

GREAT LAKES WINDOW INC
Form S-4/A
May 21, 2010

As filed with the Securities and Exchange Commission on May 21, 2010

Registration No. 333-166013

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 3
TO
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
(IRS 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
(IRS 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
(919) 677-3900
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
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1285 Avenue of the Americas
New York, New York 10019-6064
(212) 373-3000

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

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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, please 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 [X] (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) []

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant 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 | IRS Employer Identification Number |
|--|---|--|---|
| Alcoa Home Exteriors, Inc. | Ohio | 3089 | 31-0459490 |
| 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 |
| 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
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 MAY 21 , 2010

PROSPECTUS

Ply Gem Industries, Inc.
Exchange Offer for \$150,000,000
13.125% Senior Subordinated Notes due 2014 and Related Guarantees

The Notes and the Guarantees

- We are offering to exchange \$150,000,000 of our outstanding 13.125% Senior Subordinated Notes due 2014 and certain related guarantees, which were issued on January 11, 2010 and which we refer to collectively as the initial notes, for a like aggregate amount of our registered 13.125% Senior Subordinated Notes due 2014 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 January 11, 2010.

-

The exchange notes will mature on July 15, 2014. We will pay interest on the exchange notes on January 15 and July 15 of each year, beginning on July 15, 2010, at a rate of 13.125% per annum, to holders of record on the January 1 or July 1 immediately preceding the interest payment date.

- The exchange notes will be unsecured and will be subordinated in right of payment to all of our existing and future senior debt, including borrowings under our senior secured asset-based revolving credit facility (the “ABL Facility”) and our existing 11.75% senior secured notes due 2013 (the “Senior Secured Notes”). The exchange notes will be structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries that are not guarantors.
- The exchange notes will initially be jointly and severally, irrevocably and unconditionally guaranteed on a senior subordinated basis, subject to certain limitations described herein, by Ply Gem Holdings, Inc. and all our subsidiaries located in the United States (other than Unrestricted Subsidiaries as such term is defined in “Description of Notes”). The related guarantees will be general unsecured obligations of the guarantors and will be subordinated in right of payment to all existing and future senior debt of the guarantors, which includes their guarantees of the ABL Facility and the Senior Secured Notes.

Terms of the exchange offer

- It will expire at 5:00 p.m., New York City time, on _____, 2010, 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 15.

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 _____, 2010 .

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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.

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 Industries” refers to Ply Gem Industries, Inc., the principal operating subsidiary of Ply Gem Holdings; (ii) the term “Ply Gem Holdings” refers to Ply Gem Holdings, Inc.; (iii) the terms “we,” “us,” or “our,” “Ply Gem” and the “Company” refer collectively to Ply Gem Holdings and its subsidiaries; (iv) the term “CI Noteholders” refers collectively to Caxton-Iseman (Ply Gem) III, L.P. and Caxton-Iseman (Ply Gem) IV, L.P.; (v) the term “Senior Note Offering” means the issuance of an additional \$25.0 million aggregate principal amount of Senior Secured Notes on October 23, 2009 and (vi) the term “Refinancing Transactions” means (a) the Note Transfer (as defined herein), (b) the Note Contribution (as defined herein) and (c) the offering of the initial notes and the use of proceeds from such offering. 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.

The term “initial notes” refers to the 13.125% Senior Subordinated Notes due 2014 that were issued on January 11, 2010 in a private offering, and the term “exchange notes” refers to the 13.125% Senior Subordinated Notes due 2014 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. We offer a comprehensive product line of vinyl siding and skirting, vinyl windows and doors, and vinyl and composite fencing and railing that serves both the home repair and remodeling and new home construction sectors in the United States and Western Canada. Vinyl building products have the leading share of sales by volume in siding and windows, and a fast growing share of sales by volume in fencing in the United States. We also manufacture vinyl and aluminum soffit and siding accessories, aluminum trim coil, wood, vinyl, aluminum and vinyl and aluminum clad windows, steel and fiberglass doors and stone veneer, enabling us to bundle complementary and color-matched products and accessories with our core vinyl products. We believe our broad product offering and geographically diverse manufacturing base allow us to better serve our customers and provide us with a competitive advantage over other vinyl building products suppliers. We have two reportable segments: (i) siding, fencing and stone and (ii) windows and doors.

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

Ply Gem Holdings is a holding company with no operations or assets of our own other than the capital stock of our subsidiaries. For the three months ended April 3, 2010, we had net sales of \$204.2 million, adjusted EBITDA of \$12.1 million and net income of \$54.1 million including a \$98.2 million gain on extinguishment of debt. For the year ended December 31, 2009, we had net sales of \$951.4 million, adjusted EBITDA of \$113.7 million and operating earnings of \$40.1 million.

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., Caxton-Iseman (Ply Gem) II, L.P. and Frederick J. Iseman (collectively, the "Sponsor"), beneficially own approximately 83% of the common stock of the indirect parent company of Ply Gem Industries.

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.

Refinancing Transactions

Prior to the issuance of the initial notes, we had \$360.0 million aggregate principal amount of 9% senior subordinated notes due 2012 (the "9% notes") outstanding. Caxton-Iseman (Ply Gem) III, L.P. and Caxton-Iseman (Ply Gem) IV, L.P. (together, the "CI Noteholders"), which are affiliates of the Sponsor, owned approximately \$281.3 million aggregate principal amount of our 9% notes.

Through a series of transactions, (i) prior to the closing date of the offering of the initial notes, approximately \$218.8 million aggregate principal amount of the 9% notes held by the CI Noteholders were transferred to affiliates of the Sponsor who are our indirect stockholders and ultimately to Ply Gem Prime Holdings, Inc. ("Ply Gem Prime Holdings"), our indirect parent company, and (ii) on February 12, 2010, such notes were transferred to our parent company, Ply Gem Holdings (collectively, the "Note Transfer"). Such 9% notes were then transferred to Ply Gem Industries as a capital contribution and cancelled on February 12, 2010 (the "Note Contribution"). Any interest payable on such 9% notes to a holder of record on a date prior to the Note Transfer and the Note Contribution was not contributed to Ply Gem Industries.

On February 16, 2010, we redeemed the remaining \$141.2 million aggregate principal amount of outstanding 9% notes (including approximately \$62.5 million of the 9% notes held by the CI Noteholders) at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the redemption date. Following the redemption, the CI Noteholders no longer hold any debt securities of Ply Gem Industries. See "Refinancing Transactions."

Senior Note Offering

On October 23, 2009, Ply Gem Industries issued an additional \$25.0 million aggregate principal amount of Senior Secured Notes in a private placement transaction. The proceeds of the Senior Note Offering were used for general corporate purposes. The new Senior Secured Notes are part of a single class of notes together with the originally issued Senior Secured Notes and have the same terms except that the new Senior Secured Notes have a different issue date and first interest payment date, trade under a separate CUSIP number, have a different U.S. federal income tax treatment relating to the recognition of original issue discount and have no registration rights.

Additional Information

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

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

| Name of Guarantor | Jurisdiction of Formation | Year of Formation |
|---|---------------------------|-------------------|
| Alcoa Home Exteriors, Inc. ("AHE") | Ohio | 1928 |
| 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 |
| 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 Holdings, Inc. | Delaware | 2004 |
| 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, Inc., as issuer of the notes, exclusive of Ply Gem Holdings and our subsidiaries.

| | |
|--|---|
| Exchange Offer | We are offering to exchange \$150,000,000 aggregate principal amount of our exchange notes for a like aggregate principal amount of our initial notes. In order to exchange your initial notes, you must properly tender them and we must accept your tender. We will exchange all outstanding initial notes that are properly tendered and not validly withdrawn. |
| Expiration Date | This exchange offer will expire at 5:00 p.m., New York City time, on _____, 2010 unless we decide to extend it. |
| Conditions to the Exchange Offer | <p>We will complete this exchange offer only if:</p> <ul style="list-style-type: none">· there is no change in the laws and regulations which would impair our ability to proceed with this exchange offer;· there is no change in the current interpretation of the staff of the Securities and Exchange Commission (the “SEC”) permitting resales of the exchange notes;· there is no stop order issued by the SEC that would suspend the effectiveness of the registration statement which includes this prospectus or the qualification of the exchange notes under the Trust Indenture Act of 1939;· there is no litigation or threatened litigation that would impair our ability to proceed with this exchange offer; and· we obtain all the governmental approvals we deem necessary to complete this exchange offer. <p>Please refer to the section in this prospectus entitled “The Exchange Offer—Conditions to the Exchange Offer.”</p> |
| Procedures for Tendering Initial Notes | To participate in this exchange offer, you must complete, sign and date the letter of transmittal or its facsimile and transmit it, together with your initial notes to be exchanged and all other documents required by the letter of transmittal, to U.S. Bank National Association, as exchange agent, at its address indicated under “The Exchange Offer—Exchange Agent.” In the alternative, you can tender your initial notes by book-entry delivery following the procedures described in this prospectus. For more information on tendering your notes, please refer to the section in this prospectus entitled “The Exchange Offer—Procedures for Tendering Initial Notes.” |

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

Use of Proceeds

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

Consequences to
Holders

Who Do Not
Participate in the
Exchange Offer

If you do not participate in this exchange offer:

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

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

- the initial purchasers request us to register initial notes that are not eligible to be exchanged for exchange notes in the exchange offer; or
- you are prohibited by law or SEC policy from participating in the exchange offer or do not receive freely tradeable exchange notes in the exchange offer.

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

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

Resales

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

To tender your initial notes in this exchange offer and resell the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act, you must make the following representations:

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

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

Obligations of
Broker-Dealers

If you are a broker-dealer (1) who receives exchange notes, you must acknowledge that you will deliver a prospectus in connection with any resales of the exchange notes, (2) who acquired the initial notes as a result of market making or other trading activities, you may use the exchange offer prospectus as supplemented or amended, in connection with resales of the exchange notes, or (3) who acquired the initial notes directly from the issuer 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 \$150.0 million aggregate principal amount of 13.125% Senior Subordinated Notes due 2014. The forms and terms of the exchange notes are the same as the form and terms of the initial notes except that the issuance of the exchange notes is registered under the Securities Act, the exchange notes will not bear legends restricting their transfer and the exchange notes will not be entitled to registration rights under our registration rights agreement. The exchange notes will evidence the same debt as the initial notes, and both the initial notes and the exchange notes will be governed by the same indenture. |
| Maturity Date | July 15, 2014. |
| Interest | The exchange notes will bear interest at a rate per annum equal to 13.125%, payable semi-annually, on January 15 and July 15 of each year, commencing on July 15, 2010. |
| Rankings and Guarantees | <p>The exchange notes will be unsecured and will be subordinated in right of payment to all of our existing and future senior debt, including borrowings under the ABL Facility and the Senior Secured Notes. The exchange notes will be structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries that are not guarantors.</p> <p>The exchange notes will initially be jointly and severally, irrevocable and unconditionally guaranteed on a senior subordinated basis, subject to certain limitations described herein, by Ply Gem Holdings and all our subsidiaries located in the United States (other than Unrestricted Subsidiaries as such term is defined in "Description of Notes"). The related guarantees will be general unsecured obligations of the guarantors and will be subordinated in right of payment to all existing and future senior debt of the guarantors, which includes their guarantees of the ABL Facility and the Senior Secured Notes.</p> <p>As of April 3, 2010, we and the guarantors had \$790.0 million of senior debt comprised of \$725.0 million aggregate principal amount of Senior Secured Notes and \$65.0 million of borrowings under the ABL Facility, with an additional \$63.5 million available to be borrowed under the revolving portion of the ABL Facility. As of April 3, 2010, our Canadian subsidiary had an additional \$6.5 million of liabilities (including trade payables), to which the notes would have been structurally subordinated.</p> |

Optional Redemption Prior to January 15, 2012, we may redeem up to 40% of the aggregate principal amount of the exchange 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 exchange notes, plus accrued and unpaid interest, if any, provided that at least 60% of the original aggregate principal amount of the exchange notes remains outstanding after the redemption.

On or after January 15, 2012, and prior to January 15, 2013, we may redeem up to 100% of the aggregate principal amount of the exchange notes with the net cash proceeds from certain equity offerings at a redemption price equal to 103% of the aggregate principal amount of the exchange notes, plus accrued and unpaid interest, if any. On or after January 15, 2013, we may redeem up to 100% of the aggregate principal amount of the exchange notes with the net cash proceeds from certain equity offerings at a redemption price equal to 100% of the aggregate principal amount of the exchange notes, plus accrued and unpaid interest, if any.

At any time on or after January 15, 2012, we may redeem the exchange notes, in whole or in part, at the redemption prices listed in “Description of Notes—Optional Redemption.”

Change of Control If we experience a change of control, we may be required to offer to purchase the exchange notes at a purchase price equal to 101% of the aggregate principal amount, plus accrued and unpaid interest, if any. We might not be able to pay you the required price for the exchange notes you present to us at the time of a change of control because the ABL Facility, the Senior Secured Notes or other indebtedness may prohibit payment or we might not have enough funds at that time.

Following any such offer to purchase, under certain circumstances, prior to January 15, 2012, we may redeem all, but not less than all, of the exchange notes not tendered in such offer at a price equal to 101% of the principal amount, plus accrued and unpaid interest.

In addition, if we experience a change of control prior to January 15, 2012, we may redeem all, but not less than all, of the exchange notes at a redemption price equal to 100% of the principal amount plus a “make-whole” premium.

Restrictive Covenants The indenture governing the exchange notes, among other things, limits the ability of Ply Gem Industries and its subsidiaries to:

- incur additional indebtedness;
- pay dividends or make other distributions or repurchase or redeem our stock or make restricted payments in respect of subordinated indebtedness;
- make 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.

These limitations are subject to a number of important qualifications and exceptions as described under "Description of Notes—Certain Covenants." The restrictive covenants generally do not restrict our parent company, Ply Gem Holdings, or any of its subsidiaries that are not our subsidiaries.

| | |
|---|--|
| Original Issue Discount | Because the initial notes were issued with original issue discount, the exchange notes should be treated as having been issued with original issue discount for U.S. federal income tax purposes. Thus, U.S. Holders (as defined in “Federal Income Tax Considerations”) will be required to include amounts representing such original issue discount in gross income on a constant yield basis for U.S. federal income tax purposes in advance of the receipt of cash payments to which such income is attributable. See “Federal Income Tax Considerations.” |
| 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 Related to Our Substantial Indebtedness and the Notes—There is no established trading market for the exchange notes, and you may not be able to sell them quickly or at the price that you paid.” |
| Form of the Exchange Notes | The exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of The Depository Trust Company with U.S. Bank National Association, as custodian. You will not receive exchange notes in certificated form unless one of the events described in the section of this prospectus entitled “Description of Notes—Book Entry; Delivery and Form—Exchange of Book Entry Notes for Certificated Notes” occurs. Instead, beneficial interests in the exchange notes will be shown on, and transfers of these exchange notes will be effected only through, records maintained in book-entry form by The Depository Trust Company with respect to its participants. |
| Risk Factors | See “Risk Factors” beginning on page 15 for a discussion of factors you should carefully consider before deciding to invest in the exchange notes. |

SUMMARY HISTORICAL FINANCIAL INFORMATION

The summary historical financial data presented below for each of the years in the three-year period ended December 31, 2009 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 for the three-month periods ended April 3, 2010 and April 4, 2009 and the balance sheet data as of April 3, 2010 have been derived from 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.

| (Amounts in thousands) | Fiscal year ended December 31, | | | Three months ended | |
|---|--------------------------------|---------------|--------------|------------------------------|------------------------------|
| | 2009 | 2008 | 2007 | April 3, 2010 (unaudited) | April 4, 2009 (unaudited) |
| Statement of operations data:(1) | | | | | |
| Net sales | \$ 951,374 | \$ 1,175,019 | \$ 1,363,546 | \$ 204,205 | \$ 182,751 |
| Costs and expenses: | | | | | |
| Cost of products sold | 749,841 | 980,098 | 1,083,153 | 167,308 | 169,691 |
| Selling, general and administrative expenses | 141,772 | 155,388 | 155,963 | 33,806 | 40,962 |
| Amortization of intangible assets | 19,651 | 19,650 | 17,631 | 6,794 | 4,906 |
| Goodwill impairment | — | 450,000 | — | — | — |
| Intangible asset impairment | — | — | 4,150 | — | — |
| Total costs and expenses | 911,264 | 1,605,136 | 1,260,897 | 207,908 | 215,559 |
| Operating earnings (loss) | 40,110 | (430,117) | 102,649 | (3,703) | (32,808) |
| Foreign currency gain (loss) | 475 | (911) | 3,961 | 104 | (88) |
| Interest expense | (135,514) | (138,015) | (99,698) | (34,007) | (33,756) |
| Interest income | 211 | 617 | 1,704 | 53 | 65 |
| Gain on extinguishment of debt | — | — | — | 98,187 | — |
| Income (loss) before provision (benefit) for income taxes | (94,718) | (568,426) | 8,616 | 60,634 | (66,587) |
| Provision (benefit) for income taxes | (17,966) | (69,951) | 3,634 | 6,532 | (11,049) |
| Net income (loss) | \$ (76,752) | \$ (498,475) | \$ 4,982 | \$ 54,102 | \$ (55,538) |
| Other financial data: | | | | | |
| Adjusted EBITDA(2),(4) | \$ 113,718 | \$ 94,416 | \$ 172,511 | \$ 12,109 | \$ (13,233) |

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| | | | | | |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Capital expenditures | 7,807 | 16,569 | 20,017 | 3,029 | 2,446 |
| Depreciation and amortization | 56,271 | 61,765 | 54,067 | 15,454 | 13,896 |
| Net cash provided by (used in): | | | | | |
| Operating activities | (16,882) | (58,865) | 73,844 | (21,416) | (48,716) |
| Investing activities | (7,835) | (11,487) | (56,407) | (3,028) | (2,425) |
| Financing activities | (17,528) | 78,233 | (15,068) | 38,950 | 9,974 |
| Ratio of earnings to fixed charges(3) | - | - | 1.1 | 2.7 | - |

Balance sheet data (at period end):

| | | | | | |
|---------------------------|------------|------------|-----------|------------|------------|
| Cash and cash equivalents | \$ 17,063 | \$ 58,289 | \$ 52,053 | \$ 31,659 | \$ 17,215 |
| Total assets | 982,033 | 1,104,053 | 1,616,153 | 1,011,301 | 1,037,855 |
| Total debt | 1,100,397 | 1,114,186 | 1,038,096 | 926,778 | 1,124,433 |
| Stockholder's deficit | (313,482) | (242,628) | 241,787 | (143,831) | (298,563) |

- (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).
- (2) Adjusted EBITDA means net income (loss) plus interest expense (net of interest income), provision (benefit) for income taxes, depreciation and amortization, non-cash foreign currency gain/(loss), amortization of non-cash write-off of the portion of excess purchase price from acquisitions allocated to inventories, impairment charges, gain on extinguishment of debt, customer inventory buybacks, and restructuring and integrations costs. 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. The Company has included adjusted EBITDA because it is a key financial measure used by management to (i) assess the Company's ability to service its debt and/or incur debt and meet the Company's capital expenditure requirements; (ii) internally measure the Company's operating performance; and (iii) determine the Company's incentive compensation programs. In addition, the Company's ABL Facility has certain covenants that apply ratios utilizing this measure of adjusted EBITDA. Adjusted EBITDA included in this prospectus should be considered in addition to, and not as a substitute for, net earnings in accordance with GAAP as a measure of performance in accordance with GAAP. You are cautioned not to place undue reliance on adjusted EBITDA.
- (3) 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 \$568.4 million and \$94.7 million, respectively, which resulted from the depressed residential U.S. housing market. For the three months ended April 4, 2009, the deficiency in the ratio of earnings to fixed charges to achieve a one to one ratio was \$66.6 million, which also resulted from the depressed residential U.S. housing market.
- (4) 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 | |
|--------------------------------------|--------------------------------|---------------|----------|--------------------|------------------|
| | 2009 | 2008 | 2007 | April 3, 2010 | April 4, 2009 |
| | | | | (unaudited) | (unaudited) |
| Net income (loss) | \$ (76,752) | \$ (498,475) | \$ 4,982 | \$ 54,102 | \$ (55,538) |
| Interest expense, net | 135,303 | 137,398 | 97,994 | 33,954 | 33,691 |
| Provision (benefit) for income taxes | (17,966) | (69,951) | 3,634 | 6,532 | (11,049) |
| Depreciation and amortization | 56,271 | 61,765 | 54,067 | 15,454 | 13,896 |
| (Gain)/loss on currency transaction | (475) | 911 | (3,961) | (104) | 88 |

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| | | | | | |
|--|------------|-----------|------------|-----------|--------------|
| Non cash gain on extinguishment of debt | - | - | - | 98,187 | - |
| Non cash charge of purchase price allocated to inventories | - | 19 | 1,289 | - | - |
| Restructuring/integration expense | 8,992 | 10,859 | 10,356 | 106 | 3,994 |
| Customer inventory buyback | 8,345 | 1,890 | - | 252 | 1,685 |
| Goodwill impairment | - | 450,000 | - | - | - |
| Intangible asset impairment | - | - | 4,150 | - | - |
| Adjusted EBITDA | \$ 113,718 | \$ 94,416 | \$ 172,511 | \$ 12,109 | \$ (13,233) |

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. In any such case, you may lose all or part of your original investment.

Risks Related to Our Substantial Indebtedness and the Notes

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

We have substantial indebtedness. As of April 3, 2010, we had approximately \$926.8 million of indebtedness outstanding including the notes, the Senior Secured Notes and \$65.0 million of outstanding senior indebtedness under the ABL Facility.

Our substantial amount of indebtedness could have important consequences. For example, it could:

- make it more difficult for us to satisfy our obligations on the notes, the Senior Secured Notes and the ABL Facility;
- require us to dedicate a substantial portion of our cash flow from operations to interest and principal payments on our indebtedness, reducing the availability of our cash flow for other purposes, such as capital expenditures, acquisitions and working capital;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
 - increase our vulnerability to general adverse economic and industry conditions;
 - place us at a disadvantage compared to our competitors that have less debt;
- expose us to fluctuations in the interest rate environment because the interest rates of the ABL Facility are at variable rates; and
 - limit our ability to borrow additional funds.

We expect to obtain the money necessary to pay our expenses, fund working capital and capital expenditures, and to pay the interest on our various debt instruments from cash flow from our operations and from our existing and available borrowings under our ABL Facility. Our ability to meet our debt obligations and other expenses thus depends on our future performance, which will be affected by financial, business, economic 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. Our cash flow may not be sufficient to allow us to pay interest on our debt (including the Notes and the Senior Secured Notes) and to meet our other obligations. If we do not have enough cash flow, we may be required to refinance all or part of our existing debt, sell assets or borrow additional money. We may not be able to do so on terms acceptable to us or at all. In addition, the terms of existing or future debt agreements, including the ABL Facility and the indentures governing the notes and the Senior Secured Notes may restrict us from adopting any of these alternatives. The failure to generate sufficient cash flow or to achieve such alternatives could reduce the value of the Notes and limit our ability to pay principal and interest on the notes.

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 ABL Facility and the indenture governing the Senior Secured Notes restrict, but do not completely prohibit, us from doing so. In addition, the indenture governing the notes allows us to issue additional notes under certain circumstances, which will also be guaranteed by the guarantors. The indenture governing the notes also allows us to incur additional senior debt and allows our foreign subsidiaries to incur additional debt, which would be effectively senior to the notes. In addition, the indenture governing the notes does not prevent us from incurring other liabilities that do not constitute indebtedness. See "Description of Notes." If new debt or other liabilities are added to our current debt levels, the related risks that we now face could intensify.

We will need to repay or refinance our existing indebtedness prior to maturity of the notes. Failure to do so could have a material adverse effect upon us.

The maturity of our ABL Facility and Senior Secured Notes is June 9, 2013, which is before the maturity date of the notes. As of April 3, 2010, we and the guarantors had approximately \$790.0 million of senior debt comprised of \$725.0 million aggregate principal amount of Senior Secured Notes and \$65.0 million of borrowings under the ABL Facility, with an additional \$63.5 million available to be borrowed under the revolving portion of the ABL Facility. Prior to the maturity of the notes, we will need to repay, refinance, extend the maturity of or otherwise amend the terms of this indebtedness. Our ability to refinance the ABL Facility and/or the Senior Secured 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 Senior Secured Notes could have a significantly higher rate of interest and costs than the ABL Facility or the Senior Secured 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 Senior Secured 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 Senior Secured Notes will be the same or as favorable as those under our ABL Facility and Senior Secured Notes.

Our ability to complete a refinancing of our ABL Facility and our Senior Secured 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 Senior Secured Notes and seeking or raising new capital. If we were unsuccessful, the lenders under our ABL Facility and the holders of our Senior Secured 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 Senior Secured Notes and the credit agreement that governs the 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.

In addition, under the ABL Facility, if our excess availability is less than the greater of (a) 15% of the lesser of (i) the commitments and (ii) the borrowing base and (b) \$20 million, we will be required to satisfy and maintain a fixed charge coverage ratio not less than 1.1 to 1.0. Our ability to meet the required fixed charge coverage ratio can be affected by events beyond our control, and we cannot assure you that we will meet this ratio. A breach of any of these covenants could result in a default under the ABL Facility.

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

A breach of the covenants under the indenture that governs the notes or the indenture that governs the Senior Secured 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.

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

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

Upon the occurrence of a “change of control,” as defined in the indenture that governs the notes, each holder of the notes will have the right to require us to purchase the notes at a price equal to 101% of the principal amount thereof. Our failure to purchase, or give notice of purchase of, the notes would be a default under the indenture. In addition, a change of control may constitute an event of default under our ABL Facility and would also require us to offer to purchase the Senior Secured Notes at 101% of the principal amount thereof, together with accrued and unpaid interest. A default under our ABL Facility would result in an event of default under the indenture that governs the Senior Secured Notes and the indenture that governs the 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 Senior Secured Notes and the indenture that governs the notes. Upon the occurrence of a change of control, we could seek to refinance the indebtedness under our ABL Facility, the Senior Secured Notes and the notes or obtain a waiver from the lenders under our ABL Facility, the holders of the Senior Secured 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 and the guarantees 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 and the guarantees could be voided, or claims in respect of the notes and the guarantees 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 or a guaranty, without regard to the above factors, if the court found that we issued the notes or the guarantors entered into their respective guaranty 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 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 or the guarantees, you would no longer have a claim against us or the guarantors. 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 or the guarantees.

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 offering of the initial 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 for which there is no established trading market. We do not intend to apply for exchange notes to be listed on any securities exchange or to arrange for their quotation on any automated dealer quotation system. The initial purchasers 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 notes, but the initial purchasers are not obligated to do so. The initial purchasers may discontinue any market making in the notes at any time, in their sole discretion. As a result, we cannot assure you as to the liquidity of any trading market for the exchange notes.

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

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

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

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

Our Canadian subsidiary, Ply Gem Canada, Inc. (formerly known as CWD Windows and Doors, Inc.), ("Ply Gem Canada"), is not a guarantor of the notes, the ABL Facility or the Senior Secured Notes. This non-guarantor subsidiary generated approximately 7.6% of our net sales, (19.4%) of our operating loss and 9.3% of our adjusted EBITDA for the three months ended April 3, 2010 . In addition, it held approximately 4.1% of our consolidated assets as of April 3, 2010 . 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 3, 2010 , on an adjusted basis after giving effect to the Refinancing Transactions, the notes would have been effectively junior to approximately \$6.5 million of liabilities (including trade payables) of our non-guarantor subsidiary.

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 the notes and guarantees 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 Notes—Note Guarantees."

The guarantee of the parent company is of limited value.

Investors should not rely on the Ply Gem Holdings guarantee in evaluating an investment in the notes. Ply Gem Holdings is a holding company with no operations or assets of its own other than the capital stock of Ply Gem Industries and its subsidiaries. In addition, the covenants contained in the indenture governing the notes do not apply to Ply Gem Holdings.

Your right to receive payments on the notes is subordinated to the senior debt.

Payment on the notes is subordinated in right of payment to all of the senior debt, including the ABL Facility and the Senior Secured Notes. As a result, upon any distribution to our creditors in a bankruptcy, liquidation or reorganization or similar proceeding relating to us or our property, the holders of senior debt will be entitled to be paid in full in cash before any payment may be made on the notes. In these cases, we may not have sufficient funds to pay all of our creditors, and holders of the notes may receive less, ratably, than the holders of senior debt and, due to the turnover provisions in the indenture, less, ratably, than the holders of unsubordinated obligations, including trade payables. In addition, all payments on the notes will be blocked in the event of a payment default on designated senior debt and may be blocked for up to 179 consecutive days in the event of certain non-payment defaults on designated senior debt.

As of April 3, 2010, we and the guarantors had approximately \$790.0 million of senior debt, and we had approximately an additional \$63.5 million available to be borrowed under the revolving portion of the ABL Facility. We will be permitted to incur additional indebtedness, including senior debt, in the future under the terms of the indenture.

The exchange notes should be treated as issued with original issue discount for U.S. federal income tax purposes.

Because the initial notes were issued with original issue discount, the exchange notes should be treated as issued with original issue discount for U.S. federal income tax purposes. Thus, U.S. Holders (as defined in "Certain United States Federal Income Tax Consequences") will be required to include such original issue discount in gross income (as ordinary income) for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest, before the receipt of cash payments attributable to this income and regardless of the U.S. Holder's method of tax accounting. See "Federal Income Tax Considerations."

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 Related to Our Business

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

Our performance is dependent to a significant extent upon the levels of home repair and remodeling and new home construction spending, all of which are affected by such factors as interest rates, inflation, consumer confidence, unemployment, and the availability of consumer credit. Single family housing starts for the new construction market declined significantly in 2009 as compared to 2008. If these trends continue, our net sales and net income may be adversely affected.

Availability of consumer credit could impact home repair and remodeling and new home construction sectors which could lower the demand for, and pricing of, our products, which in turn could cause our net sales and net income to decrease.

Our performance is dependent 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 are 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 new home construction sectors. If these credit market trends continue, our net sales and net income may be adversely affected.

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

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

lead to decreases in net sales.

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.

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

Our top ten customers accounted for approximately 36.3% of our net sales in the year ended December 31, 2009. Our largest customer, BlueLinx, distributes our vinyl siding and accessories through multiple channels within its building products distribution business, and accounted for approximately 9.2% of our 2009 net sales. For the three months ended April 3, 2010, BlueLinx accounted for 8.6% of our net sales. We expect a small number of customers to continue to account for a substantial portion of our net sales for the foreseeable future.

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

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

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

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

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

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

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 3, 2010, approximately 14.7% of our employees were represented by labor unions. We are subject to the risk that strikes or other types of conflicts with personnel may arise or that we may become a subject of union organizing activity. Furthermore, some of our direct and indirect suppliers have unionized work forces. Strikes, work stoppages or slowdowns experienced by these suppliers could result in slowdowns or closures of facilities where components of our products are manufactured. Any interruption in the production or delivery of our products could reduce sales of our products and increase our costs.

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

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

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

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

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

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

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

We completed the acquisition of substantially all of the assets of Ply Gem Stone in October 2008. Our ability to seek indemnification from the sellers for specified matters is subject to limitations, including the periods to submit claims, minimum amount of losses suffered and aggregate amounts of recovery.

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

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

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

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

Environmental requirements may impose significant costs and liabilities on us.

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

We are currently involved in environmental proceedings involving Ply Gem Canada (arising from subsurface contamination discovered at our Calgary, Alberta property), and we may in the future be subject to environmental proceedings involving Thermal-Gard, Inc. (arising from groundwater contamination in Punxsutawney, Pennsylvania) and Kroy Building Products, Inc. (relating to contamination in a drinking water well in York, Nebraska). Under the stock purchase agreement governing the Ply Gem acquisition, Nortek is to indemnify us fully for any liability in connection with the Punxsutawney contamination. Alcan Aluminum Corporation assumed the obligation to indemnify us with respect to certain liabilities for environmental contamination of the York property occurring prior to 1994

when it sold the property to us in 1998. Our former subsidiary, Hoover Treated Wood Products, Inc., is involved in an environmental proceeding in connection with a contaminated landfill site in Thomson, Georgia. While we had assumed an obligation to indemnify the purchaser of our former subsidiary when we sold Hoover Treated Wood Products, Inc., our obligation has been novated and assumed by Nortek.

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

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

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

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

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

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

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

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

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.

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,” “continue,” the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially.

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

- our high degree of leverage and significant debt service obligations;
- restrictions under our Senior Secured Notes, our ABL Facility and the indenture governing the notes;
 - the competitive nature of our industry;
- changes in interest rates, and general economic, home repair and remodeling and new home construction market conditions;
 - changes in the price and availability of raw materials; and
 - changes in our relationships with our significant customers.

USE OF PROCEEDS

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

The proceeds from the issuance of the initial notes was approximately \$145.7 million. We used such proceeds to redeem the \$141.2 million aggregate principal amount of the 9% notes that remained outstanding following the Note Transfer and the Note Contribution on February 16, 2010 and to pay a portion of the related costs and expenses. We used cash on hand to pay any offering costs to the extent not paid from the offering proceeds.

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—Refinancing Transactions,” “Capitalization” and “Description of Other Indebtedness.”

| Sources of funds (in millions) | | Uses of funds (in millions) | |
|--------------------------------|----------|---|----------|
| Initial notes(1) | \$ 145.7 | Redemption of our outstanding 9% notes(2) | \$ 141.2 |
| | | Financing costs and other expenses(3) | 4.5 |
| | \$ 145.7 | | \$ 145.7 |

(1)The initial notes have a face value of \$150.0 million, but were offered at a discount of approximately \$4.3 million.

(2)On February 16, 2010, we redeemed the \$141.2 million aggregate principal amount of 9% notes (including approximately \$62.5 million of the 9% notes held by the CI Noteholders) at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest.

(3)Financing costs and other expenses include the initial purchasers’ discount and a portion of the fees and expenses related to the offering of the initial notes and the Refinancing Transactions.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of April 3, 2010, on an actual basis.

You should read this table in conjunction with our consolidated financial statements and the related notes included elsewhere in this prospectus. Also see “Use of Proceeds,” “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 3, 2010 Actual (unaudited) |
|---|---|
| Cash and cash equivalents | \$ 31,659 |
| Short-term and long-term debt: | |
| ABL Facility(1) | 65,000 |
| 11.75% Senior Secured Notes due 2013 | 725,000 |
| Unamortized discount on \$700.0 million 11.75% Senior Secured Notes due 2013(2) | (4,606) |
| Unamortized discount on \$25.0 million 11.75% Senior Secured Notes due 2013 issued October 23, 2009(2) | (4,526) |
| 13.125% Senior Subordinated Notes due 2014(3) | 150,000 |
| Unamortized discount on \$150.0 million 13.125% Senior Subordinated Notes due 2014(3) | (4,090) |
| Total debt | 926,778 |
| Stockholder's deficit: | |
| Common stock | — |
| Additional paid-in capital | 324,174 |
| Accumulated deficit | (469,643) |
| Accumulated other comprehensive loss, net of tax | 1,638 |
| Total stockholder's deficit | (143,831) |
| Total capitalization | \$ 782,947 |

(1) Borrowings under the ABL Facility are limited to the lesser of the borrowing base, as defined therein, or \$175.0 million, after giving effect to an amendment to the ABL Facility on July 16, 2009. Borrowing may be used for general corporate purposes. As of April 3, 2010, we had approximately \$103.3 million of contractual availability and approximately \$63.5 million of borrowing base availability under the ABL Facility, reflecting \$65.0 million of borrowings outstanding and approximately \$6.7 million of letters of credit.

(2) The senior secured notes have a face value of \$725.0 million, but were offered at an original discount of \$11.5 million.

(3) The initial notes have a face value of \$150.0 million, but were offered at an original discount of \$4.3 million.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The selected historical consolidated financial data presented below is for each of the years in the five-year period ended December 31, 2009.

The selected data presented below under the captions “Selected Statement of Operations Data” and “Selected Balance Sheet Data” for, and as of the end of, each of the years in the four-year period 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 as of December 31, 2008, and for the years ended December 31, 2008, and 2007, and the report thereon, are included elsewhere in this prospectus.

The selected data presented below under the captions “Selected Statement of Operations Data” and “Selected Balance Sheet Data” for, and as of the end of the year ended December 31, 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, 2009, and for the year ended December 31, 2009, and the report thereon, are included elsewhere in this prospectus.

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.

The selected historical consolidated financial data presented below as of and for the three month periods ended April 3, 2010 and April 4, 2009 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.

| (Amounts in thousands) | Fiscal year ended December 31, | | | | | Three months ended | |
|--|--------------------------------|--------------|--------------|--------------|------------|------------------------------|------------------------------|
| | 2009 | 2008 | 2007 | 2006 | 2005 | April 3, 2010 (unaudited) | April 4, 2009 (unaudited) |
| Selected Statement of operations data: | | | | | | | |
| (1) | | | | | | | |
| Net sales | \$ 951,374 | \$ 1,175,019 | \$ 1,363,546 | \$ 1,054,468 | \$ 838,868 | \$ 204,205 | \$ 182,000 |
| Costs and expenses: | | | | | | | |
| Cost of products sold | 749,841 | 980,098 | 1,083,153 | 829,518 | 646,584 | 167,308 | 169,000 |
| Selling, general and administrative expenses | 141,772 | 155,388 | 155,963 | 125,619 | 92,738 | 33,806 | 40,900 |
| | 19,651 | 19,650 | 17,631 | 11,942 | 9,761 | 6,794 | 4,900 |

| | | | | | | | |
|--|--------------|---------------|-----------|--------------|-----------|-----------|-------------|
| Amortization of intangible assets | | | | | | | |
| Goodwill impairment | — | 450,000 | — | — | — | — | — |
| Intangible asset impairment | — | — | 4,150 | 782 | — | — | — |
| Total costs and expenses | 911,264 | 1,605,136 | 1,260,897 | 967,861 | 749,083 | 207,908 | 215,500 |
| Operating earnings (loss) | 40,110 | (430,117) | 102,649 | 86,607 | 89,785 | (3,703) | (32,800) |
| Foreign currency gain (loss) | 475 | (911) | 3,961 | 77 | 1,010 | 104 | (88) |
| Interest expense | (135,514) | (138,015) | (99,698) | (76,680) | (57,657) | (34,007) | (33,700) |
| Interest income | 211 | 617 | 1,704 | 1,205 | 730 | 53 | 65 |
| Gain on extinguishment of debt | — | — | — | — | — | 98,187 | — |
| Income (loss) before provision (benefit) for income taxes and cumulative effect of accounting change | (94,718) | (568,426) | 8,616 | 11,209 | 33,868 | 60,634 | (66,500) |
| Provision (benefit) for income taxes | (17,966) | (69,951) | 3,634 | 4,147 | 12,651 | 6,532 | (11,000) |
| Income (loss) before cumulative effect of accounting change | (76,752) | (498,475) | 4,982 | 7,062 | 21,217 | 54,102 | (55,500) |
| Cumulative effect of accounting change, net of income tax benefit of \$57 | — | — | — | (86) | — | — | — |
| Net income (loss) | \$ (76,752) | \$ (498,475) | \$ 4,982 | \$ (76,752) | \$ 21,217 | \$ 54,102 | \$ (55,500) |
| Other financial data: | | | | | | | |
| Capital expenditures | \$ 7,807 | \$ 16,569 | \$ 20,017 | 20,318 | 14,742 | \$ 3,029 | \$ 2,440 |
| | 56,271 | 61,765 | 54,067 | 33,816 | 26,125 | 15,454 | 13,800 |

Depreciation
and
amortization

Net cash
provided by
(used in):

Operating
activities

| | | | | | | |
|-----------|-----------|--------|--------|--------|-----------|-------|
| (16,882) | (58,865) | 73,844 | 53,425 | 63,910 | (21,416) | (48,7 |
|-----------|-----------|--------|--------|--------|-----------|-------|

Investing
activities

| | | | | | | |
|----------|-----------|-----------|------------|-----------|----------|-------|
| (7,835) | (11,487) | (56,407) | (432,168) | (14,362) | (3,028) | (2,42 |
|----------|-----------|-----------|------------|-----------|----------|-------|

Financing
activities

| | | | | | | |
|-----------|--------|-----------|---------|-----------|--------|------|
| (17,528) | 78,233 | (15,068) | 405,396 | (34,334) | 38,950 | 9,97 |
|-----------|--------|-----------|---------|-----------|--------|------|

Ratio of
earnings to
fixed
charges(2)

| | | | | | | |
|---|---|-----|-----|-----|-----|---|
| - | - | 1.1 | 1.1 | 1.5 | 2.7 | - |
|---|---|-----|-----|-----|-----|---|

Balance sheet
data (at period
end):

Cash and cash
equivalents

| | | | | | | |
|-----------|-----------|-----------|--------|--------|-----------|---------|
| \$ 17,063 | \$ 58,289 | \$ 52,053 | 53,274 | 22,173 | \$ 31,659 | \$ 17,2 |
|-----------|-----------|-----------|--------|--------|-----------|---------|

Total assets

| | | | | | | |
|---------|-----------|-----------|-----------|-----------|-----------|------|
| 982,033 | 1,104,053 | 1,616,153 | 1,649,721 | 1,049,998 | 1,011,301 | 1,03 |
|---------|-----------|-----------|-----------|-----------|-----------|------|

Total debt

| | | | | | | |
|-----------|-----------|-----------|-----------|---------|---------|------|
| 1,100,397 | 1,114,186 | 1,038,096 | 1,048,764 | 637,468 | 926,778 | 1,12 |
|-----------|-----------|-----------|-----------|---------|---------|------|

Stockholder's
equity (deficit)

| | | | | | | |
|------------|------------|---------|---------|---------|------------|------|
| (313,482) | (242,628) | 241,787 | 227,716 | 215,514 | (143,831) | (298 |
|------------|------------|---------|---------|---------|------------|------|

- (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.
- (2) 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 \$568.4 million and \$94.7 million, respectively, which resulted from the depressed residential U.S. housing market. For the three months ended April 4, 2009, the deficiency in the ratio of earnings to fixed charges to achieve a one to one ratio was \$66.6 million which also resulted from the depressed residential U.S. housing market.

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

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

General

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

suppliers. We have two reportable segments: (i) Siding, Fencing, and Stone, and (ii) Windows and Doors.

Ply Gem Holdings, a wholly owned subsidiary of Ply Gem Prime Holdings, was incorporated on January 23, 2004 for the purpose of acquiring Ply Gem Industries from Nortek. The Ply Gem acquisition was completed on February 12, 2004, when Nortek sold Ply Gem Industries, to Ply Gem Holdings, pursuant to the terms of the stock purchase agreement among Ply Gem Investment Holdings, Inc., ("Ply Gem Investment Holdings") and Nortek and WDS LLC dated as of December 19, 2003, as amended. Prior to February 12, 2004, the date of the Ply Gem acquisition, Ply Gem Holdings had no operations and Ply Gem Industries was a wholly-owned subsidiary of WDS LLC, which was a wholly-owned subsidiary of Nortek.

On August 27, 2004, Ply Gem Industries acquired all of the outstanding shares of capital stock of MWM Holding, in accordance with a stock purchase agreement entered into among Ply Gem, MWM Holding and the selling stockholders in the MW acquisition. The accompanying financial statements include the operating results of MWM Holding from August 27, 2004, the date of acquisition.

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

On January 11, 2010, Ply Gem Investment Holdings was merged with and into Ply Gem Prime Holdings, with Ply Gem Prime Holdings as the surviving corporation. As a result, each outstanding share of senior preferred stock of Ply Gem Investment Holdings was converted into a share of a corresponding class of shares of the capital stock of Ply Gem Prime Holdings.

On February 24, 2006, Ply Gem completed the Alenco acquisition in accordance with a securities purchase agreement entered into among Ply Gem, all of the direct and indirect stockholders, warrant holders and stock option holders of AWC and FNL Management Corp., an Ohio corporation, as their representative on February 6, 2006. Pursuant to the securities purchase agreement, Ply Gem purchased all of the issued and outstanding shares of common stock, warrants to purchase shares of common stock and options to purchase shares of common stock of AWC (other than certain shares of common stock of AWC held by certain members of the senior management of Alenco that were contributed separately to Ply Gem Prime Holdings in exchange for shares of capital stock of Ply Gem Prime Holdings). Immediately following the completion of the Alenco acquisition, AWC became a wholly owned subsidiary of Ply Gem. The accompanying financial statements include the operating results of Alenco from February 24, 2006, the date of acquisition.

On October 31, 2006, Ply Gem Industries acquired all of the outstanding shares of capital stock of AHE in accordance with a stock purchase agreement entered into among Ply Gem, Alcoa Securities Corporation, and Alcoa Inc. The accompanying financial statements include the operating results of AHE from October 31, 2006, the date of acquisition.

On September 30, 2007, Ply Gem Industries acquired the vinyl window and patio door business of Certain Teed Corporation through a stock acquisition. On the acquisition date, the Company changed the name of the acquired business to Ply Gem Pacific Windows Corporation. The accompanying financial statements include the operating results of Pacific Windows from September 30, 2007, the date of acquisition.

On October 31, 2008, Ply Gem Industries acquired substantially all of the assets of Ply Gem Stone. The accompanying financial statements include the operating results of Ply Gem Stone from October 31, 2008, the date of acquisition.

We are a holding company with no operations or assets of our own other than the capital stock of our subsidiaries. The terms of Ply Gem Industries' ABL Facility and the indentures governing Ply Gem Industries' Senior Secured Notes and Senior Subordinated Notes place restrictions on the ability of Ply Gem Industries and its subsidiaries to make certain payments and otherwise transfer assets to us. Further, the terms of Ply Gem Industries' ABL Facility place restrictions on the ability of Ply Gem Holdings to make certain dividend payments.

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 and amortization of intangible assets.

Comparability. All periods after the Pacific Windows acquisition in September 2007 include the results of operations of Pacific Windows. All periods after the Ply Gem Stone 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 quarter of each calendar year historically result in each quarter producing significantly less sales revenue than in any other period of the year. As a result, we have historically had lower profits or losses in the first quarter, and reduced profits in the fourth quarter of each calendar year due to the weather. Our results of operations for individual quarters in the future may be impacted by adverse weather conditions.

Critical Accounting Policies

The following discussion and analysis of our financial 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 five 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, and 5) income taxes. 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 3, 2010 would result in an approximate \$0.5 million, \$0.7 million, and \$4.3 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 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 were to deteriorate which might impact its ability to make payment, then additional allowances may be required.

Inventories. Inventories in the accompanying condensed consolidated balance sheets are valued at the lower of cost or market. The Company records 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 the Company to make 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 may cause actual results to differ from estimates at the time such inventory is disposed or sold. As of April 3, 2010, the Company had inventory purchase commitments of approximately \$65.0 million. Inventory reserves were approximately \$7.1 million at April 3, 2010, increasing approximately \$0.4 million compared to the December 31, 2009 reserve balance of approximately \$6.7 million .

Long-lived Assets. The Company reviews long-lived assets for impairment annually or whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company performs 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.

As of December 31, 2009, the Company determined that the continued decline in the US housing market required a re-evaluation of the Company's forecasts. The Company tested for impairment using the "Step One" test for asset groups held and used, and determined that further impairment testing of the fair value of the asset groups (under "Step Two") was not necessary at December 31, 2009 because the undiscounted cash flows exceeded the carrying values of the long-lived asset groups. There were no indications of impairment during the quarter ended April 3, 2010.

The Company tests for long-lived asset impairment at the following asset group levels: i) Siding, Fencing, and Stone ("Siding"), ii) the combined US 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. Ply Gem concluded that the lowest level for identifiable cash flows is Siding, US Windows and Ply Gem Canada. This is one level below the segment reporting unit of "Windows and Doors" and reflects the lowest level of identifiable cash flows. Management believes that the US Windows unit cannot be further

broken down as a result of the 2008 US Windows reorganization. As a result, Ply Gem now markets themselves to US Windows customers as one company rather than separate companies. In addition, certain manufacturing facilities provide inventory to multiple window divisions for assembling the final products. Therefore, from an economic standpoint, the Company evaluates the cash flows as a group rather than at the divisional levels. The US Windows and Ply Gem Canada financial data is the lowest level of reliable information that is prepared and reviewed by management on a consistent basis. The Company made a similar conclusion for Siding as its product lines are grouped at a Siding level as there are interdependencies between products.

Goodwill impairment. The Company records the excess of purchase price over the fair value of the net assets of acquired companies as goodwill or other identifiable intangible assets. The Company performs an annual test for goodwill impairment during the fourth quarter of each year and also at any other date when events or changes in circumstances indicate that the carrying value of these assets may exceed their fair value. The Company has defined its reporting units and performs the impairment testing of goodwill at the operating segment level. The Company has aggregated US Windows and Ply Gem Canada into a single reporting unit since they have similar economic characteristics. Thus, the Company has two reporting units: 1) Siding, Fencing, and Stone and 2) Windows and Doors. Separate valuations are performed for each of these reporting units in order to test for impairment.

The Company uses the two-step method to determine goodwill impairment. If the carrying amount of a reporting unit exceeds its fair value (Step One), the Company measures 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). 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. There was no goodwill impairment at December 31, 2009 and no impairment indicators which would trigger an interim impairment test during the quarter ended April 3, 2010.

To determine the fair value of its reporting units, the Company equally considers both the income and market valuation methodologies. The income valuation methodology uses the fair value of the cash flows that the reporting unit can be expected to generate in the future. This method requires management to project revenues, operating expenses, working capital investment, capital spending and cash flows for the reporting unit over a multi-year period as well as determine the weighted average cost of capital to be used as the discount rate. The Company also utilizes the market valuation method to estimate the fair value of the reporting units by utilizing comparable public company multiples. These comparable public company multiples are then applied to the reporting unit's financial performance. During the year ended December 31, 2009, the Company utilized forward looking market multiples for its reporting units. The forward multiples were used since each reporting unit incurred various restructuring activities during 2009. The market approach is more volatile as an indicator of fair value as compared to the income approach as internal forecasts and projections have historically been more stable. Since each approach has its merits, the Company equally weights the approaches to balance the internal and external factors affecting the Company's fair value, which is consistent with prior years.

The Company's fair value estimates of its reporting units and goodwill are sensitive to a number of assumptions including discount rates, cash flow projections, operating margins, and comparable market multiples. In order to accurately forecast future cash flows, the Company estimates single family housing starts and the repair and remodeling market's growth rates. However, there is no assurance that: 1) valuation multiples will not decline further, 2) discount rates will not increase, or 3) the earnings, book values or projected earnings and cash flows of the Company's reporting units will not decline. The Company will continue to analyze changes to these assumptions in future periods. The Company will continue to evaluate goodwill during future periods and further declines in the residential housing and remodeling markets could result in additional goodwill impairments.

Income taxes. The Company utilizes the asset and liability method of accounting for income taxes which requires that deferred tax assets and liabilities be recorded to reflect the future tax consequences of temporary differences between the book and tax basis of various assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period in which the rate change occurs. A valuation allowance is established to offset any deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Estimates are required with respect to, among other things, the appropriate state income tax rates used in the various states that the Company and its 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. The Company establishes 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. Subsequent to February 12, 2004, U.S. federal income tax returns are prepared and filed by Ply Gem Investment Holdings, Inc. on behalf of itself, Ply Gem Holdings, and Ply Gem Industries and its subsidiaries. The tax sharing agreement between Ply Gem Holdings and Ply Gem Investment Holdings under which tax liabilities for each respective party are computed on a stand-alone basis, was amended during 2006 to include Ply Gem Prime. On January 11, 2010, Ply Gem Investment Holdings was merged with and into Ply Gem Prime, with Ply Gem Prime as the surviving corporation. As a result, each outstanding share of senior preferred stock of Ply Gem Investment Holdings was converted into a share of a corresponding class of shares of the capital stock of Ply Gem Prime.

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.

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 and combined statements of operations included in this report.

| (Amounts in thousands) | Fiscal year ended December 31, | | | Three months ended | |
|-----------------------------------|--------------------------------|---------------|------------|---------------------------------|---------------------------------|
| | 2009 | 2008 | 2007 | April 3, 2010 (unaudited) | April 4, 2009 (unaudited) |
| Net sales | | | | | |
| Siding, Fencing and Stone | \$ 577,390 | \$ 709,432 | \$ 828,124 | \$ 117,668 | \$ 108,460 |
| Windows and Doors | 373,984 | 465,587 | 535,422 | 86,537 | 74,291 |
| Operating earnings (loss) | | | | | |
| Siding, Fencing and Stone | 77,756 | (75,431) | 73,560 | 10,514 | (7,517) |
| Windows and Doors | (23,504) | (334,140) | 36,134 | (10,756) | (21,682) |
| Unallocated | (14,142) | (10,546) | (7,045) | (3,461) | (3,609) |
| Foreign currency gain (loss) | | | | | |
| Windows and Doors | 475 | (911) | 3,961 | 104 | (88) |
| Interest expense, net | | | | | |
| Siding, Fencing and Stone | 169 | 125 | 110 | 43 | 55 |
| Windows and Doors | (183) | (518) | (1,673) | (46) | 1 |
| Unallocated | (135,289) | (137,005) | (96,431) | (33,951) | (33,747) |
| Income tax benefit (expense) | | | | | |
| Unallocated | 17,966 | 69,951 | (3,634) | (6,532) | 11,049 |
| Gain on extinguishment of debt | | | | | |
| Unallocated | - | - | - | 98,187 | - |
| Net income (loss) | \$ (76,752) | \$ (498,475) | \$ 4,982 | \$ 54,102 | \$ (55,538) |

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

| | 2009 | | Fiscal Year Ended December 31, 2008 | | 2007 | | Three Months April 3, 2010 (unaudited) | |
|-----------------------------------|------------|---------|--|---------|------------|---------|--|---------|
| Statement of operations data | | | | | | | | |
| Net sales | \$ 577,390 | 100.0 % | \$ 709,432 | 100.0 % | \$ 828,124 | 100.0 % | \$ 117,668 | 100.0 % |
| Cost of products sold | 428,037 | 74.1 % | 578,850 | 81.6 % | 659,423 | 79.6 % | 90,294 | 76.7 % |
| Gross profit | 149,353 | 25.9 % | 130,582 | 18.4 % | 168,701 | 20.4 % | 27,374 | 23.3 % |
| SG&A expense | 63,072 | 10.9 % | 75,240 | 10.6 % | 86,068 | 10.4 % | 14,729 | 12.5 % |
| Amortization of intangible assets | 8,525 | 1.5 % | 8,546 | 1.2 % | 9,073 | 1.1 % | 2,131 | 1.8 % |
| Goodwill impairment | — | 0.0 % | 122,227 | 17.2 % | — | 0.0 % | — | 0.0 % |
| Operating earnings (loss) | \$ 77,756 | 13.5 % | \$ (75,431) | -10.6 % | \$ 73,560 | 8.9 % | \$ 10,514 | 8.9 % |

As a result of the Ply Gem Stone acquisition, the Company 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 3, 2010 increased compared to the same period in 2009 by approximately \$9.2 million, or 8.5%. The increase in net sales was driven by improved industry wide market conditions in new construction as single family housing starts increased favorably impacting demand for our products. According to the U.S. Census Bureau, fourth quarter 2009 and first quarter 2010 single family housing starts were estimated to increase by approximately 1.5% and 46.0% respectively from actual levels achieved in the fourth quarter of 2008 and the first quarter of 2009. The increase in net sales that resulted from improved market conditions in new construction were partially offset by overall market softness in repair and remodeling expenditures. According to the Joint Center for Housing Studies of Harvard University’s leading indicator of remodeling activity (LIRA) index, repair and remodeling activity declined in the first quarter of 2010 as compared to the first quarter of 2009.

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 National Association of Home Builders (“NAHB”) January 2010 forecast, single family housing starts for 2009 are estimated to be 439,000 units which represents a decline of approximately 28.8% 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 was 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 market 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 estimate that our market 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 include sales contributed by Ply Gem Stone which was acquired in October 2008.

Net sales for the year ended December 31, 2008 decreased from the year ended December 31, 2007 by approximately \$118.7 million or 14.3%. 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, 2008 single family housing starts declined approximately 40.5% from actual levels achieved in 2007 with single family housing starts declining from 1,036,000 units in 2007 to 616,000 in 2008. The decrease in net sales that resulted from industry wide market demand declines was partially offset by price increases that we implemented in response to increasing raw materials and freight costs as discussed below in cost of products sold and sales from Ply Gem Stone .

Cost of products sold

Cost of products sold for the three months ended April 3, 2010 decreased compared to the same period in 2009 by approximately \$5.2 million, or 5.4%. The decrease in cost of products sold was driven by lower material cost 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 quarter of 2009. The decrease in cost of products sold was partially offset by increased sales as discussed above. In addition, we incurred \$1.3 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 three months ended April 3, 2010 as compared to the same period in 2009. Gross profit percentage for the three months ended April 3, 2010 increased from the same period in 2009 from 12.0% to 23.3%. The improvement in gross profit percentage resulted from lower aluminum material cost and new customer buy-back expense as previously discussed. In addition, our gross profit percentage improved as a result of management's initiatives to reduce fixed expenses including the consolidation of the majority of the production from the Company's vinyl siding plant in Kearney, Missouri, into its other three remaining vinyl siding plants which was completed in the second quarter of 2009.

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 as discussed above and decreased raw material costs, primarily PVC resin and aluminum, as well as lower freight costs driven by lower oil costs. The Company estimates that the 2009 full year average market cost of pipe grade PVC resin and aluminum declined by approximately 8.1% and 35.2% 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.

Cost of products sold for the year ended December 31, 2008 decreased from the year ended December 31, 2007 by approximately \$80.6 million or 12.2%. The decrease in cost of products sold was due to lower sales as discussed above, but was partially offset by higher raw material costs, primarily PVC resin and aluminum, as well as higher freight costs driven by higher oil costs. Gross profit percentage decreased from 20.4% in 2007 to 18.4% in 2008. The decrease in gross profit percentage was driven by lower unit sales volume and increased raw material and freight costs. During 2008, we implemented selling price increases in response to higher raw material costs and freight costs, however, our gross profit percentage was negatively impacted by the delay between the time of raw material and freight cost increases and the price increases that we implemented. We experienced market wide decreases in our raw material costs and freight costs during the later months of 2008, which resulted in corresponding decreases in our selling prices as a result of the lower raw material and freight costs. Additionally, in light of current market conditions for building products, the Company has adjusted the size of its workforce and reduced its fixed overhead structure, including reductions in certain fixed expenses related to the vinyl siding plants in Atlanta, Georgia and Denison, Texas, which ceased production in April of 2007 and February of 2008, respectively.

Selling, general and administrative expense

SG&A expenses for the three months ended April 3, 2010 decreased compared to the same period in 2009 by approximately \$3.6 million, or 19.8%. 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 the first quarter of 2009. The Company reduced administrative and other fixed expenses in light of current market conditions and incurred lower restructuring and integration expense which totaled approximately \$0.1 million for the first quarter of 2010 as compared to approximately \$1.2 million for the same period 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 have been reduced in light of current market conditions, as well as, lower restructuring and integration expense. The Company incurred restructuring and integration expense of approximately \$2.9 million in 2009 as compared to approximately \$6.9 million in 2008.

SG&A expense for the year ended December 31, 2008 decreased from the year ended December 31, 2007 by approximately \$10.8 million or 12.6%. The decrease in SG&A expenses was primarily due to lower selling and marketing costs and other fixed expenses that have been reduced in light of current market conditions for building products. In addition, SG&A expense for 2007 included certain expenses incurred to integrate the AHE acquisition into the Company's Siding, Fencing and Stone Segment.

Amortization of intangible assets

Amortization expense for the three months ended April 3, 2010 was consistent with the same period in 2009.

Amortization expense for the year ended December 31, 2009 was consistent with the year ended December 31, 2008. Amortization expense for the year ended December 31, 2008 decreased from the year ended December 31, 2007 by approximately \$0.5 million.

Goodwill impairment

The Company's annual goodwill impairment test performed during the fourth quarter of 2009 indicated no impairment. During 2008, the Company conducted its annual goodwill impairment test. As a result of the depressed residential housing and remodeling markets, the Company 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

| | 2009 | | Fiscal Year Ended December 31, 2008 | | 2007 | | Three Months Ended April 3, 2010 (unaudited) | | Ap (u |
|---------------------------------------|------------|---------|--|---------|------------|---------|--|---------|----------|
| Statement of operations data | | | | | | | | | |
| Net sales | \$ 373,984 | 100.0 % | \$ 465,587 | 100.0 % | \$ 535,422 | 100.0 % | \$ 86,537 | 100.0 % | \$ |