. There was no amortization expense for the year ended December 31, 2008.

Write-off of previously capitalized offering costs

We incurred approximately \$1.6 million of costs associated with a public equity offering during 2010. Since the offering has been postponed for a period greater than 90 days, the costs, which were initially capitalized, were written off during the fourth quarter of 2010.

Interest expense

Interest expense for the three months ended April 2, 2011 decreased by approximately \$7.5 million compared to the same period in 2010. The decrease was primarily due to the deleveraging event that occurred in February 2010 and the debt refinancings that were completed during January and February 2011. Specifically, the net decrease was due to the following:

- a decrease of approximately \$12.4 million of interest on the 11.75% Senior Secured Notes, which were purchased and redeemed in February and March 2011,
- a decrease of approximately \$3.9 million of interest on the 9% Senior Subordinated Notes, which were redeemed in February 2010,
- an increase of approximately \$8.8 million of interest on the new 8.25% Senior Secured Notes, which were issued in February 2011,
- an increase of approximately \$0.5 million of interest on the 13.125% Senior Subordinated notes, which were issued in January 2010,
- a decrease of approximately \$0.4 million of interest on our ABL Facility borrowings, primarily due to a decrease in the interest rate,
- a decrease of approximately \$0.5 million due to the write off of a portion of the capitalized financing costs related to the 11.75% Senior Secured Notes purchased and redeemed in February and March 2011, and
- an increase of approximately \$0.4 million due to the amortization of the discount and tender premium on the 8.25% Senior Secured Notes, which were issued in February 2011.

Interest expense for the year ended December 31, 2010 decreased by approximately \$12.4 million over the same period in 2009. The decrease was primarily attributed to the \$210.0 million deleveraging event that occurred during February 2010. Specifically, the net decrease was due to the following:

- a decrease of approximately \$28.6 million due to less interest paid on the 9.0% Senior Subordinated Notes which were redeemed on February 16, 2010;
- an increase of approximately \$19.2 million paid on the 13.125% Senior Subordinated Notes issued on January 11, 2010;
- an increase of approximately \$2.4 million due to interest paid on the additional \$25.0 million 11.175% Senior Secured Notes issued in October 2009;
- an increase of approximately \$1.9 million due to higher bond discount amortization, primarily due to the addition of the 13.125% Senior Subordinated Notes during 2010;
 - a decrease of approximately \$1.0 million due to lower deferred financing amortization after the write-off of the capitalized financing costs related to the 9.0% Senior Subordinated Notes; and
- a decrease of approximately \$6.3 million primarily due to 2009 interest charges related to the various debt financing activities which occurred during 2009 involving third party fees.

Interest expense for the year ended December 31, 2009 increased by approximately \$25.5 million over the same period in 2008. The increase was due to the following:

- an increase of approximately \$16.6 million due to 2009 interest of approximately \$37.2 million on the 11.75% Senior Secured Notes issued June 9, 2008, as compared to approximately \$20.6 million of 2008 interest on our previous term loan which was repaid on June 9, 2008;
- an increase of approximately \$1.2 million due to interest paid on increased borrowings under the ABL Facility;
 - an increase of approximately \$6.7 million of interest charges related to the various debt financing activities which occurred during 2009 involving third party fees; and
- an increase of approximately \$1.0 million due to higher amortization of deferred financing costs in 2009 as compared to 2008.

Interest income

Interest income was \$3,000 and \$9,000 for the three months ended April 2, 2011 and April 3, 2010, respectively. Interest income for the year ended December 31, 2010 decreased by \$22,000 due to lower interest rates in 2010 as compared to 2009. Interest income for the year ended December 31, 2009 decreased from the year ended December 31, 2008 by approximately \$0.4 million as a result of lower interest rates in 2009 as compared to 2008.

Gain (loss) on modification or extinguishment of debt

As a result of the debt refinancings during January and February 2011, we recognized a loss on modification/extinguishment of debt of approximately \$27.9 million for the three months ended April 2, 2011. The loss consisted of the write off of a portion of the tender premium paid with the redemption of the 11.75% Senior

Secured Notes of approximately \$10.9 million, the write off of a portion of the capitalized bond discount related to the 11.75% Senior Secured Notes of approximately \$0.8 million, the write off of a portion of the capitalized financing costs related to the 11.75% Senior Secured Notes of approximately \$2.8 million, the write off of the capitalized financing costs related to the previous ABL Facility of approximately \$1.2 million, and the expense of certain third-party financing costs related to the 8.25% Senior Secured Notes of approximately \$12.2 million.

For the year ended December 31, 2010, we reported a gain on extinguishment of debt of approximately \$98.2 million as a result of a financing transaction in February 2010. As a result of the \$141.2 million redemption of the 9% Senior Subordinated Notes on February 16, 2010, we recognized a loss on extinguishment of debt of approximately \$2.2 million related predominantly to the write off of unamortized debt issuance costs. As a result of the \$218.8 million contribution of the 9% Senior Subordinated Notes by an affiliate of our controlling stockholder in exchange for equity of Ply Gem Prime valued at approximately \$114.9 million on February 12, 2010, we recognized a gain on extinguishment of debt of approximately \$100.4 million including the write-off of unamortized debt issuance costs of approximately \$3.5 million. The net \$98.2 million gain on debt extinguishment was recorded within other income (expense) separately in the consolidated statement of operations for the year ended December 31, 2010.

For the year ended December 31, 2008, we reported a loss on the extinguishment of debt of approximately \$27.6 million as a result of a debt refinancing during the year. The loss consisted of the write-off of 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 fees for a bank amendment that was subsequently retired.

Income taxes

The income tax provision for the three months ended April 2, 2011 decreased by approximately \$4.1 million compared to the same period in 2010. Our pre-tax loss for the three months ended April 2, 2011 was approximately \$68.4 million compared to pre-tax income of approximately \$60.6 million for the three months ended April 3, 2010. For the three months ended April 2, 2011, our estimated effective income tax rate varied from the statutory rate primarily due to state income tax expense, foreign income tax expense, and changes in the valuation allowance. During the three months ended April 2, 2011, our effective tax rate was consistent with our expectations for the full 2011 fiscal year.

Income tax expense for the year ended December 31, 2010 increased to approximately \$5.0 million from an income tax benefit of approximately \$18.0 million for 2009. Of the \$5.0 million tax expense, approximately \$1.4 million was federal, approximately \$1.2 million was state, and approximately \$2.4 million was foreign. Income tax expense increased compared to 2009 primarily due to the non-recurring tax benefit of approximately \$24.9 million associated with cancellation of debt income in 2009, which was also offset by an increase in the valuation allowance for approximately \$42.0 million in 2009. The variation between our effective tax rate and the U.S. statutory rate of 35% for 2010 is primarily due to the impact of the full valuation allowance offset by state and foreign income taxes. As of December 31, 2010, a full valuation allowance has been provided against certain deferred tax assets as it is presently deemed more likely than not that the benefit of such net tax assets will not be utilized. Due to recent cumulative losses accumulated by the Company, management did not rely upon projections of future taxable income in assessing the recoverability of deferred tax assets. The Company's effective tax rate for the year ended December 31, 2010 was approximately 15.4%.

Income tax benefit for the year ended December 31, 2009 decreased to approximately \$18.0 million from a benefit of approximately \$70.0 million for 2008. The decrease was caused by an increase in valuation allowances of approximately \$42.0 million offset by the tax benefit of approximately \$24.9 million associated with cancellation of debt income and improved operating performance compared to 2008. The Company's effective tax rate for the year ended December 31, 2009 was approximately 18.9%.

Liquidity and Capital Resources

During the three months ended April 2, 2011, cash increased approximately \$6.5 million compared to an increase of approximately \$14.6 million during the three months ended April 3, 2010. The decrease in cash generated was primarily due to lower sales and increased material costs.

During the year ended December 31, 2010, cash and cash equivalents increased slightly to approximately \$17.5 million compared to approximately \$17.1 million as of December 31, 2009, illustrating a consistent cash balance compared with the prior year. During the year ended December 31, 2009, cash and cash equivalents decreased approximately \$41.2 million to \$17.1 million as of December 31, 2009, reflecting the challenging economic conditions currently affecting the housing industry.

Our business is seasonal because inclement weather during the winter months reduces the level of building and remodeling activity in both the home repair and remodeling and the new home construction sectors, especially in the Northeast and Midwest regions of the United States and Western Canada. As a result, our liquidity typically increases

during the second and third quarters as our borrowing base increases under the ABL Facility reaching a peak early in the fourth quarter, and decreases late in the fourth quarter and throughout the first quarter.

Our primary cash needs are for working capital, capital expenditures and debt service. As of April 2, 2011, our annual interest charges for debt service, including the ABL Facility, are estimated to be approximately \$87.8 million. As of April 2, 2011, we do not have any scheduled debt maturities until 2014. The specific debt instruments and their corresponding terms and due dates are described in the following sections. Our capital expenditures have historically been approximately 1.4% to 1.6% of net sales on an annual basis. As of April 2, 2011, our purchase commitments for inventory are approximately \$79.4 million. We finance these cash requirements through internally generated cash flow and funds borrowed under the ABL Facility.

Our outstanding indebtedness will mature in 2014 and 2018. Although we expect to refinance or pay off such indebtedness, we may not be successful in refinancing, extending the maturity or otherwise amending the terms of such indebtedness because of market conditions, disruptions in the debt markets, our financial performance or other reasons. Furthermore, the terms of any refinancing, extension or amendment may not be as favorable as the current terms of our indebtedness. If we are not successful in refinancing our indebtedness or extending its maturity, 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 our indebtedness.

Ply Gem's specific cash flow movement for the three months ended April 2, 2011 and the year ended December 31, 2010 is summarized below:

Cash provided by (used in) operating activities

Net cash used in operating activities for the three months ended April 2, 2011 was approximately \$51.7 million as compared to approximately \$21.4 million for the three months ended April 3, 2010. The increase in cash used in operating activities was primarily caused by lower net income as a result of higher commodity costs in the three months ended April 2, 2011 as compared to the prior year, interest payment timing, and increased working capital usage. Operating loss for the three months ended April 2, 2011 was \$14.3 million compared to an operating loss of approximately \$3.7 million for the three months ended April 3, 2010. In conjunction with the debt refinancing of the 11.75% Senior Secured Notes that occurred in February 2011, we made a closing interest payment of approximately \$13.1 million for the 11.75% Senior Secured Notes. Historically, the interest payments on the 11.75% Senior Secured Notes were made in June and December. As a result, we paid interest sooner in 2011 compared to the prior year, which resulted in less cash as of April 2, 2011 relative to April 3, 2010. In addition, the Company's working capital change for the first quarter of 2011 resulted in a use of approximately \$6.7 million.

Net cash provided by operating activities for the year ended December 31, 2010 was approximately \$6.7 million. Net cash used in operating activities for the years ended December 31, 2009 and 2008 was approximately \$16.9 million and \$58.9 million, respectively. The increase in cash provided by operating activities during 2010 as compared to cash used in operating activities during 2009 is due to higher sales of approximately 4.7% as well as our cost control measures evidenced by plant restructurings completed in prior years. This resulted in higher operating earnings of approximately \$16.7 million partially offset by a negative working capital change of approximately \$7.1 million compared to 2009. The change in cash used in operating activities for 2009 as compared to 2008 was primarily driven by lower sales of approximately 19.0% for 2009. The sales decrease can be attributed to the 28.8% decrease in single family housing starts during 2009 as compared to 2008. With lower sales, receivables were lower throughout the year, which contributed to less cash from operations. The lower sales levels were offset by a positive inventory change of approximately \$26.4 million and favorable working capital changes for accounts payable and accrued expenses of approximately \$31.6 million compared to 2008.

Cash used in investing activities

Net cash used in investing activities for the three months ended April 2, 2011 and April 3, 2010 was approximately \$2.8 million and \$3.0 million, respectively, primarily used for capital expenditures.

Net cash used in investing activities for the years ended December 31, 2010, 2009 and 2008 was approximately \$9.1 million, \$7.8 million and \$11.5 million, respectively. The cash used in investing activities for the year ended December 31, 2010 was primarily used for capital expenditures of approximately \$11.1 million, partially offset by approximately \$2.0 million from the sale of assets. The cash used in investing activities for the year ended December 31, 2009 was primarily used for capital expenditures. The cash used in investing activities for the year ended December 31, 2008 was predominantly from capital expenditures of \$16.6 million and the acquisition of Ply Gem Stone for approximately \$3.6 million, partially offset by the sale of assets of approximately \$8.8 million.

Cash provided by (used in) financing activities

Net cash provided by financing activities for the three months ended April 2, 2011 was approximately \$60.8 million, primarily from net revolver borrowings of \$60.0 million under the ABL Facility, net proceeds of \$75.0 million from the debt refinancing for the 8.25% Senior Secured Notes, offset by early tender premium payments of approximately \$49.8 million and debt issuance costs of approximately \$23.2 million during the first quarter. Net cash provided by

financing activities for the three months ended April 3, 2010 was approximately \$39.0 million and consisted primarily from revolver borrowings of \$40.0 million under the ABL Facility and proceeds from long-term debt of approximately \$145.7 million, offset by the approximate \$141.2 million redemption of 9% Senior Subordinated Notes, and debt issuance costs of approximately \$4.9 million.

Net cash provided by financing activities for the year ended December 31, 2010 was approximately \$2.4 million, and consisted of approximately \$4.5 million net cash provided as a result of the \$210.0 million deleveraging event that occurred during February 2010 of the 9.0% Senior Subordinated Notes, approximately \$5.0 million cash provided from net ABL borrowings, approximately \$5.0 million cash used for debt issuance costs, approximately \$1.5 million cash used for a tax payment on behalf of our parent, and approximately \$0.6 million net cash used in equity contributions/repurchases.

Net cash used in financing activities for the year ended December 31, 2009 was approximately \$17.5 million and was primarily from net revolver payments of \$35.0 million, proceeds from debt issuance of \$20.0 million, and debt issuance costs of approximately \$2.5 million. Net cash provided by financing activities for the year ended December 31, 2008 was approximately \$78.2 million and consisted of approximately \$15.6 million of net proceeds from long-term debt, net revolver borrowings of approximately \$60.0 million, and a \$30.0 million cash equity contribution that we received from CI Capital Partners LLC partially offset by approximately \$26.6 million of debt issuance costs and approximately \$0.8 million of repurchased net equity.

Ply Gem's specific debt instruments and terms are described below:

11.75% Senior Secured Notes due 2013

On June 9, 2008, Ply Gem Industries issued \$700.0 million of 11.75% Senior Secured Notes due 2013 ("11.75% Senior Secured Notes") at an approximate 1.0% discount, yielding proceeds of approximately \$693.5 million. Interest was paid semi-annually on June 15 and December 15 of each year. On October 23, 2009, Ply Gem Industries issued an additional \$25.0 million of its 11.75% Senior Secured Notes in a private placement transaction. The additional \$25.0 million of 11.75% Senior Secured Notes had the same terms and covenants as the initial \$700.0 million of 11.75% Senior Secured Notes. On February 11, 2011, we purchased approximately \$718.6 million principal amount of the 11.75% Senior Secured Notes in a tender offer at a price of \$1,069.00 per \$1,000 principal amount of 11.75% Senior Secured Notes, which included an early tender payment of \$40.00 per \$1,000 principal amount, plus accrued and unpaid interest, and on February 28, 2011, we purchased \$6.0 million principal amount of the 11.75% Senior Secured Notes in the tender offer at a price of \$1,029.00 per \$1,000 principal amount of 11.75% Senior Secured Notes, plus accrued and unpaid interest. On March 13, 2011, pursuant to the terms of the indenture governing the 11.75% Senior Secured Notes, we redeemed the remaining approximate \$0.4 million principal amount of outstanding 11.75% Senior Secured Notes at a redemption price of 103% of the principal amount thereof, plus accrued and unpaid interest. As of March 13, 2011, there were no outstanding 11.75% Senior Secured Notes. The 11.75% Senior Secured Notes would have matured on June 15, 2013 and bore interest at the rate of 11.75% per annum.

8.25% Senior Secured Notes due 2018

On February 11, 2011, Ply Gem Industries issued \$800.0 million of 8.25% Senior Secured Notes due 2018 ("8.25% Senior Secured Notes") at par. Ply Gem Industries used the proceeds to purchase approximately \$724.6 million principal amount of its outstanding 11.75% Senior Secured Notes in a tender offer, to redeem the remaining approximate \$0.4 million principal amount of outstanding 11.75% Senior Secured Notes and to pay related fees and expenses. The 8.25% Senior Secured Notes will mature on February 15, 2018 and bear interest at the rate of 8.25% per annum. Interest will be paid semi-annually on February 15 and August 15 of each year.

Prior to February 15, 2014, Ply Gem Industries may redeem the 8.25% Senior Secured Notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a "make-whole" premium. Prior to February 15, 2014, Ply Gem Industries may redeem up to 35% of the aggregate principal amount of the 8.25% Senior Secured Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 108.25% of the aggregate principal amount of the 8.25% Senior Secured Notes, plus accrued and unpaid interest, if any, provided that at least 55% of the original aggregate principal amount of the 8.25% Senior Secured Notes remains outstanding after the redemption. In addition, not more than once during any twelve-month period, Ply Gem Industries may redeem up to the greater of (i) \$80.0 million of the 8.25% Senior Secured Notes and (ii) 10% of the principal amount of the 8.25% Senior Secured Notes issued pursuant to the indenture governing the 8.25% Senior Secured Notes (including additional notes) at a redemption price equal to 103% of the aggregate amount of the 8.25 % Senior Secured Notes, plus accrued and unpaid interest, if any. At any time on or after February 15, 2014, Ply Gem Industries may redeem the 8.25% Senior Secured Notes, in whole or in part, at declining redemption prices set forth in the indenture governing the 8.25% Senior Secured Notes, plus, in each case, accrued and unpaid interest, if any, to the redemption date.

The 8.25% Senior Secured Notes are fully and unconditionally guaranteed on a joint and several basis by Ply Gem Holdings and the guarantors. The indenture governing the 8.25% Senior Secured Notes contains certain covenants that limit the ability of Ply Gem Industries and its restricted subsidiaries to incur additional indebtedness, pay dividends or make other distributions or repurchase or redeem their stock, make loans and investments, sell assets, incur certain liens, enter into agreements restricting their ability to pay dividends, enter into transactions with affiliates, and consolidate, merge or sell assets. In particular, Ply Gem Industries and its restricted subsidiaries may not incur

additional debt (other than permitted debt in limited circumstances) unless, after giving effect to such incurrence, the consolidated interest coverage ratio of Ply Gem Industries would be at least 2.00 to 1.00. In the absence of satisfying the consolidated interest coverage ratio, Ply Gem Industries and its restricted subsidiaries may only incur additional debt in limited circumstances, including, but not limited to, debt under our credit facilities not to exceed the greater of (x) \$250 million less the amounts of certain prepayments or commitment reductions as a result of repayments from asset sales and (y) the borrowing base; purchase money indebtedness in an aggregate amount not to exceed \$25.0 million at any one time outstanding, debt of foreign subsidiaries in an aggregate amount not to exceed \$30.0 million at any one time outstanding, debt pursuant to a general debt basket in an aggregate amount not to exceed \$50.0 million at any one time outstanding and the refinancing of other debt under certain circumstances. In addition, Ply Gem Industries and its restricted subsidiaries are limited in their ability to make certain payments, pay dividends or make other distributions to Ply Gem Holdings. Permitted payments, dividends and distributions include, but are not limited to, those used to redeem equity of officers, directors or employees under certain circumstances, to pay taxes, and to pay customary and reasonable costs and expenses of an offering of securities that is not consummated.

The 8.25% Senior Secured Notes and the related guarantees are secured on a first-priority lien basis by substantially all of the assets (other than the assets securing our obligations under the ABL Facility, which consist of 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) of Ply Gem Industries and the guarantors and on a second-priority lien basis by the assets that secure the ABL Facility.

In addition, the Company's stock ownership in the Company's subsidiaries collateralizes the 8.25% Senior Secured Notes to the extent that such equity interests and other securities can secure the 8.25% Senior Secured Notes without Rule 3-16 of Regulation S-X under the Securities Act requiring separate financial statements of such subsidiary to be filed with the SEC.

Senior Secured Asset-Based Revolving Credit Facility due 2013

Concurrently with the 11.75% Senior Secured Notes offering on June 9, 2008, Ply Gem Industries, Ply Gem Holdings and the subsidiaries of Ply Gem Industries entered into an ABL Facility. The prior ABL Facility initially provided for revolving credit financing of up to \$150.0 million, subject to borrowing base availability, with a maturity of five years (June 2013) including sub-facilities for letters of credit, swingline loans, and borrowings in Canadian dollars and U.S. dollars by Ply Gem Canada. In July 2009, we amended the prior ABL Facility to increase the available commitments by \$25.0 million from \$150.0 million to \$175.0 million.

We had borrowings of \$30.0 million and \$25.0 million outstanding under the prior ABL Facility as of December 31, 2010 and December 31, 2009, respectively. As of April 2, 2011, there were no outstanding borrowings under the prior ABL Facility, as it was replaced with the new ABL Facility on January 26, 2011.

Senior Secured Asset Based Revolving Credit Facility due 2016

On January 26, 2011, Ply Gem Industries, Ply Gem Holdings and the subsidiaries of Ply Gem Industries entered into a new ABL Facility. The new ABL Facility provides for revolving credit financing of up to \$175.0 million, subject to borrowing base availability, including sub-facilities for letters of credit, swingline loans, and borrowings in Canadian dollars and U.S. dollars by Ply Gem Canada. Under the new ABL Facility, \$160.0 million is available to Ply Gem Industries and \$15.0 million is available to Ply Gem Canada. In addition, the new ABL Facility provides that the revolving commitments may be increased to \$250.0 million, subject to certain terms and conditions. All outstanding loans under the new ABL Facility are due and payable in full on January 26, 2016 (or April 15, 2014 if the 13.125% Senior Subordinated Notes are not repaid or refinanced by such date).

Borrowings under the new ABL Facility bear interest at a rate per annum equal to, at Ply Gem Industries' option, either (a) a base rate determined by reference to the higher of (1) the corporate base rate of the administrative agent and (2) the federal funds effective rate plus 0.5% or (b) a Eurodollar rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs, in each case plus an applicable margin. The initial applicable margin for borrowings under the new ABL Facility is 1.50% for base rate loans and 2.50% for Eurodollar rate loans. The applicable margin for borrowings under the ABL Facility will be subject to step ups and step downs based on average excess availability under that facility. Swingline loans bear interest at a rate per annum equal to the base rate plus the applicable margin.

In addition to paying interest on outstanding principal under the new ABL Facility, Ply Gem Industries is required to pay a commitment fee, in respect of the unutilized commitments thereunder, which fee will be determined based on utilization of the ABL Facility (increasing when utilization is low and decreasing when utilization is high). Ply Gem Industries must also pay customary letter of credit fees equal to the applicable margin on Eurodollar loans and agency fees. The new ABL Facility eliminated the interest rate floor that existed in the prior ABL facility agreement. As of April 2, 2011, our interest rate on the new ABL Facility was approximately 2.8%. The new ABL Facility contains a requirement to maintain a fixed charge coverage ratio of 1.0 to 1.0 if our excess availability is less than the greater of (a) 12.5% of the lesser of (i) the commitments and (ii) the borrowing base and (b) \$17.5 million. The new ABL Facility also contains a cash dominion requirement that if our excess availability is less than the greater of (a) 15.0% of the lesser of (i) the commitments and (ii) the borrowing base and (b) \$20.0 million.

All obligations under the new ABL Facility are unconditionally guaranteed by Ply Gem Holdings and substantially all of Ply Gem Industries' existing and future, direct and indirect, wholly-owned domestic subsidiaries. All obligations under the new 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' and the guarantors' material owned real property and equipment and all assets that secure the 8.25% Senior Secured Notes on a first-priority basis. In addition to being secured by the collateral securing the obligations of Ply Gem Industries under the domestic collateral package, the obligations of Ply Gem Canada, which is a borrower under the Canadian sub-facility under the new ABL Facility, are also secured by a first-priority security interest in substantially all of the assets of such Canadian subsidiary, plus additional mortgages in Canada, and a pledge by Ply Gem Industries of the remaining 35% of the equity interests of Ply Gem Canada pledged only to secure the Canadian sub-facility.

The new ABL Facility contains certain covenants that limit our ability and the ability of our subsidiaries to incur additional indebtedness, pay dividends or make other distributions or repurchase or redeem their stock, make loans and investments, sell assets, incur certain liens, enter into transactions with affiliates, and consolidate, merge or sell assets. In particular, we are permitted to incur additional debt in limited circumstances, including senior secured notes in an aggregate principal amount not to exceed \$800.0 million, permitted subordinated indebtedness in an aggregate principal amount not to exceed \$75.0 million at any time outstanding (subject to the ability to incur additional permitted subordinated debt provided that immediately after giving effect to such incurrence excess availability is more than 25% of the lesser of the total borrowing base and the aggregate commitments and Ply Gem Industries is in pro forma compliance with the fixed charge coverage ratio), purchase money indebtedness in an aggregate amount not to exceed \$15.0 million at any one time outstanding, debt of foreign subsidiaries (other than Canadian subsidiaries) in an aggregate amount not to exceed \$2.5 million at any one time outstanding, and the refinancing of other debt under certain circumstances. In addition, Ply Gem Industries is limited in its ability to pay dividends or make other distributions to Ply Gem Holdings. Permitted dividends and distributions include those used to redeem equity of its officers, directors or employees under certain circumstances, to pay taxes, to pay operating and other corporate overhead costs and expenses in the ordinary course of business in an aggregate amount not to exceed \$2.0 million in any calendar year plus reasonable and customary indemnification claims of its directors and executive officers and to pay fees and expenses related to any unsuccessful debt or equity offering. Ply Gem Industries may also make additional payments to Ply Gem Holdings which may be used by Ply Gem Holdings to pay dividends or other distributions on its stock under the new ABL Facility so long as before and after giving effect to such dividend or other distribution excess availability is greater than 25% of the lesser of the total borrowing base and the aggregate commitments and Ply Gem Industries is in pro forma compliance with the consolidated fixed charge coverage ratio. As of April 2, 2011, Ply Gem Industries had approximately \$78.3 million of contractual availability and approximately \$58.5 million of borrowing base availability under the new ABL Facility, reflecting \$90.0 million of borrowings outstanding and approximately \$6.7 million of letters of credit and priority payables reserves.

9.00% Senior Subordinated Notes due 2012

Concurrently with the acquisition of Ply Gem Industries on February 12, 2004, Ply Gem Industries issued \$225.0 million aggregate principal amount of its 9% Senior Subordinated Notes, which were guaranteed by the guarantors. Subsequently, in August 2004, in connection with the MWM Holding acquisition, Ply Gem Industries issued an additional \$135.0 million of 9% Senior Subordinated Notes, which were also guaranteed by the guarantors, including MWM Holding and its subsidiaries. Ply Gem Industries paid interest semi-annually on February 15 and August 15 of each year. As of December 31, 2009, certain affiliates of the CI Partnerships owned approximately \$281.4 million of the outstanding 9% Senior Subordinated Notes.

In connection with the issuance of \$150.0 million of the 13.125% Senior Subordinated Notes on January 11, 2010, Ply Gem Industries redeemed approximately \$141.2 million aggregate principal amount of the 9% Senior Subordinated Notes on February 16, 2010 at a redemption price of 100% of the principal amount thereof plus accrued interest. Approximately \$218.8 million aggregate principal amount of the 9% Senior Subordinated Notes held by certain affiliates of the CI Partnerships were transferred to our indirect stockholders and ultimately to Ply Gem Prime. Such notes were then transferred to the Company and then to Ply Gem Industries as a capital contribution and cancelled on February 12, 2010. As of April 3, 2010, there were no 9% Senior Subordinated Notes outstanding.

13.125% Senior Subordinated Notes due 2014

On January 11, 2010, Ply Gem Industries issued \$150.0 million of 13.125% Senior Subordinated Notes at an approximate 3.0% discount, yielding proceeds of approximately \$145.7 million. Ply Gem Industries used the proceeds of the offering to redeem approximately \$141.2 million aggregate principal amount of its 9% Senior Subordinated Notes due 2012 and to pay certain related costs and expenses. The 13.125% Senior Subordinated Notes

will mature on July 15, 2014 and bear interest at the rate of 13.125% per annum. Interest will be paid semi-annually on January 15 and July 15 of each year.

Prior to January 15, 2012, Ply Gem Industries may redeem up to 40% of the aggregate principal amount of the 13.125% Senior Subordinated Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 113.125% of the aggregate principal amount of the 13.125% Senior Subordinated Notes, plus accrued and unpaid interest, if any, provided that at least 60% of the original aggregate principal amount of the 13.125% Senior Subordinated Notes remains outstanding after the redemption. On or after January 15, 2012, and prior to January 15, 2013, Ply Gem Industries may redeem up to 100% of the aggregate principal amount of the 13.125% Senior Subordinated Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 103% of the aggregate principal amount of the 13.125% Senior Subordinated Notes, plus accrued and unpaid interest, if any. On or after January 15, 2013, Ply Gem Industries may redeem up to 100% of the aggregate principal amount of the 13.125% Senior Subordinated Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 100% of the aggregate principal amount of the 13.125% Senior Subordinated Notes, plus accrued and unpaid interest, if any, to the redemption date. At any time on or after January 15, 2012, Ply Gem Industries may redeem the 13.125% Senior Subordinated Notes, in whole or in part, at declining redemption prices set forth in the indenture governing the 13.125% Senior Subordinated Notes, plus, in each case, accrued and unpaid interest, if any, to the redemption date.

The 13.125% Senior Subordinated Notes are unsecured and subordinated in right of payment to all of our existing and future debt, including the new ABL Facility and the 8.25% Senior Secured Notes. The 13.125% Senior Subordinated Notes are unconditionally guaranteed on a joint and several basis by the guarantors (other than certain unrestricted subsidiaries) on a senior subordinated basis. The guarantees are general unsecured obligations and are subordinated in right of payment to all existing senior debt of the guarantors, including their guarantees of the 8.25% Senior Secured Notes and the new ABL Facility.

The indenture governing the 13.125% Senior Subordinated Notes contains certain covenants that limit the ability of Ply Gem Industries and its subsidiaries to incur additional indebtedness, pay dividends or make other distributions or repurchase or redeem their stock, make loans and investments, sell assets, incur certain liens, enter into transactions with affiliates, and consolidate, merge or sell Ply Gem Industries' assets. In particular, Ply Gem Industries may not incur additional debt (other than permitted debt in limited circumstances) unless, after giving effect to such incurrence, the consolidated interest coverage ratio would be at least 2.00 to 1.00. In the absence of satisfying the consolidated interest coverage ratio, Ply Gem Industries may only incur additional debt in limited circumstances, including, purchase money indebtedness in an aggregate amount not to exceed \$25.0 million at any one time outstanding, debt of foreign subsidiaries in an aggregate amount not to exceed \$30.0 million at any one time outstanding, debt pursuant to a general debt basket in an aggregate amount not to exceed \$25.0 million at any one time outstanding and the refinancing of other debt under certain circumstances. In addition, Ply Gem Industries is limited in its ability to pay dividends or make other distributions to Ply Gem Holdings. Permitted dividends and distributions include those used to redeem equity of its officers, directors or employees under certain circumstances, to pay taxes, to pay out-of-pocket costs and expenses in an aggregate amount not to exceed \$500,000 in any calendar year, to pay customary and reasonable costs and expenses of an offering of securities that is not consummated and other dividends or distributions of up to \$20.0 million. Ply Gem Industries may also pay dividends or make other distributions to Ply Gem Holdings so long as it can incur \$1.00 of additional debt pursuant to the 2.00 to 1.00 consolidated interest coverage ratio test described above and so long as the aggregate amount of such dividend or distribution together with certain other dividends and distributions does not exceed 50% of consolidated net income plus certain other items.

On June 30, 2010, Ply Gem Industries completed its exchange offer with respect to the 13.125% Senior Subordinated Notes by exchanging \$150.0 million 13.125% Senior Subordinated Notes, which were registered under the Securities Act, for \$150.0 million of the issued and outstanding 13.125% Senior Subordinated Notes. Upon completion of the exchange offer, all issued and outstanding 13.125% Senior Subordinated Notes were registered under the Securities Act.

Senior Term Loan Facility

Our senior facilities with a syndicate of financial institutions and institutional lenders provided for senior secured financing of up to approximately \$762.1 million. On May 23, 2008, we 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 affiliates of CI Capital Partners a \$30.0 million cash equity contribution as a condition to the credit facility amendment. On June 9, 2008, we used the proceeds from the 11.75% Senior Secured Notes offering to pay off the obligations under the senior term loan facility.

Gain (loss) on modification or extinguishment of debt

As a result of the 8.25% Senior Secured Notes issuance and purchase and redemption of the 11.75% Senior Secured Notes during the three months ended April 2, 2011, we performed an analysis to determine the proper accounting treatment for this transaction. Specifically, we evaluated each creditor with ownership in both the 11.75% Senior Secured Notes and 8.25% Senior Secured Notes to determine whether the transaction was to be accounted for as a modification or an extinguishment of debt. We determined that this transaction resulted predominantly in a modification but in some instances as an extinguishment as some creditors did not participate in both the 11.75% Senior Secured Notes and 8.25% Senior Secured Notes. We incurred an early tender premium of approximately \$49.8 million in conjunction with this transaction, of which approximately \$38.9 million was recorded as a discount on the 8.25% Senior Secured Notes and approximately \$10.9 million was expensed as loss on extinguishment of debt in the condensed consolidated statement of operations. We also expensed approximately \$0.8 million for the unamortized discount and \$2.8 million for the unamortized debt issuance costs for the 11.75% Senior Secured Notes in this

transaction. We also incurred approximately \$25.9 million of costs associated with this transaction, of which approximately \$13.6 million was recorded as debt issuance costs and approximately \$12.2 million was expensed as a loss on modification or extinguishment of debt in the condensed consolidated statement of operations.

As a result of the ABL Facility refinancing that was conducted during the first quarter of 2011, we evaluated the proper accounting treatment for the debt issuance costs associated with the prior ABL Facility and the new ABL Facility as there were certain members of the loan syndication that existed in both facilities and other members who were not participants in the new ABL Facility. Based on this evaluation, we expensed approximately \$1.2 million of debt issuance costs as a loss on modification or extinguishment of debt and recorded approximately \$2.1 million of debt issuance costs.

As a result of the \$141.2 million redemption of the 9% Senior Subordinated Notes on February 16, 2010, we recognized a loss on extinguishment of debt of approximately \$2.2 million related predominantly to the write-off of unamortized debt issuance costs. On February 12, 2010, as a result of the \$218.8 million contribution of the 9% Senior Subordinated Notes by an affiliate of our controlling stockholder in exchange for equity of Ply Gem Prime valued at approximately \$114.9 million, we recognized a gain on extinguishment of approximately \$100.4 million, including the write-off of unamortized debt issuance costs of approximately \$3.5 million. The \$98.2 million gain on debt extinguishment was recorded separately in the accompanying condensed consolidated statement of operations for the three months ended April 3, 2010.

Based on these financing transactions, we recognized a loss on debt modification or extinguishment of approximately \$27.9 million and a gain on debt extinguishment of approximately \$98.2 million for the three months ended April 2, 2011 and April 3, 2010, respectively.

As a result of the debt amendment for our previous senior term loan facility that occurred on May 23, 2008 and the issuance of 11.75% Senior Secured Notes on June 9, 2008, we expensed approximately \$27.6 million of fees for the year ended December 31, 2008, which have been recorded within other income (expense) separately in the accompanying consolidated statement of operations for the year ended December 31, 2008. The \$27.6 million was comprised of the write off of approximately \$14.0 million of non-cash deferred financing costs associated with the previous term debt, approximately \$6.8 million for a prepayment premium, and approximately \$6.8 million of bank amendment fees that were subsequently retired.

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. We believe that we will continue to meet our liquidity requirements over the next 12 months. We believe that our operating units are positive cash flow generating units and will continue to sustain their operations without any significant liquidity concerns. The performance of these operating units is significantly impacted by the performance of the housing industry, specifically single family housing starts and home repair and remodeling activity. Any unforeseen or unanticipated downturn in the housing industry could have a negative impact on our liquidity position.

In order to meet these liquidity requirements as well as other anticipated liquidity needs in the normal course of business, as of April 2, 2011 we had cash and cash equivalents of approximately \$24.0 million, \$78.3 million of contractual availability under the ABL Facility and approximately \$58.5 million of borrowing base availability. Management currently anticipates that these amounts, as well as expected cash flows from our operations and proceeds from any debt or equity financing should be sufficient to meet ongoing operational cash flow needs, capital expenditures, debt service obligations, and other fees payable under other contractual obligations for the foreseeable future.

Contractual Obligations

The following table summarizes our contractual cash obligations under financing arrangements and lease commitments, including interest amounts, as of December 31, 2010, as if the ABL Facility refinancing and 11.75% Senior Secured Notes refinancing completed in the first quarter of 2011 had occurred as of December 31, 2010. Interest on the 8.25% Senior Secured Notes and the 13.125% Senior Subordinated Notes is fixed. Interest on the new ABL Facility is variable and has been presented at the current rate of approximately 3.0%. Actual interest rates for future periods may differ from those presented here.

(Amounts in thousands)	Total Amount	Less Than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Long-term debt (1)	\$980,000	\$-	\$-	\$180,000	\$800,000
Interest payments (2)	539,364	80,271	175,575	143,268	140,250
Non-cancelable lease commitments (3)	121,617	17,925	30,263	20,316	53,113
Purchase obligations (4)	6,590	6,590	-	-	-
Other long-term liabilities (5)	19,610	1,961	3,922	3,922	9,805
	\$1,667,181	\$106,747	\$209,760	\$347,506	\$1,003,168

- (1) Long-term debt is shown before discount, and consists of our 13.125% Senior Subordinated Notes, 8.25% Senior Secured Notes, and the 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.
- (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.
- (5) Other long term liabilities include pension obligations which are estimated based on our 2011 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 of approximately \$10.1 million have been excluded from the table above.

As discussed in “Certain Relationships and Related Transactions,” we will pay an annual fee to an affiliate of CI Capital Partners each year based on 2% of EBITDA. No amount for this fee has been included in the above table.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

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. We do not believe that inflation, net of our corresponding price increases for material cost increases, has had a material impact on our business, financial condition or results of operations during the past three fiscal years.

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 December 2010, the FASB issued guidance for goodwill and other intangibles, specifically when to perform Step Two of goodwill impairment tests for reporting units with zero or negative carrying amounts. The guidance modifies Step One of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step Two of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that impairment may exist. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2010. The adoption of this standard did not have an effect on the Company's financial position and results of operations.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Our principal interest rate exposure relates to the loans outstanding under our new ABL Facility, which provides for borrowings of up to \$175.0 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. At April 2, 2011, we were not party to any interest rate swaps to manage our interest rate risk. In the future, we may enter into interest rate swaps, involving exchange of floating for fixed rate interest payments, to reduce our exposure to interest rate volatility.

Foreign Currency

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 three months ended April 2, 2011, the net impact of foreign currency changes to our results of operations was a gain of \$0.1 million. The impact of foreign currency changes related to translation resulted in a decrease in stockholder's deficit of approximately \$0.9 million for the three months ended April 2, 2011. 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 April 2, 2011, 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, net of our corresponding price increases for material cost increases, 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.

Consumer and Commercial Credit

As general economic conditions in the United States have deteriorated significantly over the past year, the availability of consumer and commercial credit have tightened. As such, we have increased our focus on the credit worthiness of our customers. These procedures are necessary to ensure that our allowance for doubtful accounts is adequate and that we are performing proper due diligence prior to initiating sales. We will continue to monitor these statistics to ensure that issues, if any, are identified in a timely manner to reduce risk and minimize our bad debt exposure. If general economic conditions continue to worsen, additional reserves may be necessary.

BUSINESS

Company Overview

We are a leading manufacturer of residential exterior building products in North America, operating in two reportable segments: (i) Siding, Fencing, and Stone and (ii) Windows and Doors, which comprised approximately 60% and 40% of our sales, respectively, for the fiscal year ended December 31, 2010. These two segments produce a comprehensive product line of vinyl siding, designer accents and skirting, vinyl fencing, vinyl and composite railing, stone veneer and vinyl windows and doors used in both new construction and home repair and remodeling in the United States and Western Canada. Vinyl building products have the leading share of sales volume in siding and windows in the United States. We also manufacture vinyl and aluminum soffit and siding accessories, aluminum trim coil, wood windows, aluminum windows, vinyl and aluminum-clad windows and steel and fiberglass doors, enabling us to bundle complementary and color-matched products and accessories with our core products. We believe that our comprehensive product portfolio and geographically diverse, low cost manufacturing platform allow us to better serve our customers and provide us with a competitive advantage over other exterior building products suppliers.

Additional information concerning our business is set forth in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 36 of this prospectus.

History

Ply Gem Holdings was incorporated on January 23, 2004 by affiliates of CI Capital Partners for the purpose of acquiring Ply Gem Industries from Nortek, Inc. (“Nortek”). The Ply Gem acquisition was completed on February 12, 2004. Prior to the Ply Gem acquisition, our business was known as the Windows, Doors and Siding division of Nortek, where the business operated as a holding company with a broad set of brands. Since the Ply Gem acquisition, we have acquired five additional businesses to complement and expand our product portfolio and geographical diversity. After being recruited by our directors affiliated with CI Capital Partners, Gary E. Robinette, our President and Chief Executive Officer, joined Ply Gem in October 2006, and has employed the strategy of transitioning Ply Gem to an integrated and consolidated business model under the Ply Gem brand. On January 11, 2010, Ply Gem Investment Holdings was merged with and into Ply Gem Prime, with Ply Gem Prime being the surviving corporation. As a result, Ply Gem Holdings is now a wholly owned subsidiary of Ply Gem Prime.

The following is a summary of Ply Gem’s acquisition history:

- On August 27, 2004, Ply Gem acquired MWM Holding, a manufacturer of vinyl, wood, wood-clad, composite, impact and aluminum windows.
- On February 24, 2006, Ply Gem acquired Alenco, a manufacturer of aluminum and vinyl windows products. This acquisition supported our national window strategy and today operates under common leadership with our other U.S. window businesses.
- On October 31, 2006, Ply Gem completed the acquisition of MHE (formerly known as Alcoa Home Exteriors), a leading manufacturer of vinyl siding, aluminum siding, injection molded shutters and vinyl, aluminum and injection molded accessories. As a result of the MHE acquisition, MHE became part of our Siding, Fencing, and Stone segment and operates under common leadership with our existing siding business. In November 2010, MHE’s legal name was formally changed from Alcoa Home Exteriors, Inc. to Mastic Home Exteriors, Inc.

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On September 30, 2007, Ply Gem completed the acquisition of CertainTeed Corporation's vinyl window and patio door business, which we have named Ply Gem Pacific Windows, a leading manufacturer of premium vinyl windows and patio doors.

On October 31, 2008, Ply Gem acquired substantially all of the assets of Ply Gem Stone (formerly United Stone Veneer), a manufacturer of stone veneer products. As a result of the Ply Gem Stone acquisition, the Company modified the name of its "Siding, Fencing, and Railing" segment to "Siding, Fencing, and Stone" during 2008.

Business Strategy

We are pursuing the following business and growth strategies:

• **Capture Growth Related to Housing Market Recovery.** As a leading manufacturer of exterior building products, we intend to capitalize on the recovery in new construction and home repair and remodeling. The 2010 level of 472,000 single family housing starts was approximately 57% below the 50-year average, representing a significant opportunity for growth as activity returns to historical levels. Furthermore, we believe that the underinvestment in homes during the recent recession and the overall age of the U.S. housing stock will drive significant future spending for home repair and remodeling.

We expect current and new homeowners' purchases to focus on including or replacing items that provide the highest return on investment, have positive energy efficiency attributes and provide potential cost savings. Our broad product offering addresses expected demand growth from all of these key trends, through our balanced exposure to the new construction and home repair and remodel end markets, diverse price points, the high recovery value for home improvements derived from our core product categories and the ability to provide products that qualify for many of the energy efficiency rebate and tax programs currently in effect or under consideration.

Continue to Increase Market Penetration. We intend to increase the market penetration of our siding, fencing, and stone products and our window and door products by leveraging the breadth of our product offering and broad geographical footprint to serve customers across North America. Additionally, our continued investments in product innovation and quality, coupled with strong customer service, further enhance our ability to capture increased sales in each of our core product categories. For example, based on our internal estimates and industry experience, we believe that we have increased our penetration of the U.S. vinyl siding end market by approximately 370 basis points from 2008 to 2010. In addition, we believe that we have increased our share of total unit sales of U.S. vinyl and aluminum windows for new construction by approximately 330 basis points from 2008 to 2010. In 2010, we introduced a new line of vinyl windows under our Ply Gem brand as well as under our Mastic Home Exteriors brand, historically associated with vinyl siding products, that is marketed and sold by our vinyl siding sales force, a first for Ply Gem. We believe that this demonstrates the substantial opportunity across our product categories to continue to cross-sell and bundle products, thereby increasing revenues from our existing channel partners and industry relationships. We expect to build upon the approximate \$285.0 million in product share gains we have achieved since 2008, and as the market recovers from its current low levels we expect to further enhance our leading positions.

Expand Brand Coverage and Product Innovation. We will continue to increase the value of the Ply Gem brands by introducing new product categories for our customers and by developing innovative new products within our existing product categories. For example, we have developed a complete series of window products under the Ply Gem brand to target the higher margin home repair and remodeling window end market. Furthermore, our recent addition of stone veneer to our product offering in the Siding, Fencing, and Stone segment provides existing siding customers with access to the fastest growing category of exterior cladding products.

Our new products frequently receive industry recognition, as evidenced by our Ply Gem Mira aluminum-clad wood window, which was an International Builder's Show Product Pick in 2008. In addition, our Cedar Discovery designer accent product and our Ovation vinyl siding product were both named one of the top 100 products by leading industry publications. The result of our commitment to product development and innovation has been demonstrated in the \$190.3 million of incremental annualized sales that we recognized for new products introduced from 2008 to 2010.

Drive Operational Leverage and Further Improvements. While we reduced our production capacity during the past several years, we have retained the flexibility to bring back idled lines, facilities and/or production shifts in order to increase our production as market conditions improve. This incremental capacity can be selectively restarted, providing us with the ability to match increasing customer demand levels as the housing market returns to historical levels of approximately one million or more single family housing starts without the need for significant capital investment. In our Windows and Doors segment, where we have historically focused on new construction, we believe that our new window products for home repair and remodeling will be able to drive increased volumes through these manufacturing facilities and enhance operating margins.

Over the past several years, we have significantly improved our manufacturing cost structure; however, there are opportunities for further improvements. We believe that the continued expansion of lean manufacturing and vertical integration in our manufacturing facilities, along with the further consolidation of purchases of key raw materials, supplies and services will continue to provide us with cost advantages compared to our competitors. In addition, the integration of our sales and marketing efforts across our product categories provides an ongoing opportunity to

significantly improve our customer penetration and leverage the strength of our brands. Furthermore, we have centralized many back office functions into our corporate office in Cary, North Carolina and believe that additional opportunities remain. We believe all of these factors should drive continued growth in profitability while improving our cash flow and capital efficiency.

Industry Overview

Demand for exterior building products, including siding, fencing, stone, 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 economic factors.

New Home Construction

New construction in the United States experienced strong growth from the early 1990s to 2006, with housing starts increasing at a compounded annual growth rate of 3.8%. However, from 2006 to 2010, single family housing starts declined 68% according to the NAHB. While the industry has experienced a period of severe correction and downturn, management believes that the long-term economic outlook for new construction in the United States is favorable and supported by an attractive interest rate environment and strong demographics, as new household formations and increasing immigration drives demand for starter homes. According to the Joint Center for Housing Studies of Harvard University, net new households between 2010 and 2020 are expected to be between 12.5 million units and 14.8 million units, with the low end of the range equal to net new housing units achieved between 1995 and 2005. Strong demographics and interest rates on home loans at historically low levels are stimulants for demand in the United States for new construction. During 2010, the Federal First-Time and Repeat Home Buyer Tax Credit programs provided a stimulant for housing demand during the first half of 2010 as the program expired on April 30, 2010. According to the U.S. Census Bureau, single family housing starts were estimated to increase by approximately 27.0% during the first half of 2010 compared to the first half of 2009, while single family housing starts for the second half of 2010 were estimated to decrease by approximately 11.7% compared to the second half of 2009. According to the NAHB May 20, 2011 forecast, annual single family housing starts are expected to decrease 5.9% to 443,000 starts in 2011 and increase 41.0% to 625,000 starts in 2012. In addition, new construction in Canada is expected to benefit from similar demand stimulants as new construction in the United States, such as strong demographic trends and historically low interest rate levels. According to the CMHC, while housing starts in Alberta, Canada are estimated to decrease by approximately 5.0% in 2011, they are expected to increase 12.8% in 2012, demonstrating the recovery in new construction in Western Canada.

Home Repair and Remodeling

Since the early 1990s and through 2006, demand for home repair and remodeling products in the United States increased at a compounded annual growth rate of 4.3%, according to the U.S. Census Bureau, as a result of strong economic growth, low interest rates and favorable demographics. However, beginning in 2007 the ability for homeowners 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 financial institutions and the significant decrease in home values, which limited the amount of home equity against which homeowners could borrow. Management believes that expenditures for home repair and remodeling products are also affected by consumer confidence that continued to decline during 2010 due to general economic conditions and increased unemployment levels. Although certain aspects of the federal stimulus plan enacted in early 2009, such as energy saving tax credits and Homestar, may have encouraged some consumers to make home improvements, including the replacement of older windows with newer more energy-efficient windows, management believes that these favorable measures were offset during 2010 by the effects of high unemployment, limited availability of consumer financing and lower consumer confidence levels. However, management believes the long-term economic outlook of the demand for home repair and remodeling products in the United States is favorable and supported by the move towards more energy-efficient products, recent underinvestment in home maintenance and repair, and an aging housing stock.

Description of Business

Financial information about our segments is included in the Notes to Consolidated Financial Statements and incorporated herein by reference.

Siding, Fencing, and Stone Segment

Products

In our Siding, Fencing, and Stone segment, our principal products include vinyl siding and skirting, vinyl and aluminum soffit, aluminum trim coil, J-channels, wide crown molding, window and door trim, F-channels, H-molds, fascia, undersill trims, outside/inside corner posts, rain removal systems, injection molded designer accents such as shakes, shingles, scallops, shutters, vents and mounts, vinyl fence, vinyl and composite railing and stone veneer. We sell our siding and accessories under our Variform®, Napco®, Mastic® Home Exteriors and Cellwood® brand names and under the Georgia-Pacific brand name through a private label program. We also sell our Providence® line of vinyl siding and accessories to Lowe's under our Durabuilt® private label brand name. Our vinyl and vinyl-composite fencing and railing products are sold under our Kroy® and Kroy Express brand names. Our stone veneer products are sold under our Ply Gem Stone brand name. A summary of our product lines is presented below according to price point:

Mastic®							
Home	Variform®	Napco®	Cellwood®	Durabuilt®	Georgia	Kroy®	Ply
Exteriors					Pacific		Gem®
							Stone