GREAT LAKES WINDOW INC
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PROSPECTUS

Ply Gem Industries, Inc.
Exchange Offer for $160,000,000
9.375% Senior Notes due 2017 and Related Guarantees

The Notes and the Guarantees

- We are offering to exchange $160,000,000 of our outstanding 9.375% Senior Notes due 2017 and certain related guarantees, which were issued on September 27, 2012 and which we refer to collectively as the initial notes, for a like aggregate amount of our registered 9.375% Senior Notes due 2017 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 September 27, 2012.
- The exchange notes will mature on April 15, 2017. We will pay interest on the exchange notes semi-annually on April 15 and October 15 of each year, commencing on April 15, 2013, at a rate of 9.375% per annum, to holders of record on the April 1 or October 1 immediately preceding the interest payment date.
- The exchange notes will be guaranteed on a senior unsecured basis by our parent, Ply Gem Holdings, Inc., and substantially all of our subsidiaries located in the United States.
- The exchange notes and the related guarantees will be unsecured and will be equal in right of payment to all of our existing and future senior indebtedness, including borrowings under our senior secured asset-based revolving credit facility, or ABL Facility, and our 8.25% Senior Secured Notes due 2018, or 8.25% Senior Secured Notes.
- The exchange notes and the related guarantees will be effectively subordinated to all of our and the guarantors' existing and future secured indebtedness, including borrowings under the ABL Facility and the 8.25% Senior Secured Notes, to the extent of the value of the assets securing such indebtedness.
- The exchange notes and the related guarantees will be structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries that are not guarantors.

Terms of the exchange offer

- It will expire at 5:00 p.m., New York City time, on January 24, 2013, 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to this exchange offer are satisfied, we will exchange all of our initial notes that are validly tendered and not withdrawn for the exchange notes.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 of the exchange offer, 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 December 21, 2012.

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MARKET AND INDUSTRY DATA

Market data and other statistical information used throughout this prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data are also based on good faith estimates by our management, which are derived from their review of internal surveys, as well as the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy or completeness. Gary E. Robinette, our President and Chief Executive Officer, is a member of the Policy Advisory Board of Harvard University's Joint Center for Housing Studies, and we have relied, in part, on its study for the market and statistical information included in this prospectus.

PROSPECTUS SUMMARY

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

Unless otherwise specified or the context requires otherwise, (i) the term "Ply Gem Holdings" refers to Ply Gem Holdings, Inc.; (ii) the term "Ply Gem Industries" refers to Ply Gem Industries, Inc., our principal operating subsidiary; and (iii) the terms "we," "us," "our," "Ply Gem" and the "Company" refer collectively to Ply Gem Holdings and its subsidiari The use of these terms is not intended to imply that Ply Gem Holdings and Ply Gem Industries are not separate and distinct legal entities. "Adjusted EBITDA" has the meaning set forth in the footnotes to "— Summary Historical Financial Information." The term "initial notes" refers to the 9.375% Senior Notes due 2017 that were issued on September 27, 2012 in a private offering, and the term "exchange notes" refers to the 9.375% Senior Notes due 2017 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 exterior building products in North America, operating in two reportable segments: (i) Siding, Fencing, and Stone and (ii) Windows and Doors, which comprised approximately 60% and 40% of our sales, respectively, for each of the fiscal year ended December 31, 2011 and the nine months ended September 29, 2012. These two segments produce a comprehensive product line of vinyl siding, designer accents and skirting, vinyl fencing, vinyl and composite railing, stone veneer and vinyl windows and doors used in both new construction and home repair and remodeling in the United States and Western Canada. Vinyl building products have the leading share of sales volume in siding and windows in the United States. We also manufacture vinyl and aluminum soffit and siding accessories, aluminum trim coil, wood windows, aluminum windows, vinyl and aluminum-clad windows and steel and fiberglass doors, enabling us to bundle complementary and color-matched products and accessories with our core products. We believe that our comprehensive product portfolio and geographically diverse, low cost manufacturing platform allow us to better serve our customers and provide us with a competitive advantage over other exterior building products suppliers. For the year ended December 31, 2011, we had net sales of $1,034.9 million, adjusted EBITDA of $112.2 million and a net loss of $84.5 million. For the nine months ended September 29, 2012, we had net sales of $852.7 million, adjusted EBITDA of $100.1 million and a net loss of $24.0 million.

Our Competitive Strengths

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

- Leading Manufacturer of Exterior Building Products. Based on our internal estimates and industry experience, we believe we have established leading positions in many of our core product categories including: No. 1 in vinyl siding in the U.S.; No. 1 in aluminum accessories in the U.S.; No. 2 in vinyl and aluminum windows in the U.S.; and No. 2 in windows and doors in Western Canada. We achieved this success by developing a broad offering of high quality products and providing superior service to our customers. We are one of the few companies in our line of business that operate a geographically diverse manufacturing platform capable of servicing our customers across the entire United States and Western Canada. The scale of our operations also positions us well as customers look to consolidate their supplier base. We believe our broad offering of leading products, geographically diverse manufacturing platform and long-term customer relationships make us the manufacturer of choice for our customers' exterior building products needs.

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

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

- Multi-Channel Distribution Network Servicing a Broad Customer Base. We have a multi-channel distribution network that serves both the new construction and home repair and remodel end markets through our broad customer base of specialty and wholesale distributors, retail home centers, lumberyards, remodeling dealers and builders. Our multi-channel distribution strategy has increased our sales and penetration within these end markets, while limiting our exposure to any one customer or channel, such that our top ten customers only accounted for approximately 42.7% of our net sales in 2011. We believe our strategy enables us to minimize channel conflict, reduce our reliance on any one channel and reach the greatest number of end customers while providing us with the ability to increase our sales and to sustain our financial performance through economic fluctuations.

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

- Highly Efficient, Low Cost Operating Platform. Since mid-2006, we have closed or consolidated eight plants, generating savings of over $30 million annually, and significantly reduced our workforce. During this time, we also invested approximately $76.4 million in capital expenditures, including new product introductions and upgrades to equipment, facilities and technology, to continue improving our vertically integrated manufacturing platform. For example, our multi-plant window manufacturing platform allows us to service our customers with less than one week lead times across a broad geographic coverage area, providing us a competitive advantage with the ability to operate in just-in-time fashion. This capability provides a unique service proposition to our customers while allowing us to maintain minimal inventory levels in our window product offerings. In addition, as a result of our Polyvinyl Chloride Resin (PVC) purchasing scale (we are one of the largest purchasers in North America based on industry estimates), we are able to secure favorable prices, terms and input availability through various cycles.

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

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

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

Our Business Strategy

We are pursuing the following business and growth strategies:

- Capture Growth Related to Housing Market Recovery. As a leading manufacturer of exterior building products, we intend to capitalize on the recovery in new construction and home repair and remodeling. The National Association of Home Builders' ("NAHB") 2011 estimate of single family housing starts was 434,000, which was approximately 62% below the 50-year average, representing a significant opportunity for growth as activity improves to rates that are more consistent with historical levels. The NAHB's September 2012 forecast reflects this growth opportunity, with single family housing starts estimated to increase to 528,000 for 2012, which is an increase of approximately 21.5% from 2011. Furthermore, we believe that the underinvestment in homes during the recent recession and the overall age of the U.S. housing stock will drive significant future spending for home repair and remodeling.

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

- Continue to Increase Market Penetration. We intend to increase the market penetration of our siding, fencing, and stone products and our window and door products by leveraging the breadth of our product offering and broad geographical footprint to serve customers across North America and by pursuing cross-selling opportunities. Additionally, our continued investments in product innovation and quality, coupled with strong customer service, further enhance our ability to capture increased sales in each of our core product categories. For example, based on internal estimates and industry experience, in 2011 we increased our penetration of the U.S. vinyl siding market to approximately 36.0% from 32.3% in 2010 due in part to a significant customer win in the retail sales channel as well as a new business win from a top national builder that represented an existing top 10 customer in our window business. We believe that this demonstrates the substantial opportunity across our product categories to cross-sell and bundle products, thereby increasing revenues from our existing channel partners and industry relationships. Another example of this cross-selling opportunity was the introduction in 2010 of a new line of vinyl windows under our Ply Gem brand as well as under our Mastic Home Exteriors brand, historically associated with vinyl siding products. We expect to build upon our share gains as the housing market recovers from its current low levels and to further enhance our leading positions.

- Expand Brand Coverage and Product Innovation. We will continue to increase the value of the Ply Gem brands by introducing new product categories for our customers and by developing innovative new products within our existing product categories. For example, we have developed a complete series of window products under the Ply Gem brand to target the higher margin home repair and remodeling window end market. Furthermore, our 2008 addition of stone veneer to our product offering in the Siding, Fencing, and Stone segment provides existing siding customers with access to the fastest growing category of exterior cladding products.

Our new products frequently receive industry recognition, as evidenced by our Ply Gem Mira aluminum-clad wood window receiving top Product Pick at the International Builder's Show in 2008, our Cedar Discovery designer accent product and Ovation vinyl siding product being named among the top 100 products in 2009 by leading industry publications, and our Ply Gem Stone True Stack and Designed Exterior Studio being named among the 101 best new products by Professional Builder and Professional Remodeler publications in 2012. The result of our commitment to product development and innovation has been demonstrated in the $310.1 million of incremental annualized sales that we recognized for new products introduced from 2009 to 2011.

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

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

Building Products End Markets

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

New home construction

New construction in the United States experienced strong growth from the early 1990s to 2006, with housing starts increasing at a compounded annual growth rate of 3.8%. However, from 2006 to 2011, single family housing starts declined 71% according to the NAHB. While the industry has experienced a period of severe correction and downturn, management believes that the long-term economic outlook for new construction in the United States is favorable and supported by an attractive interest rate environment and strong demographics, as new household formations and increasing immigration drives demand for starter homes. According to the Joint Center for Housing Studies of Harvard University, net new household formations between 2010 and 2020 are expected to be approximately 11.8 million units. Favorable demographic trends and historically low interest rates should be stimulants for new construction demand in the United States.

During 2010, the Federal First-Time and Repeat Home Buyer Tax Credit programs provided a stimulant for housing demand during the first half of 2010 as the program expired on April 30, 2010. According to the U.S. Census Bureau, single family housing starts increased by approximately 27.0% during the first half of 2010 compared to the first half of 2009, while single family housing starts for the second half of 2010 decreased by approximately 11.7% compared to the second half of 2009. During 2011, single family housing starts declined by approximately 7.9% to 434,000 compared to 2010. The NAHB is currently forecasting single family housing starts to increase in 2012 and 2013 by 21.5% and 26.0%, respectively. In addition, new construction in Canada is expected to benefit from similar demand stimulants as new construction in the United States, such as strong demographic trends and historically low interest rate levels. According to the Canadian Mortgage and Housing Corporation ("CMHC"), housing starts in Alberta, Canada are estimated to increase by approximately 15.8% in 2012, demonstrating the recovery in new construction in Western Canada.

Home repair and remodeling

Since the early 1990s and through 2006, demand for home repair and remodeling products in the United States increased at a compounded annual growth rate of 4.3%, according to the U.S. Census Bureau, as a result of strong economic growth, low interest rates and favorable demographics. However, beginning in 2007 the ability for homeowners to finance repair and remodeling expenditures, such as replacement windows or vinyl siding, has been negatively impacted by a general tightening of lending requirements by financial institutions and the significant decrease in home values, which limited the amount of home equity against which homeowners could borrow. Management believes that expenditures for home repair and remodeling products are also affected by consumer confidence that continued to be depressed during 2011 and into 2012 due to general economic conditions and high unemployment levels. Although certain aspects of the federal stimulus plan enacted in early 2009, such as energy saving tax credits and Homestar, may have encouraged some consumers to make home improvements, including the replacement of older windows with newer more energy-efficient windows, management believes that these favorable measures were offset during 2010 by the effects of high unemployment, limited availability of consumer financing and lower consumer confidence levels. However, management believes the long-term economic outlook of the demand for home repair and remodeling products in the United States is favorable and supported by the move towards more energy-efficient products, recent underinvestment in home maintenance and repair, and an aging housing stock.

Ownership Structure

The chart below summarizes our ownership and corporate structure:

Our Sponsor

As of the date of this prospectus, affiliates of, and companies managed by, CI Capital Partners LLC, formerly known as Caxton-Iseman Capital LLC, including Caxton-Iseman (Ply Gem), L.P. and Caxton-Iseman (Ply Gem) II, L.P. (collectively, the "CI Partnerships"), Frederick J. Iseman and Steven M. Lefkowitz (collectively, the "Sponsor"), beneficially own approximately 89.4% of the common stock of the indirect parent company of Ply Gem Industries.

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

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

Name of Guarantor	Jurisdiction of Formation	Year of Formation
Ply Gem Holdings, Inc.	Delaware	2004
Alenco Building Products Management, L.L.C.	Delaware	2001
Alenco Extrusion GA, L.L.C.	Delaware	2001
Alenco Extrusion Management, L.L.C.	Delaware	2001
Alenco Holding Corporation	Delaware	2000
Alenco Interests, L.L.C.	Delaware	2001
Alenco Trans, Inc.	Delaware	2000
Alenco Window GA, L.L.C.	Delaware	2001
Aluminum Scrap Recycle, L.L.C.	Delaware	2001
AWC Arizona, Inc.	Delaware	2005
AWC Holding Company (“AWC,” and together with itssubsidiaries, “Alenco”)	Delaware	2004
Foundation Labs by Ply Gem, LLC	Delaware	2012
Glazing Industries Management, L.L.C.	Delaware	2001
Great Lakes Window, Inc. (“Great Lakes”)	Ohio	1986
Kroy Building Products, Inc. (“Kroy”)	Delaware	1994
Mastic Home Exteriors, Inc. (“MHE”)	Ohio	1928
MW Manufacturers Inc. (“MW”)	Delaware	1999
MWM Holding, Inc. (“MWM Holding”)	Delaware	2002
Napco, Inc. (“Napco”)	Delaware	1989
New Alenco Extrusion, Ltd.	Texas	2001
New Alenco Window, Ltd.	Texas	2001
New Glazing Industries, Ltd.	Texas	2001
Ply Gem Pacific Windows Corporation (“Pacific Windows”)	Delaware	2006
Variform, Inc. (“Variform”)	Missouri	1964

Summary of the Exchange Offer

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

Exchange Offer	We are offering to exchange $160,000,000 aggregate principal amount of our exchange notes for a like aggregate principal amount of our initial notes. In order to exchange your initial notes, you must properly tender them and we must accept your tender. We will exchange all outstanding initial notes that are validly tendered and not validly withdrawn.
Expiration Date	This exchange offer will expire at 5:00 p.m., New York City time, on January 24, 2013, unless we decide to extend it.
Conditions to the Exchange Offer	We will complete this exchange offer only if: · there is no change in the laws and regulations which would impair our ability to proceed with this exchange offer, · there is no change in the current interpretation of the staff of the Securities and Exchange Commission (the “SEC”) permitting resales of the exchange notes, · there is no stop order issued by the SEC which would suspend the effectiveness of the registration statement which includes this prospectus or the qualification of the exchange notes under the Trust Indenture Act of 1939, · there is no litigation or threatened litigation which would impair our ability to proceed with this exchange offer, and · we obtain all the governmental approvals we deem necessary to complete this exchange offer. Please refer to the section in this prospectus entitled “The Exchange Offer—Conditions to the Exchange Offer.”
Procedures for Tendering Initial Notes	To participate in this exchange offer, you must complete, sign and date the letter of transmittal or its facsimile and transmit it, together with your initial notes to be exchanged and all other documents required by the letter of transmittal, to Wells Fargo Bank, National Association, as exchange agent, at its address indicated under “The Exchange Offer—Exchange Agent.” In the alternative, you can tender your initial notes by book-entry delivery following the procedures described in this prospectus. For more information on tendering your notes, please refer to the section in this prospectus entitled “The Exchange Offer—Procedures for Tendering Initial Notes.”

Special Procedures for Beneficial Owners	If you are a beneficial owner of initial notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your initial notes in the exchange offer, you should contact the registered holder promptly and instruct that person to tender on your behalf.
Guaranteed Delivery Procedures	If you wish to tender your initial notes and you cannot get the required documents to the exchange agent on time, you may tender your notes by using the guaranteed delivery procedures described under the section of this prospectus entitled "The Exchange Offer—Procedures for Tendering Initial Notes—Guaranteed Delivery Procedure."
Withdrawal Rights	You may withdraw the tender of your initial notes at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer. To withdraw, you must send a written or facsimile transmission notice of withdrawal to the exchange agent at its address indicated under "The Exchange Offer—Exchange Agent" before 5:00 p.m., New York City time, on the expiration date of the exchange offer.

Acceptance of Initial Notes and Delivery of Exchange Notes	If all the conditions to the completion of this exchange offer are satisfied, we will accept any and all initial notes that are properly tendered in this exchange offer on or before 5:00 p.m., New York City time, on the expiration date. We will return any initial note that we do not accept for exchange to you without expense promptly after the expiration date. We will deliver the exchange notes to you promptly after the expiration date and acceptance of your initial notes for exchange. Please refer to the section in this prospectus entitled "The Exchange Offer—Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes."
Federal Income Tax Considerations Relating to the Exchange Offer	Exchanging your initial notes for exchange notes will not be a taxable event to you for United States federal income tax purposes. Please refer to the section of this prospectus entitled "Federal Income Tax Considerations."
Exchange Agent	Wells Fargo Bank, National Association is serving as exchange agent in the exchange offer.
Fees and Expenses	We will pay all expenses related to this exchange offer. Please refer to the section of this prospectus entitled "The Exchange Offer—Fees and Expenses."
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy certain of our obligations under our registration rights agreement entered into in connection with the offering of the initial notes.
Consequences to Holders Who Do Not Participate in the Exchange Offer	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 of 1933, as amended (the "Securities Act"),
	· you will not be able to resell, offer to resell or otherwise transfer your initial notes unless they are registered under the Securities Act or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act, and
	· the trading market for your initial notes will become more limited to the extent other holders of initial notes participate in the exchange offer.
	You will not be able to require us to register your initial notes under the Securities Act unless:

· an initial purchaser requests us to register initial notes that are not eligible to be exchanged for exchange notes in the exchange offer;

· you are not eligible to participate in the exchange offer;

· you may not resell the exchange notes you acquire in the exchange offer to the public without delivering a prospectus and that the prospectus contained in the exchange offer registration statement is not appropriate or available for such resales by you; or

· you are a broker-dealer and hold initial notes that are part of an unsold allotment from the original sale of the initial notes.

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

Please refer to the section of this prospectus entitled “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 Related to the Exchange Offer—Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes" and "Plan of Distribution."
Obligations of Broker-Dealers	If you are a broker-dealer (1) that receives exchange notes, you must acknowledge that you will deliver a prospectus in connection with any resales of the exchange notes, (2) who acquired the initial notes as a result of market making or other trading activities, you may use the exchange offer prospectus as

supplemented or amended, in connection with resales of the exchange notes, or (3) who acquired the initial notes directly from the issuers in the initial offering and not as a result of market making and trading activities, you must, in the absence of an exemption, comply with the registration and prospectus delivery requirements of the Securities Act in connection with resales of the exchange notes.

Summary of Terms of the Exchange Notes

Issuer	Ply Gem Industries, Inc., a Delaware corporation.
Exchange Notes	Up to $160.0 million aggregate principal amount of 9.375% Senior Notes due 2017. The forms and terms of the exchange notes are the same as the form and terms of the initial notes except that the issuance of the exchange notes is registered under the Securities Act, will not bear legends restricting their transfer and the exchange notes will not be entitled to registration rights under our registration rights agreement. The exchange notes will evidence the same debt as the initial notes, and both the initial notes and the exchange notes will be governed by the same indenture.
Interest	The notes bear interest at a rate per annum equal to 9.375%, payable semi-annually, on April 15 and October 15 of each year, commencing on April 15, 2013.
Maturity Date	April 15, 2017.
Guarantees	The notes are jointly and severally, irrevocably and unconditionally guaranteed on a senior unsecured basis, subject to certain limitations described herein, by our parent company, Ply Gem Holdings, and all of our wholly-owned subsidiaries located in the United States (other than Unrestricted Subsidiaries as such term is defined in "Description of the Notes"). The guarantees are general unsecured obligations of the guarantors and are equal in right of payment to all existing and future senior debt of the guarantors, which includes their guarantees of the senior secured asset-based revolving credit facility (the "ABL Facility") and the 8.25% senior secured notes due 2018 (the "8.25% Senior Secured Notes"). See "Description of the Notes—Note Guarantees."
Ranking	The notes are our senior unsecured obligations and: · rank equally in right of payment to all of our existing and future senior debt and other obligations that are not, by their terms, expressly subordinated in right of payment to the notes (including obligations under our ABL Facility and 8.25% Senior Secured Notes); · are senior in right of payment to all of our existing and future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the notes; · are effectively subordinated to all of our existing and future secured debt (including obligations under our ABL Facility and

	8.25% Senior Secured Notes), to the extent of the value of the assets securing such indebtedness; and
	· are structurally subordinated to all obligations of each of our subsidiaries that is not a guarantor of the notes.
	As of September 29, 2012, the notes ranked (1) effectively junior to $895.0 million of senior secured indebtedness, consisting of indebtedness outstanding under the ABL Facility and the 8.25% Senior Secured Notes and (2) structurally junior to $10.0 million of indebtedness of our non-guarantor subsidiaries. Further, we had approximately $107.4 million of borrowing base availability under the ABL Facility, all of which would be secured. See "Description of the Notes—Ranking."
Optional Redemption	Prior to October 15, 2014, we may redeem up to 40% of the aggregate principal amount of the notes with the net cash proceeds from certain equity offerings at a redemption price equal to 109.375% of the aggregate principal amount of the notes, plus accrued and unpaid interest, if any, provided that at least 60% of the aggregate principal amount of the notes remains outstanding after the redemption.
	On or after October 15, 2014, and prior to October 15, 2015, we may redeem up to 100% of the aggregate principal amount of the notes with the net cash proceeds from certain equity offerings at a redemption price equal to 103% of the aggregate principal amount of the notes, plus accrued and unpaid interest, if any. On or after October 15, 2015, and prior to October 15, 2016, we may redeem up to 100% of the aggregate principal amount of the notes with the net cash proceeds from certain equity offerings at a redemption price equal to 100% of the aggregate principal amount of the notes, plus accrued and unpaid interest, if any.

	Prior to October 15, 2014, we may redeem the notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a "make-whole" premium.
	At any time on or after October 15, 2014, we may redeem the notes, in whole or in part, at the redemption prices listed in "Description of the Notes—Optional Redemption."
Change of Control	If we experience a change of control, we may be required to offer to purchase the notes at a purchase price equal to 101% of the aggregate principal amount, plus accrued and unpaid interest, if any. We might not be able to pay you the required price for the notes you present to us at the time of a change of control because the ABL Facility, the 8.25% 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 October 15, 2014, we may redeem all, but not less than all, of the notes not tendered in such offer at a price equal to 101% of the principal amount, plus accrued and unpaid interest. See "Description of the Notes—Change of Control."
Certain Covenants	The indenture governing the notes limits, among other things, 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; · make loans and investments; · sell assets; · incur certain liens; · enter into agreements restricting our subsidiaries' ability to pay dividends; · enter into transactions with affiliates; and · consolidate, merge or sell all or substantially all of our assets.
	The restrictive covenants generally do not restrict our parent company, Ply Gem Holdings, or any of its subsidiaries that are not our subsidiaries.
	These covenants are subject to important exceptions and qualifications, which are described under the heading

	"Description of the Notes—Certain Covenants" in this prospectus.
Use of Proceeds	We will not receive any proceeds from the issuance of the exchange notes in exchange for the outstanding initial notes. We are making this exchange solely to satisfy our obligations under the registration rights agreement entered into in connection with the offering of the initial notes.
Absence of a Public Market for the Exchange Notes	The exchange notes are new securities with no established market for them. We cannot assure you that a market for these exchange notes will develop or that this market will be liquid. Please refer to the section of this prospectus entitled "Risk Factors—Risks 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 Wells Fargo Bank, National Association, as custodian. You will not receive exchange notes in certificated form unless one of the events described in the section of this prospectus entitled "Description of the Notes—Book Entry; Delivery and Form—Exchange of Book Entry Notes for Certificated Notes" occurs. Instead, beneficial interests in the exchange notes will be shown on, and transfers of these exchange notes will be effected only through, records maintained in book-entry form by The Depository Trust Company with respect to its participants.
Risk Factors	See "Risk Factors" beginning on page 15 for a discussion of factors you should carefully consider before deciding to invest in the notes.

Summary Historical Financial Information

The summary historical financial data presented below for each of the years in the three-year period ended December 31, 2011 have been derived from, and should be read together with, our audited consolidated financial statements and the accompanying notes included elsewhere in this prospectus.

The summary historical financial data presented below as of September 29, 2012 and for the nine months ended September 29, 2012 and October 1, 2011 have been derived from, and should be read together with, our unaudited condensed consolidated financial statements and the accompanying notes included elsewhere in this prospectus. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. The results of operations for interim periods are not necessarily indicative of the operating results that may be expected for the entire year or any future period.

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

(Amounts in thousands)	Fiscal Year Ended December 31,			Nine Months Ended	
				September 29,	October 1,
	2011	2010	2009	2012	2011
				(Unaudited)	
Statement of operations data:					
Net sales	$ 1,034,857	$ 995,906	$ 951,374	$ 852,658	$ 792,487
Cost of products sold	824,325	779,946	749,841	665,677	631,854
Gross profit	210,532	215,960	201,533	186,981	160,633
Operating expenses:					
Selling, general and administrative expenses	138,912	130,460	141,772	107,423	104,013
Amortization of intangible assets	26,689	27,099	19,651	20,199	20,020
Write-off of previously capitalized offering costs	—	1,571	—	—	—
Total operating expenses	165,601	159,130	161,423	127,622	124,033
Operating earnings	44,931	56,830	40,110	59,359	36,600
Foreign currency gain	492	510	475	264	466
Interest expense	(101,488)	(122,992)	(135,514)	(78,557)	(76,593)
Interest income	104	159	211	71	82
Gain (loss) on modification or extinguishment of debt(1)	(27,863)	98,187	—	(3,607)	(27,863)
Income (loss) before provision (benefit) for income taxes	(83,824)	32,694	(94,718)	(22,470)	(67,308)
Provision (benefit) for income taxes	683	5,027	(17,966)	1,579	1,979
Net income (loss)	$ (84,507)	$ 27,667	$ (76,752)	$ (24,049)	$ (69,287)

Other financial data:					
Adjusted EBITDA(2)	$ 112,234	$ 120,603	$ 113,718	$ 100,096	$ 88,584
Capital expenditures	11,490	11,105	7,807	15,995	8,216
Depreciation and amortization	54,020	60,718	56,271	39,579	40,554
Annual single family housing starts(3)	434	471	442	N/A	N/A
Selected Statements of Cash Flows Data:					
Net cash (used in) provided by:					
Operating activities	$ (3,459)	$ 6,748	$ (16,882)	$ 550	$ (50,315)
Investing activities	(11,388)	(9,073)	(7,835)	(15,909)	(8,168)
Financing activities	9,198	2,407	(17,528)	31,512	51,841

(Amounts in thousands)		As of September 29, 2012 Actual (Unaudited)
Balance sheet data:		
Cash and cash equivalents	$	28,091
Total assets		925,315
Total debt (Net of tender premiums and unamortized discounts)		1,002,770
Stockholders' deficit	$	(299,312)

(1) During the year ended December 31, 2010, we recorded a non-cash gain on extinguishment in connection with the redemption of our 9% Senior Subordinated Notes due 2012 (the "9% Senior Subordinated Notes") arising from a net reacquisition price of approximately $261.8 million versus the carrying value of the 9% Senior Subordinated Notes of $360.0 million. During the year ended December 31, 2011, we incurred a loss on modification or extinguishment of debt of approximately $27.9 million consisting of $10.9 million in tender premiums, $2.8 million write-off of unamortized debt issuance costs associated with the 11.75% Senior Secured Notes due 2013 (the "11.75% Senior Secured Notes"), $0.8 million write-off of unamortized discounts for the 11.75% Senior Secured Notes due 2013, $12.2 million write-off of third party fees for the 8.25% Senior Secured Notes, and $1.2 million for the write-off of unamortized debt issuance costs for the previous ABL Facility. During the nine months ended September 29, 2012, we incurred a loss on modification or extinguishment of debt of approximately $3.6 million consisting of $1.5 million in call premiums, $0.4 million write-off of unamortized debt issuance costs associated with the 13.125% Senior Subordinated Notes due 2014 (the "13.125% Senior Subordinated Notes"), $0.3 million write-off of unamortized discounts for the 13.125% Senior Subordinated Notes, and $1.4 million write-off of third party fees for the 13.125% Senior Subordinated Notes.

(2) Adjusted EBITDA means net income (loss) plus interest expense (net of interest income), provision (benefit) for income taxes, depreciation and amortization, non-cash loss (gain) on modification or extinguishment of debt, non-cash foreign currency gain/(loss), amortization of non-cash write-off of the portion of excess purchase price from acquisitions allocated to inventories, write-off of previously capitalized offering costs, environmental remediation, restructuring and integrations costs, customer inventory buybacks and impairment charges. Other companies may define adjusted EBITDA differently and, as a result, our measure of adjusted EBITDA may not be directly comparable to adjusted EBITDA of other companies. Management believes that the presentation of adjusted EBITDA included in this prospectus provides useful information to investors regarding our results of operations because it assists both investors and management in analyzing and benchmarking the performance and value of our business. We have included adjusted EBITDA because it is a key financial measure used by management to (i) assess our ability to service our debt and/or incur debt and meet our capital expenditure requirements; (ii) internally measure our operating performance; and (iii) determine our incentive compensation programs. In addition, our ABL Facility has certain covenants that apply ratios utilizing this measure of adjusted EBITDA.

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

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

- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense or the cash requirements to service interest or principal payments under the notes, the 8.25% Senior Secured Notes, the 13.125% Senior Subordinated Notes or the ABL Facility;
- Adjusted EBITDA does not reflect income tax payments we are required to make; and
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized often will have to be replaced in the future, and adjusted EBITDA does not reflect any cash requirements for such replacements.

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

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

(Amounts in thousands)	Fiscal Year Ended December 31, 2011	Fiscal Year Ended December 31, 2010	Fiscal Year Ended December 31, 2009	Nine Months Ended September 29, 2012 (Unaudited)	Nine Months Ended October 1, 2011 (Unaudited)
Net income (loss)	$ (84,507)	$ 27,667	$ (76,752)	$ (24,049)	$ (69,287)
Interest expense, net	101,384	122,833	135,303	78,486	76,511
Provision (benefit) for income taxes	683	5,027	(17,966)	1,579	1,979
Depreciation and amortization	54,020	60,718	56,271	39,579	40,554
Non-cash gain (loss) on modification or extinguishment of debt(1)	27,863	(98,187)	—	3,607	27,863
(Gain) on currency translation	(492)	(510)	(475)	(264)	(466)
Write-off of previously capitalized offering costs	—	1,571	—	—	—
Restructuring/integration expense	1,616	910	8,992	535	1,453
Customer inventory buyback	10,087	574	8,345	623	9,977
Environmental remediation	1,580	—	—	—	—
Adjusted EBITDA	$ 112,234	$ 120,603	$ 113,718	$ 100,096	$ 88,584

(3) Single family housing starts in thousands data furnished by NAHB forecast (as of December 30, 2011). These figures are unaudited.

RISK FACTORS

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

Risks Related to Our Substantial Indebtedness and the Notes

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

As of September 29, 2012, we had approximately $1,055.0 million of indebtedness outstanding, including $55.0 million of outstanding borrowings under the ABL Facility. As of September 29, 2012, we also had approximately $107.4 million of borrowing base availability under the ABL Facility (taking into account $6.3 million of outstanding letters of credit and priority payable reserves). The terms of our outstanding debt, including the notes, the 8.25% Senior Secured Notes and our ABL Facility, limit, but do not prohibit, us from incurring additional debt. If additional debt is added to current debt levels, the related risks described below could intensify. See also the discussion in "Description of Other Indebtedness" and "Description of the Notes" concerning the terms and conditions of our debt covenants.

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

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

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

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

We and our subsidiaries may be able to incur substantial additional indebtedness, including additional secured indebtedness, in the future. The terms of the indenture governing the 8.25% Senior Secured Notes and our ABL Facility 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 certain other 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 the Notes." If new debt or other liabilities are added to our current debt levels, the related risks that we now face could intensify.

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

All outstanding loans under the ABL Facility will be due and payable on January 26, 2016, which is before the maturity date of the notes. We may need to refinance, extend the maturity or otherwise amend the terms of this indebtedness. Our ability to refinance the ABL Facility 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 could have a significantly higher rate of interest and costs than the ABL Facility. We cannot assure you that we will be able to refinance, extend the maturity or otherwise amend the terms of our ABL Facility, 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 will be the same or as favorable as those under our ABL Facility.

Our ability to complete a refinancing of our ABL Facility prior to its maturity 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 seeking or raising new capital. If we were unsuccessful in executing such an alternative, the lenders under our ABL Facility 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.

In addition, the pending maturity of our 8.25% Senior Secured Notes in 2018 may make it harder to refinance the notes prior to their maturity.

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 8.25% Senior Secured Notes and the credit agreement that governs our ABL Facility, contain covenants that restrict our ability and the ability of our subsidiaries to:

- incur and guarantee indebtedness or issue equity interests of restricted subsidiaries;
- repay subordinated indebtedness prior to its stated maturity;
- pay dividends or make other distributions on or redeem or repurchase our stock;
- issue capital stock;
- make certain investments or acquisitions;
- create liens;
- sell certain assets or merge with or into other companies;
- enter into certain transactions with stockholders and affiliates;
- make capital expenditures; and

- restrict dividends, distributions or other payments from our subsidiaries.

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

In addition, under the ABL Facility, if our excess availability is less than the greater of (a) 12.5% of the lesser of the revolving credit commitments and the borrowing base and (b) $17.5 million, we will be required to comply with a minimum fixed charge coverage ratio test. Our ability to meet the required fixed charge coverage ratio can be affected by events beyond our control, and we cannot assure you that we will meet this ratio. A breach of any of these covenants under the ABL Facility or the indentures governing the notes or the 8.25% Senior Secured Notes could result in an event of default under the ABL Facility or the indentures. An event of default under any of our debt agreements would permit some of our lenders to declare all amounts borrowed from them to be due and payable and, in some cases, proceed against the collateral securing such indebtedness.

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

A breach of the covenants under the indenture that governs the notes, the indenture that governs the 8.25% 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. We may also be unable to generate sufficient cash to make required capital expenditures.

Our ability to make scheduled payments on or to refinance our debt obligations and to make capital expenditures depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to financial, business and other factors. We will not be able to control many of these factors, such as economic conditions in the industry in which we operate and competitive pressures. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay or refinance our indebtedness, including the notes, the 8.25% Senior Secured Notes or our indebtedness under our ABL Facility, or make required capital expenditures. If our cash flows and capital resources are insufficient to fund our debt service obligations, we and our subsidiaries could face substantial liquidity problems and may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness.

In addition, if we do not have, or are unable to obtain, adequate funds to make all necessary capital expenditures when required, or if the amount of future capital expenditures are materially in excess of our anticipated or current expenditures, our product offerings may become dated, our productivity may decrease and the quality of our products may decline, which, in turn, could reduce our sales and profitability.

The notes are unsecured and are effectively subordinated to any existing and future secured debt.

The notes are unsecured and rank equal in right of payment with our existing and future unsecured and unsubordinated senior debt. The notes are not be secured by any of our or the guarantors’ assets. The notes are effectively subordinated to the 8.25% Senior Secured Notes, the ABL Facility and any future secured debt to the extent of the value of the assets that secure the indebtedness. The effect of this subordination is that upon a default in payment on, or the acceleration of, any of our secured indebtedness, or in the event of bankruptcy, insolvency, liquidation, dissolution or reorganization of us or the guarantors of the 8.25% Senior Secured Notes, the ABL Facility or of other secured debt, the proceeds from the sale of assets securing our secured indebtedness will be available to pay obligations on the notes only after all indebtedness under the 8.25% Senior Secured Notes, the ABL Facility and the other secured debt has been paid in full. Holders of the notes will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. As a result, the holders of the notes may receive less, ratably, than the holders of secured debt in the event of our or the guarantors' bankruptcy, insolvency, liquidation, dissolution or reorganization. As of September 29, 2012, we had secured debt consisting of $55.0 million of borrowings under the ABL Facility (as well as approximately $107.4 million of borrowing base availability) and $840.0 million of the 8.25% Senior Secured Notes.

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 8.25% Senior Secured Notes at 101% of the principal amount thereof, together with accrued and unpaid interest. An event of default under our ABL Facility may result in an event of default under the indenture that governs the notes and under the indenture governing the 8.25% Senior Secured Notes if the lenders accelerate the debt under our ABL Facility.

If a change of control occurs, we may not have enough assets to satisfy all obligations under our ABL Facility, the indenture that governs the notes and the indenture that governs the 8.25% Senior Secured Notes. Upon the occurrence of a change of control, we could seek to refinance the indebtedness under our ABL Facility, the notes and the 8.25% Senior Secured Notes or obtain a waiver from the lenders under our ABL Facility, the holders of the 8.25% 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, respectively, if we or a guarantor did not substantially benefit directly or indirectly from the issuance of the notes. If a court were to void an issuance of the notes 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 indebtedness evidenced by the notes and the application of the proceeds therefrom, we will not be insolvent for purposes of these fraudulent transfer laws, will not have unreasonably small capital for the business in which we are engaged and will not have incurred debts beyond our ability to pay such debts as they mature. There can be no assurance, however, as to what standard a court would apply in making such determinations or that a court would agree with our conclusions in this regard.

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

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

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

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

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

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

Ply Gem Canada, Inc. (“Ply Gem Canada”), our Canadian subsidiary, is not a guarantor of the notes. This non-guarantor subsidiary generated approximately 6.5% of our net sales, 4.9% of our operating earnings and 5.4% of our adjusted EBITDA for the twelve months ended December 31, 2011. In addition, it held approximately 4.7% of our consolidated assets as of December 31, 2011. Any right of ours to receive the assets of any of our non-guarantor subsidiaries upon their bankruptcy, liquidation or reorganization (and the consequent right of the holders of the notes to participate in those assets) will be subject to the claims of that subsidiary’s creditors, including trade creditors. To the extent that we are recognized as a creditor of that subsidiary, we may have such claim, but we would still be subordinate to any security interests in the assets of that subsidiary and any indebtedness and other liabilities of that subsidiary senior to that held by us. As of September 29, 2012, the notes were structurally junior to approximately $10.0 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 the 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 the Notes—Note Guarantees.”

Risks Related to the Exchange Offer

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

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

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

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

Risks Associated with Our Business

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

Our performance is dependent to a significant extent upon the levels of home repair and remodeling and new construction spending, which declined significantly in the 2009-2011 period as compared to 2008 and are affected by such factors as interest rates, inflation, consumer confidence, unemployment and the availability of consumer credit.

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

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

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

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

Our principal raw materials, PVC resin and aluminum, have been subject to rapid price changes in the past. While we have historically been able to substantially pass on significant PVC resin and aluminum cost increases through price increases to our customers, our results of operations for individual quarters can be and have been hurt by a delay between the time of PVC resin and aluminum cost increases and price increases in our products. While we expect that any significant future PVC resin and aluminum cost increases will be offset in part or whole over time by price increases to our customers, we may not be able to pass on any future price increases.

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

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

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

Our top ten customers accounted for approximately 42.7% of our net sales in the year ended December 31, 2011. Our largest customer distributes our vinyl siding and accessories through multiple channels within its building products distribution business, and accounted for approximately 9.4% of our 2011 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 our largest customer or any other major customer could cause a material decrease in our net sales.

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

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

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

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

Our financial performance is affected by the availability of qualified personnel and the cost of labor. As of December 31, 2011, approximately 13.1% of our employees were represented by labor unions. We are subject to the risk that strikes or other types of conflicts with personnel may arise or that we may become a subject of union organizing activity. Furthermore, some of our direct and indirect suppliers have unionized work forces. Strikes, work stoppages or slowdowns experienced by these suppliers could result in slowdowns or closures of facilities where components of our products are manufactured. Any interruption in the production or delivery of our products could reduce sales of our products and increase our costs.

We may be subject to claims arising from the operations of our various businesses arising from periods prior to the dates we acquired them. Our ability to seek indemnification from the former owners of our subsidiaries may be limited, in which case, we would be liable for these claims.

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

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

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

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

Our continued success depends to a large extent upon the continued services of our senior management and certain key employees. To encourage the retention of certain key executives, we have entered into various equity-based compensation agreements with our senior executives, including Messrs. Robinette, Poe, Wayne, Morstad, and Schmoll, 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 the loss of their services could cause us to lose customers and reduce our net sales, lead to employee morale problems and/or the loss of key employees, or cause disruptions to our production. Also, we may be unable to find qualified individuals to replace any of the senior executive officers who leave our company.

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

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

Environmental requirements may impose significant costs and liabilities on us.

Our facilities are subject to numerous United States and Canadian federal, state, provincial and local laws and regulations relating to pollution and the protection of the environment, including those governing emissions to air, discharges to water, use, storage and transport of hazardous materials, storage, treatment and disposal of waste, remediation of contaminated sites and protection of worker health and safety. From time to time, our facilities are subject to investigation by governmental regulators. In addition, we have been identified as one of many potentially responsible parties for contamination present at certain offsite locations to which we or our predecessors are alleged to have sent hazardous materials for recycling or disposal. We may be held liable, or incur fines or penalties in connection with such requirements or liabilities for, among other things, releases of hazardous substances occurring on or emanating from current or formerly owned or operated properties or any associated offsite disposal location, or for known or newly-discovered contamination at any of our properties from activities conducted by previous occupants. The amount of such liability, fine or penalty may be material. Certain environmental laws impose strict, and under certain circumstances joint and several, liability for the cost of addressing releases of hazardous substances upon certain classes of persons, including site owners or operators and persons that disposed or arranged for the disposal of hazardous substances at contaminated sites.

Under the stock purchase agreement governing the Ply Gem acquisition, our former parent, Nortek, has agreed to indemnify us, subject to certain limitations, for environmental liabilities arising from our former ownership or operation of subsidiaries or properties where such ownership or operation ceased prior to the completion of the Ply Gem acquisition and for certain other liabilities. Our ability to seek indemnification from Nortek is, however, limited by the strength of Nortek's financial condition, which could change in the future, as well as by limits to the indemnity.

We are currently involved in environmental proceedings involving Ply Gem Canada and Alberta Environment (arising from subsurface contamination discovered at our Calgary, Alberta property), and we may in the future be subject to environmental proceedings involving Thermal-Gard, Inc. (arising from groundwater contamination in Punxsutawney, Pennsylvania), Kroy Building Products, Inc. (relating to contamination in a drinking water well in York, Nebraska) and Mastic Home Exteriors, Inc. (relating to a closed landfill site in Sidney, Ohio). Under the stock purchase agreement governing the Ply Gem acquisition, Nortek has agreed to indemnify us fully for any liability in connection with the Punxsutawney contamination. Alcan Aluminum Corporation assumed the obligation to indemnify us with respect to certain liabilities for environmental contamination of the York property occurring prior to 1994 when it sold the property to us in 1998. Our former subsidiary, Hoover Treated Wood Products, Inc., is involved in an environmental proceeding with the Georgia Department of Natural Resources in connection with a contaminated landfill site in Thomson, Georgia. While we had assumed an obligation to indemnify the purchaser of our former subsidiary when we sold Hoover Treated Wood Products, Inc., our obligation has been novated and assumed by Nortek. Our ability to seek indemnification or enforce other obligations is, however, limited by the strength of the financial condition of the indemnitor or responsible party, which could change in the future, as well as by limits to any such indemnities or obligations.

On February 24, 2011, MW Manufacturers Inc. ("MW"), a subsidiary of MWM Holding, received a draft Administrative Order on Consent from the United States Environmental Protection Agency (the "EPA"), Region III, under Section 3008(h) of the Resource Conservation and Recovery Act (RCRA) relating to contamination associated with an underground storage tank formerly located at its Rocky Mount, Virginia property. MW finalized the Administrative Order on Consent with the EPA, Region III, and it became effective on September 12, 2011. As part of the Administrative Order on Consent, during the fourth quarter, MW provided the EPA with a preliminary cost estimate of approximately $1.8 million over the remediation period. Certain liabilities for this subject contamination have been previously assumed by U.S. Industries, Inc., pursuant to its indemnity obligation under the stock purchase agreement dated August 11, 1995, whereby U.S. Industries, Inc. sold the stock of MW to Fenway Partners. As the successor-in-interest of Fenway Partners, we are similarly indemnified by U.S. Industries, Inc. Our ability to seek indemnification from U.S. Industries is, however, limited by the terms of the indemnity as well as the strength of U.S. Industries' financial condition, which could change in the future.

In addition, under the stock purchase agreement governing the MWM Holding acquisition, the sellers agreed to indemnify us for the first $250,000 in certain costs of compliance with the New Jersey Industrial Site Recovery Act at a facility of MW in Hammonton, New Jersey and for 75% of any such costs between $250,000 and $5.5 million. Our ability to seek indemnification or enforce other obligations is, however, limited by the strength of the financial condition of the indemnitor or responsible party, which could change in the future, as well as by limits to any such indemnities or obligations.

Changes in environmental laws and regulations or in their enforcement, the discovery of previously unknown contamination or other liabilities relating to our properties and operations or the inability to enforce the indemnification obligations of the previous owners of our subsidiaries could result in significant environmental liabilities that could adversely impact our operating performance. In addition, we might incur significant capital and other costs to comply with increasingly stringent United States or Canadian environmental laws or enforcement policies that would decrease our cash flow.

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

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

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

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

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

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

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

A negative long-term performance outlook could result in a decrease in net sales, which could result in a decrease in operating cash flows. These declines could result in an impairment of our tangible and intangible assets which results when the carrying value of the assets exceed their fair value.

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

We have substantial deferred tax assets related to net operating loss carryforwards ("NOLs") for U.S. federal and state income tax purposes, which are available to offset future taxable income. As a result, we project that the U.S. cash tax rate will be lower than the statutory U.S. federal and state income tax rate as a result of approximately $219.4 million of gross NOLs for U.S. federal income tax purposes and $228.0 million of gross state NOLs. Our ability to utilize the NOLs may be limited as a result of certain events, such as insufficient future taxable income prior to expiration of the NOLs or annual limits imposed under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), or by state law, as a result of a change in control. A change in control is generally defined as a cumulative change of more than 50 percentage points in the ownership positions of certain stockholders during a rolling three-year period. Changes in the ownership positions of certain stockholders could occur as the result of stock transactions by such stockholders and/or by the issuance of stock by us. Such limitations and other income tax uncertainties, such as income tax audits, may cause us to pay income taxes earlier and in greater amounts than would be the case if the NOLs were not subject to such limitations. Should we determine that it is likely that our recorded NOL benefits are not realizable, we would be required to reduce the NOL tax benefits reflected on our consolidated financial statements to the net realizable amount by establishing a valuation reserve and recording a corresponding charge to earnings. Conversely, if we are required to reverse any portion of the accounting valuation allowance against our deferred tax assets related to our NOLs, such reversal could have a positive effect on our financial condition and results of operations in the period in which it is recorded.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” the negative of such terms comparable terminology. Other forward-looking statements relate to projected housing starts and revenue. These statements are only predictions. Actual events or results may differ materially.

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

There can be no assurance that other factors will not affect the accuracy of these forward-looking statements or that our actual results will not differ materially from the results anticipated in such forward-looking statements. While it is impossible to identify all such factors, factors which could cause actual results to differ materially from those estimated by us include, but are not limited, to the following:

- downturns in the home repair and remodeling and new construction sectors or the economy and the availability of consumer credit;
- competition from other exterior building products manufacturers and alternative building materials;
- changes in the costs and availability of raw materials;
- consolidation and further growth of our customers;
- loss of, or a reduction in orders from, any of our significant customers;
- inclement weather conditions;
- increases in the cost of labor, union organizing activity and work stoppages at our facilities or the facilities of our suppliers;
- claims arising from the operations of our various businesses prior to our acquisitions;
- products liability claims relating to the products we manufacture;
- loss of certain key personnel;
- interruptions in deliveries of raw materials or finished goods;
- environmental costs and liabilities;

- manufacturing or assembly realignments;
- threats to, or impairments of, our intellectual property rights;
- increases in fuel costs;
- material non-cash impairment charges;
- our high degree of leverage and significant debt service obligations;
- covenants in the ABL Facility and the indentures governing the notes and the 8.25% Senior Secured Notes;
- limitations on our net operating losses; and
- failure to generate sufficient cash to service all of our indebtedness and make capital expenditures.

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

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes in exchange for the outstanding initial notes. We are making this exchange solely to satisfy our obligations under the registration rights 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, prior to netting out related fees, expenses, or commissions, was approximately $160.0 million. We used such proceeds, together with cash on hand, to redeem all of our outstanding 13.125% Senior Subordinated Notes and to pay related fees and expenses.

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

Sources of Funds (In Millions)			Uses of Funds (In Millions)		
Initial notes	$	160.0	Redemption of our outstanding 13.125% Senior Subordinated Notes(1)	$	165.5
Cash on hand		8.1	Transaction fees and expenses(2)		2.6
	$	168.1		$	168.1

(1) Includes principal payments of $150.0 million plus call premiums of approximately $9.8 million and accrued interest of approximately $5.7 million. The 13.125% Senior Subordinated Notes bore interest at 13.125% per annum and were to mature on July 15, 2014.

(2) Includes transaction fees and legal, accounting and other costs payable in connection with the issuance of the initial notes and the use of proceeds from the offering of the initial notes, but excludes call premiums and accrued interest on the 13.125% Senior Subordinated Notes.

CAPITALIZATION

The following table shows our capitalization as of September 29, 2012 on an actual basis.

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

(Amounts in thousands)		As of September 29, 2012 Actual (Unaudited)	
Cash and cash equivalents	$	28,091	
Short-term and long-term debt:			
ABL Facility(1)	$	55,000	
8.25% Senior Secured Notes(2)		840,000	
Unamortized discount and tender premium on $800.0 million 8.25% Senior Secured Notes(2)		(36,706	)
Unamortized discount on $40.0 million 8.25% Senior Secured Notes issued February 16, 2012(2)		(5,488	)
9.375% Senior Notes due 2017(3)		160,000	
Unamortized discount on $160.0 million 9.375% Senior Notes due 2017(3)		(10,036	)
Total debt	$	1,002,770	
Stockholders’ deficit:			
Common stock	$	—	
Additional paid-in capital		310,451	
Accumulated deficit		(604,634	)
Accumulated other comprehensive loss		(5,129	)
Total stockholders’ deficit		(299,312	)
Total capitalization	$	703,458	

(1) Borrowings under the ABL Facility are limited to the lesser of the borrowing base, as defined therein, or $212.5 million. As of September 29, 2012, we had approximately $151.2 million of contractual availability under the ABL Facility, which was limited by the borrowing base availability to approximately $107.4 million, after giving effect to $55.0 million of borrowings outstanding and approximately $6.3 million of letters of credit and priority payables reserves.

(2) The original 8.25% Senior Secured Notes due 2018 issued in February 2011 have a face value of $800.0 million, and were offered at par. As of September 29, 2012, we had an unamortized tender premium and discount from the purchase and redemption of the 11.75% Senior Secured Notes due 2013 of approximately $36.7 million. During February 2012, we issued another $40.0 million of 8.25% Senior Secured Notes due 2018 at a discount of 15.0%. As of September 29, 2012, we had an unamortized discount of $5.5 million related to this tack-on transaction.

(3) The 9.375% Senior Notes due 2017 have a face value of $160.0 million and were offered at par. As of September 29, 2012, we had an unamortized discount of $10.0 million related to this issuance and the satisfaction, discharge

and early redemption of the 13.125% Senior Subordinated Notes.

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SELECTED HISTORICAL FINANCIAL INFORMATION

The selected historical consolidated financial data presented below is for each of the years in the five-year period ended December 31, 2011 and for the nine months ended September 29, 2012 and October 1, 2011.

The selected historical data presented below under the captions "Selected Statements of Operations Data," "Selected Statements of Cash Flows Data" and "Selected Balance Sheet Data" as of December 31, 2011 and 2010 and for the years ended December 31, 2011, 2010 and 2009 are derived from the consolidated financial statements of Ply Gem Holdings and subsidiaries, which financial statements have been audited by Ernst and Young LLP, an independent registered public accounting firm. The consolidated financial statements as of December 31, 2011 and 2010, and for the years ended December 31, 2011, 2010 and 2009, and the report thereon, are included elsewhere in this prospectus. The consolidated balance sheets as of December 31, 2009, 2008 and 2007, and the consolidated financial statements for the years ended December 31, 2008 and 2007, are not included in this prospectus.

The selected historical consolidated financial data presented below as of and for the nine month periods ended September 29, 2012 and October 1, 2011 have been derived from, and should be read together with, the unaudited consolidated financial statements of Ply Gem Holdings and subsidiaries included elsewhere in this prospectus. In the opinion of management, our unaudited consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, considered necessary for a fair presentation of the financial position and results of operations in these periods. The selected historical consolidated financial data set forth below is not necessarily indicative of the results of future operations. The results of any interim period are not necessarily indicative of the results that may be expected for the full year or any future period.

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

	Year Ended December 31,					Nine Months Ended	
(Amounts in thousands)	2011	2010	2009	2008	2007	September 29, 2012	October 1, 2011
						(Unaudited)	
Selected Statements of Operations Data: (1)							
Net sales	$ 1,034,857	$ 995,906	$ 951,374	$ 1,175,019	$ 1,363,546	$ 852,658	$ 792,487
Cost of products sold	824,325	779,946	749,841	980,098	1,083,153	665,677	631,854
Gross profit	210,532	215,960	201,533	194,921	280,393	186,981	160,633
Operating expenses:							
Selling, general and administrative expenses	138,912	130,460	141,772	155,388	155,963	107,423	104,013
Amortization of intangible assets	26,689	27,099	19,651	19,650	17,631	20,199	20,020
Write-off of previously capitalized offering costs	—	1,571	—	—	—	—	—
Goodwill impairment	—	—	—	450,000	—	—	—
Intangible asset impairment	—	—	—	—	4,150	—	—

Total operating expenses	165,601	159,130	161,423	625,038	177,744	127,622	124,033
Operating earnings (loss)	44,931	56,830	40,110	(430,117)	102,649	59,359	36,600
Foreign currency gain (loss)	492	510	475	(911)	3,961	264	466
Interest expense(2)	(101,488)	(122,992)	(135,514)	(138,015)	(99,698)	(78,557)	(76,593)
Interest income	104	159	211	617	1,704	71	82
Gain/(loss) on modification or extinguishment of debt(2)	(27,863)	98,187	—	—	—	(3,607)	(27,863)
Income (loss) before provision (benefit) for income taxes	(83,824)	32,694	(94,718)	(568,426)	8,616	(22,470)	(67,308)
Provision (benefit) for income taxes	683	5,027	(17,966)	(69,951)	3,634	1,579	1,979
Net income (loss)	$ (84,507)	$ 27,667	$ (76,752)	$ (498,475)	$ 4,982	$ (24,049)	$ (69,287)

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(Amounts in thousands)	Year Ended December 31, 2011	2010	2009	2008	2007	Nine Months Ended September 29, 2012 (Unaudited)	October 1, 2011 (Unaudited)
Other Data:							
Adjusted EBITDA(3)	$ 112,234	$ 120,603	$ 113,718	$ 94,416	$ 172,511	$ 100,096	$ 88,584
Capital expenditures	11,490	11,105	7,807	16,569	20,017	15,995	8,216
Depreciation and amortization	54,020	60,718	56,271	61,765	54,067	39,579	40,554
Annual single family housing starts(4)	434	471	442	616	1,036	N/A	N/A
Ratio of earnings to fixed charges(5)	—	1.3	—	—	1.1	—	—
Selected Statements of Cash Flows Data:							
Net cash provided by (used in):							
Operating activities	$ (3,459)	$ 6,748	$ (16,882)	$ (58,865)	$ 73,844	$ 550	$ (50,315)
Investing activities	(11,388)	(9,073)	(7,835)	(11,487)	(56,407)	(15,909)	(8,168)
Financing activities	9,198	(2,407)	(17,528)	78,233	(15,068)	31,512	51,841
Selected Balance Sheet Data (at period end):							
Cash and cash equivalents	$ 11,700	$ 17,498	$ 17,063	$ 58,289	$ 52,053	$ 28,091	$ 10,603
Total assets	892,912	922,237	982,033	1,104,053	1,616,153	925,315	959,285
Total debt	961,670	894,163	1,100,397	1,114,186	1,031,223	1,002,770	990,210
Stockholder's equity (deficit)	(277,322)	(173,088)	(313,482)	(242,628)	241,787	(299,312)	(244,095)

(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). In addition, we elected to change our method of accounting for a portion of our inventory in 2008 from the last-in, first-out (LIFO) method to the first-in, first-out (FIFO) method. In April 2012, we adopted the financial presentation provision of Accounting Standard Update 2011-05, Presentation of Comprehensive Income.

(2) During the year ended December 31, 2008, we classified extinguishment losses arising from $14.0 million of non-cash deferred financing costs associated with previous term debt, $6.8 million for a prepayment premium and $6.8 million of bank amendment fees as interest expense. During the year ended December 31, 2010, we recorded a non-cash gain on extinguishment in connection with the redemption of our 9% Senior Subordinated Notes arising

from a net reacquisition price of approximately $261.8 million versus the carrying value of the 9% Senior Subordinated Notes of $360.0 million. During the year ended December 31, 2011, we incurred a loss on modification or extinguishment of debt of approximately $27.9 million consisting of $10.9 million in tender premiums, $2.8 million write-off of unamortized debt issuance costs associated with the 11.75% Senior Secured Notes, $0.8 million write-off of unamortized discounts for the 11.75% Senior Secured Notes due 2013, $12.2 million write-off of third party fees for the Senior Secured Notes, and $1.2 million for the write-off of unamortized debt issuance costs for the previous ABL Facility. During the nine months ended September 29, 2012, we incurred a loss on modification or extinguishment of debt of approximately $3.6 million consisting of $1.5 million in call premiums, $0.4 million write-off of unamortized debt issuance costs associated with the 13.125% Senior Subordinated Notes, $0.3 million write-off of unamortized discounts for the 13.125% Senior Subordinated Notes, and $1.4 million write-off of third party fees for the 13.125% Senior Subordinated Notes.

(3) Adjusted EBITDA means net income (loss) plus interest expense (net of interest income), provision (benefit) for income taxes, depreciation and amortization, non-cash loss (gain) on modification or extinguishment of debt, non-cash foreign currency gain/(loss), amortization of non-cash write-off of the portion of excess purchase price from acquisitions allocated to inventories, write-off of previously capitalized offering costs, environmental remediation, restructuring and integrations costs, customer inventory buybacks and impairment charges. Other companies may define adjusted EBITDA differently and, as a result, our measure of adjusted EBITDA may not be directly comparable to adjusted EBITDA of other companies. Management believes that the presentation of adjusted EBITDA included in this prospectus provides useful information to investors regarding our results of operations because it assists both investors and management in analyzing and benchmarking the performance and value of our business. We have included adjusted EBITDA because it is a key financial measure used by management to (i) assess our ability to service our debt and/or incur debt and meet our capital expenditure requirements; (ii) internally measure our operating performance; and (iii) determine our incentive compensation programs. In addition, our ABL Facility has certain covenants that apply ratios utilizing this measure of adjusted EBITDA.

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

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense or the cash requirements to service interest or principal payments under the notes, the 8.25% Senior Secured Notes, the 13.125% Senior Subordinated Notes or the ABL Facility;
- Adjusted EBITDA does not reflect income tax payments we are required to make; and
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized often will have to be replaced in the future, and adjusted EBITDA does not reflect any cash requirements for such replacements.

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

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

(Amounts in thousands)	Year Ended December 31, 2011	2010	2009	2008	2007	Nine Months Ended September 29, 2012 (Unaudited)	October 1, 2011 (Unaudited)
Net income (loss)	$ (84,507)	$ 27,667	$ (76,752)	$ (498,475)	$ 4,982	$ (24,049)	$ (69,287)
Interest expense, net(2)	101,384	122,833	135,303	137,398	97,994	78,486	76,511
Provision (benefit) for income taxes	683	5,027	(17,966)	(69,951)	3,634	1,579	1,979
Depreciation and amortization	54,020	60,718	56,271	61,765	54,067	39,579	40,554
Non-cash gain/(loss) on modification or extinguishment of debt(2)	27,863	(98,187)	—	—	—	3,607	27,863
(Gain)/loss on currency transaction	(492)	(510)	(475)	911	(3,961)	(264)	(466)
Write-off of previously capitalized offering costs	—	1,571	—	—	—	—	—
Non-cash charge of purchase price allocated to inventories	—	—	—	19	1,289	—	—
Restructuring/integration expense	1,616	910	8,992	10,859	10,356	535	1,453
Customer inventory buyback	10,087	574	8,345	1,890	—	623	9,977
Goodwill impairment	—	—	—	450,000	—	—	—
Intangible asset impairment	—	—	—	—	4,150	—	—
Environmental remediation	1,580	—	—	—	—	—	—
Adjusted EBITDA	$ 112,234	$ 120,603	$ 113,718	$ 94,416	$ 172,511	$ 100,096	$ 88,584

(4) Single family housing starts data furnished by NAHB forecast (as of December 30, 2011). These figures are unaudited.

(5) The ratio of earnings to fixed charges is computed by dividing fixed charges into net income (loss) before provision (benefit) for income taxes plus fixed charges. Fixed charges consist of interest expense, net plus amortization of deferred financing expense and our estimate of interest within rental expense. For the years ended December 31, 2011, 2009 and 2008, the deficiency in the ratio of earnings to fixed charges to achieve a one to one ratio was $83.8 million, $94.7 million and $568.4 million, respectively, which resulted from the depressed residential U.S. housing market. For the nine months ended September 29, 2012 and October 1, 2011, the deficiency in the ratio of earnings to fixed charges to achieve a one to one ratio was $22.5 million and $67.3 million, respectively, due to the depressed residential U.S. housing market. This ratio is unaudited.

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

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

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

- On August 27, 2004, Ply Gem acquired MWM Holding, a manufacturer of vinyl, wood, wood-clad, composite, impact and aluminum windows.
- On February 24, 2006, Ply Gem acquired Alenco, a manufacturer of aluminum and vinyl windows products. This acquisition supported our national window strategy and today operates under common leadership with our other U.S. window businesses.
- On October 31, 2006, Ply Gem completed the acquisition of MHE (formerly known as Alcoa Home Exteriors), a leading manufacturer of vinyl siding, aluminum siding, injection molded shutters and vinyl, aluminum and injection molded accessories. MHE became part of our Siding, Fencing, and Stone segment and operates under common leadership with our existing siding business.
- On September 30, 2007, Ply Gem completed the acquisition of CertainTeed Corporation's vinyl window and patio door business, which we have named Ply Gem Pacific Windows, a leading manufacturer of premium vinyl windows and patio doors.

- On October 31, 2008, Ply Gem acquired substantially all of the assets of Ply Gem Stone (formerly United Stone Veneer), a manufacturer of stone veneer products.
- On July 30, 2012, Ply Gem acquired substantially all of the assets of Greendeck Products, LLC, a composite products development company.

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

We are a holding company with no operations or assets of our own other than the capital stock of our subsidiaries. The terms of the ABL Facility place restrictions on the ability of Ply Gem Industries and our other subsidiaries to pay dividends and otherwise transfer assets to us. Further, the terms of the indentures governing the 8.25% Senior Secured Notes and the notes place restrictions on the ability of Ply Gem Industries and our other subsidiaries to pay dividends and otherwise transfer assets to us. Further, the terms of the ABL Facility place restrictions on our ability 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, amortization of intangible assets, and write-off of previously capitalized offering costs.

Impact of commodity pricing

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

Impact of weather

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

Critical accounting policies

The following discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. Certain of our accounting policies require the application of judgments in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. We periodically evaluate the judgments and estimates used for our critical accounting policies to ensure that such judgments and estimates are reasonable for our interim and year-end reporting requirements. These judgments and estimates are based upon our historical experience, current trends and information available from other sources, as appropriate. If different conditions result compared to our assumptions and judgments, the results could be materially different from our estimates. Management also believes that the eight areas where different assumptions could result in materially different reported results are 1) goodwill and intangible asset impairment tests, 2) accounts receivable related to estimation of allowances for doubtful accounts, 3) inventories in estimating reserves for obsolete and excess inventory, 4) warranty reserves, 5) income taxes, 6) rebates, 7) pensions, and 8) environmental accruals and other contingencies. 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 December 31, 2011 would result in an approximate $0.4 million, $0.6 million, and $3.9 million impact on expenses, respectively. Additionally, we have included in the discussion that follows our estimation methodology for both accounts receivable and inventories. While all significant policies are important to our consolidated financial statements, some of these policies may be viewed as being critical. Our critical accounting policies include:

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

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

Inventories. Inventories in the accompanying consolidated balance sheets are valued at the lower of cost or market. We record provisions, as appropriate, to write-down obsolete and excess inventory to estimated net realizable value. The process for evaluating obsolete and excess inventory often requires subjective judgments and estimates concerning future sales levels, quantities and prices at which such inventory will be sold in the normal course of business. Accelerating the disposal process or incorrect estimates of future sales potential may cause actual results to differ from the estimates at the time such inventory is disposed or sold.

Asset Impairment. We evaluate the realizability of certain long-lived assets, which primarily consist of property and equipment and intangible assets subject to amortization, based on expectations of undiscounted future cash flows for each asset group. If circumstances indicate a potential impairment, and if the sum of the expected undiscounted future cash flow is less than the carrying amount of all long-lived assets, we would recognize an impairment loss. A decrease in projected cash flows due to the depressed residential housing and remodeling market was determined to be a triggering event during 2009. The impairment test results did not indicate that an impairment existed at December 31, 2009. There were no triggering events during the years ended December 31, 2010 and 2011. Refer to Note 1 to the consolidated financial statements for additional information regarding long-lived assets including the level of impairment testing, the material assumptions regarding these impairment calculations, and the sensitivities surrounding those assumptions.

Goodwill Impairment. We perform an annual test for goodwill impairment during the fourth quarter of each year (November 26th for 2011) and also at any other date when events or changes in circumstances indicate that the carrying value of these assets may exceed their fair value. We use the two-step method to determine goodwill impairment. If the carrying amount of a reporting unit exceeds its fair value (Step One Analysis), we measure the possible goodwill impairment based upon a hypothetical allocation of the fair value estimate of the reporting unit to all of the underlying assets and liabilities of the reporting unit, including previously unrecognized intangible assets (Step Two Analysis). The excess of the reporting unit's fair value over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. An impairment loss is recognized to the extent that a reporting unit's recorded goodwill exceeds the implied fair value of goodwill.

To evaluate goodwill impairment, we estimate the fair value of reporting units considering such factors as discounted cash flows and valuation multiples for comparable publicly traded companies. A significant reduction in projected sales and earnings which would lead to a reduction in future cash flows could indicate potential impairment.

A summary of the key assumptions utilized in the goodwill impairment analysis at November 26, 2011, November 27, 2010, and November 28, 2009, as it relates to the Step One fair values and the sensitivities for these assumptions follows:

	Windows and Doors		
	As of November 26, 2011	As of November 27, 2010	As of November 28, 2009
Assumptions:			
Income approach:			
Estimated housing starts in terminal year	1,050,000	1,150,000	1,100,000
Terminal growth rate	3.5%	3.5%	3.5%
Discount rates	20.0%	19.0%	19.0%
Market approach:			
Control premiums	20.0%	20.0%	20.0%
Sensitivities:			
(Amounts in thousands)			
Estimated fair value decrease in the event of a 1% decrease in the terminal year growth	$ 7,768	$ 10,679	$ 11,565
Estimated fair value decrease in the event of a 1% increase in the discount rate	16,170	16,859	18,563
Estimated fair value decrease in the event of a 1% decrease in the control premium	2,143	2,330	2,699

	Siding, Fencing, and Stone		
	As of November 26, 2011	As of November 27, 2010	As of November 28, 2009
Assumptions:			
Income approach:			
Estimated housing starts in terminal year	1,050,000	1,150,000	1,100,000
Terminal growth rate	3.0%	3.0%	3.0%
Discount rates	17.0%	16.0%	19.0%
Market approach:			
Control premiums	10.0%	10.0%	10.0%
Sensitivities:			
(Amounts in thousands)			
Estimated fair value decrease in the event of a 1% decrease in the terminal year growth	$ 32,974	$ 47,251	$ 23,989
Estimated fair value decrease in the event of a1% increase in the discount rate	64,112	71,220	45,248
Estimated fair value decrease in the event of a 1% decrease in the control premium	8,930	8,865	7,470
Estimated Windows and Doors reporting unit fair value increase (decrease) in the event of a 10% increase in the weighting of the market multiples method	$ 4,000	$ 5,600	$ 5,000
Estimated Siding, Fencing, and Stone reporting unit fair value increase (decrease) in the event of a 10% increase in the weighting of the market multiples method	10,300	2,700	7,000

We provide no assurance that: 1) valuation multiples will not decline, 2) discount rates will not increase, or 3) the earnings, book values or projected earnings and cash flows of our reporting units will not decline. We will continue to analyze changes to these assumptions in future periods. We will continue to evaluate goodwill during future periods and further declines in the residential housing and remodeling markets could result in future goodwill impairments.

Income Taxes. We utilize the asset and liability method in accounting for income taxes, which requires that the deferred tax consequences of temporary differences between the amounts recorded in our consolidated financial statements and the amounts included in our federal and state income tax returns be recognized in the consolidated balance sheet. The amount recorded in our consolidated financial statements reflects estimates of final amounts due to timing of completion and filing of actual income tax returns. Estimates are required with respect to, among other things, the appropriate state income tax rates used in the various states in which we and our subsidiaries are required to file, the potential utilization of operating and capital loss carry-forwards for both federal and state income tax purposes and valuation allowances required, if any, for tax assets that may not be realized in the future. We establish reserves when, despite our belief that our tax return positions are fully supportable, certain positions could be challenged, and the positions may not be fully sustained. We have executed a tax sharing agreement with Ply Gem Holdings and Ply Gem Investment Holdings (during 2010, Ply Gem Investment Holdings was merged with and into Ply Gem Prime, with Ply Gem Prime being the surviving corporation) pursuant to which tax liabilities for each respective party are computed on a stand-alone basis. Our U.S. subsidiaries file unitary, combined federal income tax returns and separate state income tax returns. Ply Gem Canada files separate Canadian income tax returns.

At December 31, 2010, we were in a full federal valuation allowance position as we were no longer in a net deferred liability tax position and continued to incur losses for income tax purposes. At December 31, 2011, we remained in a full federal valuation allowance position as we continued to incur cumulative losses for income tax purposes. Refer to Note 10 to the consolidated financial statements for additional information regarding income taxes.

Results of Operations

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

	Year Ended December 31,			Nine Months Ended	
				September 29,	October 1,
(Amounts in thousands)	2011	2010	2009	2012	2011
				(Unaudited)	
Net sales					
Siding, Fencing, and Stone	$ 639,290	$ 604,406	$ 577,390	$ 511,157	$ 494,002
Windows and Doors	395,567	391,500	373,984	341,501	298,485
Operating earnings (loss)					
Siding, Fencing, and Stone	90,849	92,612	77,756	88,487	72,520
Windows and Doors	(31,134)	(19,410)	(23,504)	(15,622)	(23,839)
Unallocated	(14,784)	(16,372)	(14,142)	(13,506)	(12,081)
Foreign currency gain(loss)					
Windows and Doors	492	510	475	264	466
Interest expense, net					
Siding, Fencing, and Stone	83	121	169	47	65
Windows and Doors	13	(90)	(183)	9	11
Unallocated	(101,480)	(122,864)	(135,289)	(78,542)	(76,587)

Income tax benefit (expense)										
Unallocated		(683)		(5,027)		17,966		(1,579)		(1,979)
Gain (loss) on modification or extinguishment of debt										
Unallocated		(27,863)		98,187		-		(3,607)		(27,863)
Net income (loss)	$	(84,507)	$	27,667	$	(76,752)	$	(24,049)	$	(69,287)

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

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

Siding, Fencing, and Stone Segment

(Amounts in thousands)	Year Ended December 31, 2011		2010		2009		Nine Months Ended September 29, 2012 (Unaudited)		October 1,2011	
Statement of operations data:										
Net sales	$ 639,290	100%	$ 604,406	100%	$ 577,390	100%	$ 511,157	100%	$ 494,002	100%
Gross profit	158,798	24.8%	155,535	25.7%	149,353	25.9%	139,764	27.3%	122,664	24.8%
SG&A expense	59,646	9.3%	54,410	9.0%	63,072	10.9%	45,062	8.8%	43,913	8.9%
Amortization of intangible assets	8,303	1.3%	8,513	1.4%	8,525	1.5%	6,215	1.2%	6,231	1.3%
Operating earnings	$ 90,849	14.2%	$ 92,612	15.3%	$ 77,756	13.5%	$ 88,487	17.3%	$ 72,520	14.7%

Net Sales

Net sales for the nine months ended September 29, 2012 increased $17.2 million or 3.5% compared to the nine months ended October 1, 2011. During the nine months ended October 1, 2011, our net sales were reduced by a $10.4 million sales credit related to an inventory buyback for the lift-out of competitors' inventory related to a significant new customer win. However, the $10.4 million inventory buyback was offset by the initial stocking sales and inventory build to this same new customer. Overall, our 3.5% net sales increase was driven by increased unit volume which resulted from improved conditions in the U.S. new construction housing market for the nine months ended September 29, 2012. The U.S. Census Bureau estimated that single family housing starts for the first nine months of 2012 have increased approximately 23.5% relative to the nine months ended October 1, 2011. Conversely, market demand for repair and remodeling products continued to lag the new construction sector in 2012. According to the LIRA index, the four-quarter moving rate of change at the end of September 2012 was 2.7% compared to 2.2% at the end of 2011. Combining the strength of demand in the new construction market with the softer market conditions for repair and remodeling products, the Vinyl Siding Institute reported that vinyl siding industry unit shipments increased by 1.9% for the nine months ended September 29, 2012 compared to the nine months ended October 1, 2011. After giving effect to the aforementioned initial stocking sales and inventory build, the Company believes that its vinyl siding unit volume shipments would have been in line with or slightly better than the overall vinyl siding industry performance.

Net sales for the year ended December 31, 2011 increased from the year ended December 31, 2010 by approximately $34.9 million, or 5.8%. Net sales increased despite continued low industry unit volume that resulted from the challenging market conditions that persist in the U.S. housing market. These negative general market conditions were offset by sales to new customers and higher selling prices that were increased in response to higher raw material and freight costs. According to the NAHB, 2011 single family housing starts decreased approximately 7.9% from 2010. This decrease was attributable in part to the poor general economic conditions that continue to exist in the United States including, among other things, high unemployment, the number of foreclosures, and falling home prices that continue to negatively impact demand for the U.S. housing market.

The Company's sales to new customers and higher selling prices related to increased material costs offset the general housing market conditions. In addition, favorable weather conditions during the fourth quarter also contributed to the sales growth year over year. During the 2011 fourth quarter, the Company's vinyl siding unit shipments increased 10.8% compared to the same period in 2010. According to the Vinyl Siding Institute, the vinyl siding industry shipments decreased 3.9% for 2011 compared to 2010 while the Company's shipments increased approximately 7.1%

driven by sales to new customers. The Company's vinyl siding market share percentage for 2011 increased to approximately 36.0% from 32.3% for 2010. Included as a reduction of net sales for the year ended December 31, 2011 were inventory buybacks for the lift-out of competitors' inventory of approximately $11.2 million related to these new customers. Excluding the impact of these buybacks, 2011 net sales would have increased 7.6% compared to 2010.

Net sales for the year ended December 31, 2010 increased from the year ended December 31, 2009 by approximately $27.0 million, or 4.7%. The increase in net sales was driven by higher selling prices in 2010 as compared to 2009 as a result of price increases that were implemented in response to increasing raw material costs as discussed below in gross profit. Demand for our products increased during the first six months of 2010, but decreased during the last six months of the year driven by industry-wide market conditions in new construction. According to the U.S. Census Bureau, single family housing starts were estimated to increase by approximately 27.0% during the first half of 2010 compared to the first half of 2009, while single family housing starts for the second half of 2010 were estimated to decrease by approximately 11.7% compared to the second half of 2009. Management believes that the improvement in industry wide market conditions during the first half of 2010 was partially influenced by the Federal First-Time and Repeat Home Buyer Tax Credit programs which expired on April 30, 2010, which had the effect of pulling market demand forward into the first half of 2010 resulting in market demand being artificially lower in second half of 2010. Our 2010 unit shipments of vinyl siding decreased by approximately 3.3% as compared to the U.S. vinyl siding industry, as summarized by the Vinyl Siding Institute, which reported a 1.5% unit shipment decline in 2010. As a result, we estimated that our share of vinyl siding units shipped decreased slightly from approximately 32.9% in 2009 to 32.3% for the year ended December 31, 2010.

Gross Profit

Gross profit for the nine months ended September 29, 2012 increased compared to the same period in 2011 by approximately $17.1 million or 13.9%. As discussed above, during the nine months ended October 1, 2011, our net sales and gross profit were reduced by $10.4 million and $9.3 million, respectively, related to an inventory buyback for the lift-out of competitor's inventory related to a significant new customer gain. Excluding the $9.3 million net impact of the inventory buyback, our gross profit for the nine months ended September 29, 2012 relative to the nine months ended October 1, 2011 increased $7.8 million or 5.9% due to increases in unit volume shipments. Gross profit as a percentage of sales increased to 27.3% for the nine months ended September 29, 2012 from 24.8% for the nine months ended October 1, 2011. Excluding the $9.3 million impact of the inventory buyback, our gross profit for the nine months ended October 1, 2011 would have been 26.1%.

Gross profit for the year ended December 31, 2011 increased from the year ended December 31, 2010 by approximately $3.3 million, or 2.1%. Gross profit as a percentage of sales decreased from 25.7% for the year ended December 31, 2010 to 24.8% for the year ended December 31, 2011. Included in 2011 gross profit was a net inventory buyback of approximately $9.9 million resulting from the buyback, or lift-out, of our competitor's product on initial stocking orders, partially offset by the scrap value of inventory received. Our gross profit as a percentage of sales for the year ended December 31, 2011 would have been 25.9% excluding these buybacks, which is consistent with the prior year. According to the London Metal Exchange, the price of aluminum increased approximately 13.9% for the year ended December 31, 2011 compared to the year ended December 31, 2010. In addition, the average market price for PVC resin was estimated to have increased 14.1% for 2011 compared to 2010. As discussed above, the Company initiated selling price increases in response to these rising material and freight costs.

Gross profit for the year ended December 31, 2010 increased from the year ended December 31, 2009 by approximately $6.2 million, or 4.1%. Gross profit as a percentage of sales remained consistent at 25.7% for the year ended December 31, 2010 as compared to 25.9% for the year ended December 31, 2009. The slight decrease in gross profit percentage was driven by higher material costs in 2010 relative to 2009 for our two largest raw materials, PVC resin and aluminum. While rising commodity prices negatively impacted our gross profit, this cost increase was partially offset by a one-time cost decrease that occurred in the first half of 2010 as compared to 2009 due to the termination of an aluminum supply agreement in early 2009 which resulted in abnormally high aluminum material cost which negatively impact gross profit in the first half of 2009. In addition, we incurred approximately $6.9 million less expense associated with new customers that resulted from the buy-back, or lift-out, of our competitor's product on initial stocking orders for the full year 2010 as compared to 2009. The Company offset this commodity cost increase with selling price increases and improved operating efficiencies and management's initiatives to reduce fixed manufacturing expenses, including the consolidation of the majority of the production from our vinyl siding plant in Kearney, Missouri into our other three remaining vinyl siding plants which was completed in the second quarter of 2009.

SG&A Expense

SG&A expenses for the nine months ended September 29, 2012 increased from the nine months ended October 1, 2011 by approximately $1.1 million or 2.6%. The increase in SG&A expenses was primarily caused by higher management incentive compensation expense related to improved business performance.

SG&A expense for the year ended December 31, 2011 increased from the year ended December 31, 2010 by approximately $5.2 million, or 9.6%. The increase in SG&A expense was attributed to higher employee related expenses of approximately $2.7 million as well as increased selling and marketing expenses of approximately $2.2 million related to increased sales.

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

Amortization of Intangible Assets

Amortization expense for the nine months ended September 29, 2012 was consistent with the same period in 2011.

Amortization expense for the year ended December 31, 2011 was consistent with the years ended December 31, 2010 and December 31, 2009.

Windows and Doors Segment

(Amounts in thousands)	Year Ended December 31, 2011		2010		2009		Nine Months Ended September 29, 2012		October 1, 2011	
							(Unaudited)			
Statement of operations data:										
Net sales	$ 395,567	100%	$ 391,500	100%	$ 373,984	100%	$ 341,501	100%	$ 298,485	100%
Gross profit	51,734	13.1%	60,425	15.4%	52,180	14.0%	47,217	13.8%	37,969	12.7%
SG&A expense	64,518	16.3%	61,285	15.7%	64,579	17.3%	49,077	14.4%	48,046	16.1%
Amortization of intangible assets	18,350	4.6%	18,550	4.7%	11,105	3.0%	13,762	4.0%	13,762	4.6%
Operating (loss)	(31,134)	-7.9%	(19,410)	-5.0%	(23,504)	-6.3%	(15,622)	-4.6%	(23,839)	-8.0%
Currency transaction gain	$ 492	0.1%	$ 510	0.1%	$ 475	0.1%	$ 264	0.1%	$ 466	0.2%

Net Sales

Net sales for the nine months ended September 29, 2012 increased $43.0 million or 14.4% compared to the nine months ended October 1, 2011. The net sales increase was driven by higher unit sales that resulted from improved market conditions in the United States and Western Canada, as well as our continued ability to gain profitable business with existing and new customers. The U.S. Census Bureau estimates that single family housing starts in the nine months ended September 2012 increased approximately 23.5% compared to the first nine months of 2011, while according to the Canadian Mortgage and Housing Corporation, single family housing starts in Alberta, Canada were estimated to have increased 11.8% in the nine months ended September 2012 as compared to the same period in 2011.

Net sales for the year ended December 31, 2011 increased compared to the year ended December 31, 2010 by approximately $4.1 million, or 1.0%. Despite the aforementioned 7.9% decrease in U.S. single family housing starts for the year ended December 31, 2011 compared to the year ended December 31, 2010, the Windows and Doors segment demonstrated an ability to offset this general market decrease by gaining sales with new customers in both the new construction and repair and remodeling markets specifically expanding our multi-family opportunities. The sales gains to new customers were partially offset by a declining end user market in Western Canada resulting from decreased housing starts in Alberta, Canada which the Company believes were impacted in part by unusually poor weather conditions in the first half of 2011. According to the Canadian Mortgage and Housing Corporation, housing starts in Alberta, Canada were estimated to have decreased by 2.1% in 2011 as compared to 2010.

Net sales for the year ended December 31, 2010 increased compared to the year ended December 31, 2009 by approximately $17.5 million, or 4.7%. The net sales increase resulted from higher sales of our new construction window and door products resulting from increased U.S. single family housing starts, which according to the NAHB, were estimated to have increased from 442,000 units in 2009 to 471,000 units in 2010. In addition, sales of our window and door products in Western Canada were favorably impacted by market wide increased demand primarily caused by increased housing starts in Alberta, Canada. According to the Canadian Mortgage and Housing Corporation, total housing starts in Alberta, Canada were estimated to have increased 39.6% for the full twelve months of 2010 as compared to 2009, but were estimated to have decreased by 17.1% in the fourth quarter of 2010 as compared to the same period in 2009. Our unit shipments of windows and doors in the United States increased 1.2% in 2010 as compared to 2009, while our unit shipments of windows and doors in Western Canada increased by 9.1% in 2010 as compared to 2009.

Gross Profit

Gross profit for the nine months ended September 29, 2012 increased compared to the nine months ended October 1, 2011 by approximately $9.2 million or 24.4%. Gross profit as a percentage of sales increased from 12.7% for the nine months ended October 1, 2011 to 13.8% for the nine months ended September 29, 2012. The increase in gross profit and gross profit percentage can be attributed to the aforementioned net sales increase of 14.4% and the increased operating leverage on fixed costs resulting from the net sales increase during the nine months ended September 29, 2012.

Gross profit for the year ended December 31, 2011 decreased compared to the year ended December 31, 2010 by approximately $8.7 million, or 14.4%. Gross profit as a percentage of sales decreased from 15.4% in 2010 to 13.1% in 2011. The decrease in gross profit and gross profit percentage was caused by higher raw material costs, specifically PVC resin and aluminum, and freight costs that were not fully offset by selling price increases. In addition, the Company experienced short-term inefficiencies related to increased production volumes associated with the sales to new customers as discussed above, which also increased our sales mix of our value priced window products that generally carry lower gross profit margins, partially offset by favorable warranty experience for the year ended

December 31, 2011.

Gross profit for the year ended December 31, 2010 increased compared to the year ended December 31, 2009 by approximately $8.2 million, or 15.8%. The gross profit percentage increased from 14.0% in 2009 to 15.4% in 2010. The gross profit increase was primarily driven by the increased sales volume in 2010 relative to 2009. The improvement in gross profit percentage resulted from improved operating leverage on fixed manufacturing costs which did not increase in proportion to sales and also from lower fixed manufacturing costs resulting from the closure of our Hammonton, New Jersey, Phoenix, Arizona and Tupelo, Mississippi window plants in early 2009 and realigned production within our three west coast window plants, including the realignment of window lineal production during 2009. Also impacting our gross profit were the initial costs that were incurred with new customers that resulted from the buy-back, or lift-out, of our competitor's product on the initial stocking orders with our new customers, which were approximately $0.1 million in 2010 as compared to approximately $1.0 million for 2009.

SG&A Expense

SG&A expenses for the nine months ended September 29, 2012 increased $1.0 million or 2.1% compared to the nine months ended October 1, 2011. The increase was primarily driven by higher employee related costs.

SG&A expense for the year ended December 31, 2011 increased compared to the year ended December 31, 2010 by approximately $3.2 million, or 5.3%. The increase can be predominantly attributed to higher selling and marketing expenses of approximately $1.1 million as well as higher legal and professional fees of approximately $0.4 million. In addition, we recognized an incremental environmental liability of approximately $1.6 million within SG&A expenses during the fourth quarter of 2011 related to a preliminary cost estimate provided to the EPA, as discussed in "Business—Environmental and Other Regulatory Matters" included elsewhere in this prospectus.

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

Amortization of Intangible Assets

Amortization expense for the nine months ended September 29, 2012 was consistent with the same period in 2011.

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

Currency Transaction Gain (Loss)

Currency transaction gain was substantially the same for the years ended December 31, 2011, 2010 and 2009 as well as for the nine months ended September 29, 2012 and October 1, 2011.

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

	Year Ended December 31,			Nine Months Ended	
(Amounts in thousands)	2011	2010	2009	September 29, 2012	October 1, 2011
				(Unaudited)	
Statement of operations data:					
SG&A expense	$ (14,748)	$ (14,765)	$ (14,121)	$ (13,284)	$ (12,054)
Amortization of intangible assets	(36)	(36)	(21)	(222)	(27)
Write-off of previously capitalized offering costs	—	(1,571)	—	—	—
Operating loss	(14,784)	(16,372)	(14,142)	(13,506)	(12,081)
Interest expense	(101,486)	(122,881)	(135,328)	(78,545)	(76,591)
Interest income	6	17	39	3	4
Gain (loss) on modification or extinguishment of debt	(27,863)	98,187	—	(3,607)	(27,863)
Benefit (provision) for income taxes	$ (683)	$ (5,027)	$ 17,966	$ (1,579)	$ (1,979)

SG&A Expense

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

expense increased $1.2 million compared to the nine months ended October 1, 2011 primarily due to the timing of certain employee related costs, including stock compensation, long-term incentive plan expenses, and management incentive compensation expenses. SG&A expense for the year ended December 31, 2011 is consistent with the year ended December 31, 2010. SG&A expense increase of approximately $0.6 million for the year ended December 31, 2010 as compared to the year ended December 31, 2009 is primarily due to the centralization of certain administrative functions into our corporate office.

Amortization of Intangible Assets

Amortization expense for the year ended December 31, 2011 was consistent with the years ended December 31, 2010 and 2009.

Write-off of previously capitalized offering costs

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

Interest expense

Interest expense for the nine months ended September 29, 2012 increased by approximately $2.0 million compared to the same period in 2011. The net increase was due to a reduction of interest expense resulting from the purchase and redemption of the 11.75% Senior Secured Notes in February and March 2011, an increase of interest expense resulting from the issuance of the 8.25% Senior Secured Notes in February 2011 and the Senior Tack-on Notes in February 2012, and an increase for the interest expense paid on the 13.125% Senior Subordinated Notes in connection with the satisfaction, discharge and redemption of the 13.125% Senior Subordinated Notes.

Interest expense for the year ended December 31, 2011 decreased by approximately $21.4 million, or 17.4%, over the same period in 2010. The decrease was primarily due to the deleveraging event that occurred in February 2010 and the debt refinancings that were completed during 2011. Specifically, the net decrease was due to the following:

- a decrease of approximately $3.9 million of interest on the 9.0% Senior Subordinated Notes, which were redeemed on February 16, 2010,
- a decrease of approximately $75.9 million of interest on the 11.75% Senior Secured Notes, which were purchased and redeemed in February and March 2011,
- an increase of approximately $58.7 million of interest paid on the 8.25% Senior Secured Notes, which were issued in February 2011,
- a decrease of approximately $1.1 million of interest on our ABL Facility borrowings, primarily due to a decrease in the interest rate,
- an increase of approximately $2.5 million due to the amortization of the discount and tender premium on the 8.25% Senior Secured Notes, which were issued in February 2011, and
- a decrease of approximately $1.7 million due to the write off of a portion of the capitalized financing costs related to the 11.75% Senior Secured Notes purchased and redeemed in February and March 2011, partially offset by additional amortization related to the financing costs for the new 8.25% Senior Secured Notes.

Interest expense for the year ended December 31, 2010 decreased by approximately $12.4 million, or 9.2%, over the same period in 2009. The decrease was primarily attributed to the $210.0 million deleveraging event that occurred during February 2010. Specifically, the net decrease was due to the following:

- a decrease of approximately $28.6 million due to less interest paid on the 9.0% Senior Subordinated Notes, which were redeemed on February 16, 2010,
- an increase of approximately $19.2 million paid on the 13.125% Senior Subordinated Notes issued on January 11, 2010,
- an increase of approximately $2.4 million due to interest paid on the additional $25.0 million 11.75% Senior Secured Notes issued in October 2009,
- an increase of approximately $1.9 million due to higher bond discount amortization, primarily due to the addition of the 13.125% Senior Subordinated Notes during 2010,
- a decrease of approximately $1.0 million due to lower deferred financing amortization after the write-off of the capitalized financing costs related to the 9.0% Senior Subordinated Notes, and
- a decrease of approximately $6.3 million primarily due to 2009 interest charges related to the various debt financing activities which occurred during 2009 involving third party fees.

Interest income

Interest income for the year ended December 31, 2011 decreased by $11,000 due to lower interest rates in 2011 as compared to 2010. Interest income for the year ended December 31, 2010 decreased from the year ended December 31, 2009 by approximately $22,000 as a result of lower interest rates.

Gain (loss) on modification or extinguishment of debt

As a result of the 9.375% Senior Notes issuance and the transactions relating to the 13.125% Senior Subordinated Notes in September 2012, as further described in the Liquidity and Capital Resources section below, we recognized a loss on modification/extinguishment of debt of approximately $3.6 million for the nine months ended September 29, 2012. The loss consisted of an early call premium of approximately $9.8 million, of which approximately $8.3 million was recorded as a discount on the 9.375% Senior Notes and approximately $1.5 million was expensed as a loss on extinguishment of debt in the condensed consolidated statement of operations. We also expensed approximately $0.3 million for the unamortized discount and $0.4 million for the unamortized debt issuance costs for the 13.125% Senior Subordinated Notes in this transaction. We also incurred approximately $2.5 million of costs associated with this transaction, of which approximately $1.1 million was recorded as debt issuance costs and approximately $1.4 million was expensed as loss on modification or extinguishment of debt in the consolidated statement of operations. The loss was recorded separately in the condensed consolidated statement of operations for the nine months ended September 29, 2012.

As a result of the debt refinancings during January and February 2011, as further described in the Liquidity and Capital Resources section below, we recognized a loss on modification or extinguishment of debt of approximately $27.9 million for the nine months ended October 1, 2011 and the year ended December 31, 2011. The loss consisted of the write off of a portion of the tender premium paid with the redemption of the 11.75% Senior Secured Notes of approximately $10.9 million, the write off of a portion of the capitalized bond discount related to the 11.75% Senior Secured Notes of approximately $0.8 million, the write off of a portion of the capitalized financing costs related to the 11.75% Senior Secured Notes of approximately $2.8 million, the write off of the capitalized financing costs related to the previous ABL Facility of approximately $1.2 million, and the expense of certain third-party financing costs related to the 8.25% Senior Secured Notes of approximately $12.2 million. The loss was recorded separately in the consolidated statement of operations for the nine months ended October 1, 2011 and the year ended December 31, 2011.

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

Income taxes

The income tax provision for the nine months ended September 29, 2012 decreased by approximately $0.4 million compared to the same period in 2011. Our pre-tax loss for the nine months ended September 29, 2012 was approximately $22.5 million compared to a pre-tax loss of approximately $67.3 million for the nine months ended October 1, 2011. For the nine months ended September 29, 2012, our estimated effective income tax rate varied from the statutory rate primarily due to state income tax expense, changes in the valuation allowance, changes in tax contingencies and foreign income tax expense. Our decrease in tax expense for the nine months ended September 29, 2012, was primarily due to the combination of income and losses from our operating units and pre-tax losses in some entities for which no tax benefit was recognized.

Income tax expense for the year ended December 31, 2011 decreased to approximately $0.7 million tax expense from approximately $5.0 million tax expense for the year ended December 31, 2010. The income tax expense of approximately $0.7 million was comprised of approximately $0.2 million of state tax benefit and approximately $0.9 million of foreign income tax expense. The decrease in tax expense is primarily due to the increase in the taxable loss for the year ended December 31, 2011.

As of December 31, 2011, a full valuation allowance has been provided against certain deferred tax assets as it is presently deemed more likely than not that the benefit of such net tax assets will not be utilized. Due to recent cumulative losses accumulated by the Company, management did not rely upon projections of future taxable income in assessing the recoverability of deferred tax assets. The Company’s effective tax rate for the year ended December 31, 2011 was approximately 0.8%.

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

Liquidity and Capital Resources

During the nine months ended September 29, 2012, cash increased by approximately $16.4 million compared to a decrease of approximately $6.9 million during the nine months ended October 1, 2011. The increase in cash generated was primarily due to improvement in our operating earnings which resulted from higher sales and better working capital metrics as well as the impact of the February 2012 Senior Tack-on Notes financing transaction.

During the year ended December 31, 2011, cash and cash equivalents decreased to approximately $11.7 million compared to approximately $17.5 million as of December 31, 2010. During the year ended December 31, 2010, cash and cash equivalents increased slightly from approximately $17.1 million to $17.5 million as of December 31, 2010, illustrating a consistent cash balance compared with the prior year.

Our business is seasonal because inclement weather during the winter months reduces the level of building and remodeling activity in both the home repair and remodeling and the new home construction sectors, especially in the Northeast and Midwest regions of the United States and Western Canada. As a result, our liquidity typically increases during the second and third quarters as our borrowing base increases under the ABL Facility reaching a peak early in the fourth quarter, and decreases late in the fourth quarter and throughout the first quarter.

Our primary cash needs are for debt service, capital expenditures, and working capital. As of September 29, 2012, our annual interest charges for debt service, including the ABL Facility, are estimated to be approximately $90.9 million. We do not have any scheduled debt maturities until 2016. The specific debt instruments and their corresponding terms and due dates are described in the following sections. Our capital expenditures have historically been approximately 1.4% to 1.6% of net sales on an annual basis. As of September 29, 2012, our purchase commitments for inventory are approximately $10.0 million. We finance these cash requirements through internally generated cash flow and funds borrowed under the ABL Facility.

Our outstanding indebtedness will mature in 2016 (ABL Facility), 2017 (9.375% Senior Notes) and 2018 (8.25% Senior Secured Notes). Although we expect to refinance or pay off such indebtedness, we may not be successful in refinancing, extending the maturity or otherwise amending the terms of such indebtedness because of market conditions, disruptions in the debt markets, our financial performance or other reasons. Furthermore, the terms of any refinancing, extension or amendment may not be as favorable as the current terms of our indebtedness. If we are not successful in refinancing our indebtedness or extending its maturity, we and our subsidiaries could face substantial liquidity problems and may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure our indebtedness.

Ply Gem's specific cash flow movement for the nine months ended September 29, 2012 and October 1, 2011 and the years ended December 31, 2011, 2010 and 2009 is summarized below:

Cash provided by (used in) operating activities

Net cash provided by operating activities for the nine months ended September 29, 2012 was approximately $0.5 million as compared to approximately $50.3 million used in operations for the nine months ended October 1, 2011. The increase in cash provided by operating activities was primarily caused by higher operating earnings of $22.8 million reflecting the recovering U.S. residential housing market which improved our operating leverage in the nine months ended September 29, 2012 as compared to the prior year period. The higher operating earnings were supplemented by improved working capital metrics primarily achieved by monitoring inventory levels more effectively and management of accounts payable offset by negative movement in accrued expenses attributed to the refinancing of the 13.125% Senior Subordinated Notes with the 9.375% Senior Notes where accrued interest of approximately $5.8 million was paid on September 27, 2012.

Net cash used in operating activities for the year ended December 31, 2011 was approximately $3.5 million. Net cash provided by operating activities for the year ended December 31, 2010 was approximately $6.7 million, and net cash used in operating activities for the year ended December 31, 2009 was approximately $16.9 million. The increase in cash used in operating activities during 2011 as compared to 2010 was due to an approximate $11.9 million decrease in operating earnings driven by commodity cost increases that were not fully offset with selling price increases and increased SG&A expense. In addition, the increase in cash used in operating activities was caused by a negative working capital change of approximately $14.6 million compared to 2010. This working capital change was driven by an increase in fourth quarter activity as the Company's net sales increased 9.9% during the quarter ended December 31, 2011 compared to the quarter ended December 31, 2010. This sales activity drove the corresponding receivable and inventory increases comparing December 31, 2011 to December 31, 2010. These increases were partially offset by a favorable change within accrued expenses which was primarily caused by an increase in accrued interest of approximately $20.6 million. This increase in accrued interest resulted from the debt refinancing activity in which $725.0 million of 11.75% Senior Secured Notes (June and December interest payments) were refinanced through the $800.0 million of 8.25% Senior Secured Notes (February and August interest payments). The change in the coupon rate saved the Company approximately $19.2 million in annual cash interest, while the new interest dates caused the 2011 favorable change within accrued interest.

The increase in cash provided by operating activities during 2010 as compared to cash used in operating activities during 2009 is due to higher sales of approximately 4.7% as well as our cost control measures evidenced by plant restructurings completed in prior years. This resulted in higher operating earnings of approximately $16.7 million partially offset by a negative working capital change of approximately $7.1 million compared to 2009.

Cash used in investing activities

Net cash used in investing activities for the nine months ended September 29, 2012 and October 1, 2011 was approximately $16.0 million and $8.2 million, respectively, primarily used for capital expenditures on various ongoing capital projects.

Net cash used in investing activities for the years ended December 31, 2011, 2010 and 2009 was approximately $11.4 million, $9.1 million and $7.8 million, respectively. The cash used in investing activities for the year ended December 31, 2011 was for capital expenditures. The cash used in investing activities for the year ended December 31, 2010 was primarily used for capital expenditures of approximately $11.1 million, partially offset by approximately $2.0 million from the sale of assets. The cash used in investing activities for the year ended December 31, 2009 was primarily used for capital expenditures.

Cash provided by (used in) financing activities

Net cash provided by financing activities for the nine months ended September 29, 2012 was approximately $31.5 million, primarily from net proceeds of $34.0 million from the Senior Tack-on Notes issued in February 2012 and $10.0 million in net proceeds from the issuance of the 9.375% Senior Notes in September 2012 used for the $9.8 million call premium partially offset by debt issuance costs of $2.6 million incurred for the Senior Tack-on Notes as well as the Senior Notes. Net cash provided by financing activities for the nine months ended October 1, 2011 was approximately $51.8 million, primarily from net revolver borrowings of $55.0 million under the ABL Facility, net proceeds of $75.0 million from the debt refinancing for the 8.25% Senior Secured Notes, offset by early tender premium payments of approximately $49.8 million, debt issuance costs of approximately $26.9 million, and equity repurchases of $1.5 million.

Net cash provided by financing activities for the year ended December 31, 2011 was approximately $9.2 million, primarily from net revolver borrowings of $25.0 million under the ABL Facility, net proceeds of $75.0 million from the debt refinancing for the 8.25% Senior Secured Notes, offset by early tender premium payments of approximately $49.8 million, equity repurchases of $14.0 million, and debt issuance costs of approximately $27.0 million.

Net cash provided by financing activities for the year ended December 31, 2010 was approximately $2.4 million, and consisted of approximately $4.5 million net cash provided as a result of the $210.0 million deleveraging event that occurred during February 2010 of the 9.0% Senior Subordinated Notes, approximately $5.0 million cash provided from net ABL borrowings, approximately $5.0 million cash used for debt issuance costs, approximately $1.5 million cash used for a tax payment on behalf of our parent, and approximately $0.6 million net cash used in equity contributions/repurchases. Net cash used in financing activities for the year ended December 31, 2009 was approximately $17.5 million and was primarily from net revolver payments of $35.0 million, proceeds from debt issuance of $20.0 million, and debt issuance costs of approximately $2.5 million.

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

Recent developments

On September 27, 2012, Ply Gem Industries completed an offering for $160.0 million aggregate principal amount of 9.375% Senior Unsecured Notes due 2017, which we refer to as the "9.375% Senior Notes" or the "notes." The net proceeds of this offering, together with cash on hand, were deposited with the trustee for Ply Gem Industries' 13.125% Senior Subordinated Notes to satisfy and discharge its obligations under the 13.125% Senior Subordinated Notes and the indenture governing the 13.125% Senior Subordinated Notes. The 9.375% Senior Notes will mature on April 15, 2017.

On February 16, 2012, Ply Gem Industries issued an additional $40.0 million aggregate principal amount of its 8.25% Senior Secured Notes in a private placement transaction ("Senior Tack-on Notes"). The net proceeds of approximately $32.7 million, after deducting $6.0 million for the debt discount and $1.3 million in transaction costs, are and will continue to be utilized for general corporate purposes. The additional $40.0 million of 8.25% Senior Secured Notes have the same terms and covenants as the original $800.0 million of 8.25% Senior Secured Notes due 2018.

8.25% Senior Secured Notes due 2018

On February 11, 2011, Ply Gem Industries issued $800.0 million of 8.25% Senior Secured Notes due 2018 at par. Ply Gem Industries used the proceeds to purchase approximately $724.6 million principal amount of its outstanding 11.75% Senior Secured Notes in a tender offer, to redeem the remaining approximate $0.4 million principal amount of outstanding 11.75% Senior Secured Notes, and to pay related fees and expenses. A portion of the early tender premiums and the original unamortized discount on the 11.75% Senior Secured Notes was recorded as a discount on the $800.0 million of 8.25% Senior Secured Notes given that the 2011 transaction was predominately accounted for as a loan modification. The 8.25% Senior Secured Notes due 2018 originally issued in February 2011 and the Senior Tack-on Notes (collectively, the “8.25% Senior Secured Notes”) will mature on February 15, 2018 and bear interest at the rate of 8.25% per annum. Interest will be paid semi-annually on February 15 and August 15 of each year.

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

The 8.25% Senior Secured Notes are fully and unconditionally guaranteed on a joint and several basis by Ply Gem Holdings and all of the domestic subsidiaries of Ply Gem Industries (the “Guarantors”). The indenture governing the 8.25% Senior Secured Notes contains certain covenants that limit the ability of Ply Gem Industries and its restricted subsidiaries to incur additional indebtedness, pay dividends or make other distributions or repurchase or redeem their stock, make loans and investments, sell assets, incur certain liens, enter into agreements restricting their ability to pay dividends, enter into transactions with affiliates, and consolidate, merge or sell assets. In particular, Ply Gem Industries and its restricted subsidiaries may not incur additional debt (other than permitted debt in limited circumstances as defined in the indenture) unless, after giving effect to such incurrence, the consolidated interest coverage ratio of Ply Gem Industries would be at least 2.00 to 1.00. In the absence of satisfying the consolidated interest coverage ratio test, Ply Gem Industries and its restricted subsidiaries may only incur additional debt in limited circumstances, including, but not limited to, debt under our credit facilities not to exceed the greater of (x) $250 million less the amounts of certain prepayments or commitment reductions as a result of repayments from asset sales and (y) the borrowing base; purchase money indebtedness in an aggregate amount not to exceed $25.0 million at any one time outstanding; debt of foreign subsidiaries in an aggregate amount not to exceed $30.0 million at any one time outstanding; debt pursuant to a general debt basket in an aggregate amount not to exceed $50.0 million at any one time outstanding; and the refinancing of other debt under certain circumstances. In addition, Ply Gem Industries and its restricted subsidiaries are limited in their ability to make certain payments, pay dividends or make other distributions to Ply Gem Holdings. Permitted payments, dividends and distributions include, but are not limited to, those used to redeem equity of officers, directors or employees under certain circumstances, to pay taxes, and to pay customary and reasonable costs and expenses of an offering of securities that is not consummated.

The 8.25% Senior Secured Notes and the related guarantees are secured on a first-priority lien basis by substantially all of the assets (other than the assets securing the Company’s obligations under the ABL Facility, which consist of accounts receivable, inventory, cash, deposit accounts, securities accounts, chattel paper and proceeds of the foregoing and certain assets such as contract rights, instruments and documents related thereto) of Ply Gem Industries and the Guarantors and on a second-priority lien basis by the assets that secure the ABL Facility.

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

On August 4, 2011, Ply Gem Industries completed its exchange offer with respect to the 8.25% Senior Secured Notes issued in February 2011 by exchanging $800.0 million 8.25% Senior Secured Notes, which were registered under the Securities Act, for $800.0 million of the issued and outstanding 8.25% Senior Secured Notes. Upon completion of the exchange offer, all $800 million of issued and outstanding 8.25% Senior Secured Notes were registered under the Securities Act. However, the $40.0 million of Senior Tack-on Notes issued in February 2012 have not been registered under the Securities Act and there is no contractual requirement to register these instruments.

11.75% Senior Secured Notes due 2013

On June 9, 2008, Ply Gem Industries issued $700.0 million of 11.75% Senior Secured Notes at an approximate 1.0% discount, yielding proceeds of approximately $693.5 million. Interest was paid semi-annually on June 15 and December 15 of each year. On October 23, 2009, Ply Gem Industries issued an additional $25.0 million of its 11.75% Senior Secured Notes in a private placement transaction. The additional $25.0 million of 11.75% Senior Secured Notes had the same terms and covenants as the initial $700.0 million of 11.75% Senior Secured Notes.

On February 11, 2011, the Company purchased approximately $718.6 million principal amount of the 11.75% Senior Secured Notes in a tender offer at a price of $1,069.00 per $1,000 principal amount, which included an early tender payment of $40.00 per $1,000 principal amount, plus accrued and unpaid interest, and on February 28, 2011, the Company purchased $6.0 million principal amount of the 11.75% Senior Secured Notes in the tender offer at a price of $1,029.00 per $1,000 principal amount, plus accrued and unpaid interest. On March 13, 2011, pursuant to the terms of the indenture governing the 11.75% Senior Secured Notes, the Company redeemed the remaining approximate $0.4 million at a redemption price of 103% of the principal amount thereof, plus accrued and unpaid interest. As a result of these transactions, the Company paid cumulative early tender premiums of approximately $49.8 million during the nine months ended October 1, 2011. Following the redemption on March 13, 2011, there were no longer any 11.75% Senior Secured Notes outstanding. The loss recorded as a result of this purchase is discussed in the section “Gain (loss) on debt modification or extinguishment” below.

Senior Secured Asset Based Revolving Credit Facility due 2016

On January 26, 2011, Ply Gem Industries, Ply Gem Holdings and the subsidiaries of Ply Gem Industries entered into a new ABL Facility. Ply Gem Industries and Ply Gem Canada used the initial borrowing under the new ABL Facility to repay all of the outstanding indebtedness (including all accrued interest) under the Senior Secured Asset-Based Revolving Credit Facility due 2013. The new ABL Facility initially provided for revolving credit financing of up to $175.0 million, subject to borrowing base availability, including sub-facilities for letters of credit, swingline loans, and borrowings in Canadian dollars and U.S. dollars by Ply Gem Canada. In August 2011, the Company exercised a portion of the accordion feature under the new ABL Facility for $37.5 million, or 50% of the eligible accordion, increasing the new ABL Facility from $175.0 million to $212.5 million. Under the terms of the new ABL Facility, the Company has the ability to further increase the revolving commitments up to another $37.5 million to $250.0 million. Under the new ABL Facility, $197.5 million is available to Ply Gem Industries and $15.0 million is available to Ply Gem Canada. All outstanding loans under the new ABL Facility are due and payable in full on January 26, 2016.

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

In addition to paying interest on outstanding principal under the new ABL Facility, Ply Gem Industries is required to pay a commitment fee, in respect of the unutilized commitments thereunder, which fee will be determined based on utilization of the new ABL Facility (increasing when utilization is low and decreasing when utilization is high). Ply Gem Industries must also pay customary letter of credit fees equal to the applicable margin on Eurodollar loans and agency fees. The new ABL Facility eliminated the interest rate floor that existed in the prior ABL Facility. As of September 29, 2012, the Company's interest rate on the new ABL Facility was approximately 2.9%. The new ABL Facility contains a requirement to maintain a fixed charge coverage ratio of 1.0 to 1.0 if the Company's excess availability is less than the greater of (a) 12.5% of the lesser of (i) the commitments and (ii) the borrowing base and (b) $17.5 million. The new ABL Facility also contains a cash dominion requirement if the Company's excess availability is less than the greater of (a) 15.0% of the lesser of (i) the commitments and (ii) the borrowing base and (b) $20.0 million (or $17.5 million for the months of January, February and March).

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

The new ABL Facility contains certain covenants that limit the ability of the Company and its subsidiaries to incur additional indebtedness, pay dividends or make other distributions or repurchase or redeem their stock, make loans and investments, sell assets, incur certain liens, enter into transactions with affiliates, and consolidate, merge or sell assets. In particular, the Company is permitted to incur additional debt in limited circumstances, including senior secured notes in an aggregate principal amount not to exceed $875.0 million, permitted subordinated indebtedness in an aggregate principal amount not to exceed $75.0 million at any time outstanding (subject to the ability to incur additional permitted subordinated debt provided that immediately after giving effect to such incurrence excess availability is more than 25% of the lesser of the total borrowing base and the aggregate commitments and Ply Gem Industries is in pro forma compliance with the fixed charge coverage ratio), purchase money indebtedness in an aggregate amount not to exceed $15.0 million at any one time outstanding, debt of foreign subsidiaries (other than Canadian subsidiaries) in an aggregate amount not to exceed $2.5 million at any one time outstanding, and the refinancing of other debt under certain circumstances. In addition, Ply Gem Industries is limited in its ability to pay dividends or make other distributions to Ply Gem Holdings. Permitted dividends and distributions include those used to redeem equity of its officers (including approximately $12.6 million of repurchases from certain executive officers), directors or employees under certain circumstances, to pay taxes, to pay operating and other corporate overhead costs and expenses in the ordinary course of business in an aggregate amount not to exceed $2.0 million in any calendar year plus reasonable and customary indemnification claims of its directors and executive officers and to pay fees and expenses related to any unsuccessful debt or equity offering. Ply Gem Industries may also make additional payments to Ply Gem Holdings that may be used by Ply Gem Holdings to pay dividends or other distributions on its stock under the new ABL Facility so long as before and after giving effect to such dividend or other distribution excess availability is greater than 25% of the lesser of the total borrowing base and the aggregate commitments and Ply Gem Industries is in pro forma compliance with the consolidated fixed charge coverage ratio.

On September 21, 2012, Ply Gem Industries completed an amendment to its ABL Facility to permit the refinancing of its 13.125% Senior Subordinated Notes with unsecured notes rather than subordinated notes. No other terms or provisions were modified or changed in conjunction with this amendment.

As of September 29, 2012, Ply Gem Industries had approximately $151.2 million of contractual availability and approximately $107.4 million of borrowing base availability under the new ABL Facility, reflecting $55.0 million of borrowings outstanding and approximately $6.3 million of letters of credit and priority payables reserves.

Senior Secured Asset-Based Revolving Credit Facility due 2013

Concurrently with the 11.75% Senior Secured Notes offering on June 9, 2008, Ply Gem Industries, Ply Gem Holdings and the subsidiaries of Ply Gem Industries entered into an ABL Facility. The prior ABL Facility initially provided for revolving credit financing of up to $150.0 million, subject to borrowing base availability, with a maturity of five years (June 2013) including sub-facilities for letters of credit, swingline loans, and borrowings in Canadian dollars and U.S. dollars by Ply Gem Canada. In July 2009, the Company amended the prior ABL Facility to increase the available commitments by $25.0 million from $150.0 million to $175.0 million. As of September 29, 2012, there were no outstanding borrowings under the prior ABL Facility, as it was replaced with the new ABL Facility on January 26, 2011.

13.125% Senior Subordinated Notes due 2014

On January 11, 2010, Ply Gem Industries issued $150.0 million of 13.125% Senior Subordinated Notes at an approximate 3.0% discount, yielding proceeds of approximately $145.7 million. Ply Gem Industries used the proceeds of the offering to redeem approximately $141.2 million aggregate principal amount of its previous 9% Senior Subordinated Notes due 2012 and to pay certain related costs and expenses. The interest rate on these Notes was 13.125% and was paid semi-annually on January 15 and July 15 of each year.

On September 27, 2012, Ply Gem Industries used the net proceeds from the issuance of the 9.375% Senior Notes, together with cash on hand, aggregating $165.4 million, to satisfy and discharge its obligations under the 13.125% Senior Subordinated Notes and the indenture governing the 13.125% Senior Subordinated Notes. In addition, on September 27, 2012, Ply Gem Industries issued a notice of redemption to redeem all of the outstanding 13.125% Senior Subordinated Notes on October 27, 2012 at a redemption price equal to 106.5625% plus accrued and unpaid interest to the redemption date. The $165.4 million deposited with the trustee for the 13.125% Senior Subordinated Notes included a $9.8 million call premium and $5.7 million of accrued interest.

On October 27, 2012, the Company completed the redemption of all $150.0 million principal amount of the 13.125% Senior Subordinated Notes. The loss recorded as a result of the debt transactions is discussed in the section "Gain (loss) on debt modification or extinguishment" below.

9.375% Senior Notes due 2017

On September 27, 2012, Ply Gem Industries issued $160.0 million of 9.375% Senior Notes at par. Ply Gem Industries used the proceeds of the offering, together with cash on hand, to satisfy and discharge its obligations under the 13.125% Senior Subordinated Notes and the indenture governing the 13.125% Senior Subordinated Notes. The 9.375% Senior Notes will mature on April 15, 2017 and bear interest at the rate of 9.375% per annum. Interest will be paid semi-annually on April 15 and October 15 of each year. A portion of the early call premium and the original unamortized discount on the 13.125% Senior Subordinated Notes was recorded as a discount on the $160.0 million of 9.375% Senior Notes, given that the transaction was predominately accounted for as a loan modification.

Prior to October 15, 2014, Ply Gem Industries may redeem the 9.375% Senior Notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a "make-whole" premium. Prior to October 15, 2014, Ply Gem Industries may redeem up to 40% of the aggregate principal amount of the 9.375% Senior Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 109.375% of the aggregate principal amount of the 9.375% Senior Notes, plus accrued and unpaid interest, if any, provided that at least 60% of the aggregate principal amount of the 9.375% Senior Notes remains outstanding after the redemption. On or after October 15, 2014, and prior to October 15, 2015, Ply Gem Industries may redeem up to 100% of the aggregate principal amount of the 9.375% Senior Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 103% of the aggregate principal amount of the 9.375% Senior Notes, plus accrued and unpaid interest, if any. On or after October 15, 2015, Ply Gem Industries may redeem up to 100% of the aggregate principal amount of the 9.375% Senior Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 100% of the aggregate principal amount of the 9.375% Senior Notes, plus accrued and unpaid interest, if any to the redemption date. At any time on or after October 15, 2014, Ply Gem Industries may redeem the 9.375% Senior Notes, in whole or in part, at the declining redemption prices set forth in the indenture governing the 9.375% Senior Notes, plus accrued and unpaid interest, if any, to the redemption date.

The 9.375% Senior Notes are unsecured and equal in right of payment to all of our existing and future senior debt, including the ABL Facility and the 8.25% Senior Secured Notes. The 9.375% Senior Notes are unconditionally guaranteed on a joint and several basis by the Guarantors (other than certain unrestricted subsidiaries) on a senior unsecured basis. The guarantees are general unsecured obligations and are equal in right of payment to all existing senior debt of the Guarantors, including their guarantees of the 8.25% Senior Secured Notes and the ABL Facility. The 9.375% Senior Notes and guarantees are effectively subordinated to all of Ply Gem Industries' and the guarantors' existing and future secured indebtedness, including the 8.25% Senior Secured Notes and the ABL Facility, to the extent of the value of the assets securing such indebtedness.

The indenture governing the 9.375% Senior Notes contains certain covenants that limit the ability of Ply Gem Industries and its subsidiaries to incur additional indebtedness, pay dividends or make other distributions or repurchase or redeem their stock, make loans and investments, sell assets, incur certain liens, enter into transactions with affiliates, and consolidate, merge or sell Ply Gem Industries' assets. In particular, Ply Gem Industries may not incur additional debt (other than permitted debt in limited circumstances) unless, after giving effect to such incurrence, the consolidated interest coverage ratio would be at least 2.00 to 1.00. In the absence of satisfying the consolidated interest coverage ratio, Ply Gem Industries may only incur additional debt in limited circumstances, including, but not limited to, debt not to exceed the sum of (a) the greater of (i) $250.0 million and (ii) the borrowing base as of date of such incurrence; purchase money indebtedness in an aggregate amount not to exceed the greater of $35.0 million and 20% of consolidated net tangible assets at any one time outstanding; debt of foreign subsidiaries in an aggregate amount not to exceed $30.0 million at any one time outstanding; debt pursuant to a general debt basket in an aggregate amount not to exceed $50.0 million at any one time outstanding; and the refinancing of other debt under certain circumstances. In addition, Ply Gem Industries is limited in its ability to pay dividends or make other distributions to Ply Gem Holdings. Permitted dividends and distributions include those used to redeem equity of officers, directors or employees under certain circumstances, to pay taxes, to pay out-of-pocket costs and expenses in an aggregate amount not to exceed $2.0 million in any calendar year, to pay customary and reasonable costs and expenses of an offering of securities that is not consummated and other dividends or distributions of up to $20.0 million.

Gain (loss) on debt modification or extinguishment

As a result of the 9.375% Senior Notes issuance and the transactions relating to the 13.125% Senior Subordinated Notes in September 2012, the Company performed an analysis to determine the proper accounting treatment for this transaction. Specifically, the Company evaluated each creditor with ownership in both the 13.125% Senior Subordinated Notes and the 9.375% Senior Notes to determine whether the transaction should be accounted for as a modification or an extinguishment of debt as it relates to each individual holder. The Company incurred an early call premium of approximately $9.8 million in connection with this transaction, of which approximately $8.3 million was recorded as a discount on the 9.375% Senior Notes and approximately $1.5 million was expensed as a loss on modification or extinguishment of debt in the condensed consolidated statement of operations for the three and nine months ended September 29, 2012. The Company also expensed approximately $0.3 million for the unamortized discount and $0.4 million for the unamortized debt issuance costs for the 13.125% Senior Subordinated Notes as a result of this transaction for the three and nine months ended September 29, 2012. The Company also incurred approximately $2.5 million of costs associated with this transaction, of which approximately $1.1 million was recorded as debt issuance costs and approximately $1.4 million was expensed as loss on modification or extinguishment of debt in the condensed consolidated statement of operations for the nine months ended September 29, 2012.

As a result of the 8.25% Senior Secured Notes issuance and purchase and redemption of the 11.75% Senior Secured Notes during 2011, we performed an analysis to determine the proper accounting treatment for this transaction. Specifically, we evaluated each creditor with ownership in both the 11.75% Senior Secured Notes and 8.25% Senior Secured Notes to determine whether the transaction was to be accounted for as a modification or an extinguishment of debt. We determined that this transaction resulted predominantly in a modification but in some instances as an extinguishment as some creditors did not participate in both the 11.75% Senior Secured Notes and 8.25% Senior Secured Notes. We incurred an early tender premium of approximately $49.8 million in conjunction with this transaction, of which approximately $38.9 million was recorded as a discount on the 8.25% Senior Secured Notes and approximately $10.9 million was expensed as a loss on extinguishment of debt in the consolidated statement of operations for the year ended December 31, 2011 and for the nine months ended October 1, 2011. We also expensed approximately $0.8 million for the unamortized discount and $2.8 million for the unamortized debt issuance costs for the 11.75% Senior Secured Notes in this transaction for the year ended December 31, 2011 and for the nine months ended October 1, 2011. We also incurred approximately $25.9 million of costs associated with this transaction, of which approximately $13.6 million was recorded as debt issuance costs and approximately $12.2 million was expensed as a loss on modification or extinguishment of debt in the condensed consolidated statement of operations for the year ended December 31, 2011 and for the nine months ended October 1, 2011.

As a result of the ABL Facility refinancing during the first quarter of 2011, we evaluated the proper accounting treatment for the debt issuance costs associated with the prior ABL Facility and the new ABL Facility as there were certain members of the loan syndication that existed in both facilities and other members who were not participants in the new ABL Facility. Based on this evaluation, we expensed approximately $1.2 million of debt issuance costs as a loss on modification or extinguishment of debt and recorded approximately $2.1 million of debt issuance costs for the year ended December 31, 2011 and for the nine months ended October 1, 2011.

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

December 31, 2010.

Based on these financing transactions, we recognized a loss on debt modification or extinguishment of approximately $27.9 million and a gain on debt extinguishment of approximately $98.2 million for the years ended December 31, 2011 and December 31, 2010, respectively, as summarized in the table below.

(Amounts in thousands)	For the Year Ended December 31, 2011	For the Year Ended December 31, 2010
Gain (loss) on extinguishment of debt:		
Tender premium	$(10,883)	$—
11.75% Senior Secured Notes unamortized discount	(775)	—
11.75% Senior Secured Notes unamortized debt issuance costs	(2,757)	—
	(14,415)	—
Carrying value of 9% Senior Subordinated Notes	—	360,000
9% Senior Subordinated Notes unamortized debt issuance costs	—	(5,780)
9% Senior Subordinated Notes unamortized premium	—	100
Reaquisition price of 9% Senior Subordinated Notes	—	(256,133)
	—	98,187
Loss on modification of debt:		
Third party fees for 8.25% Senior Secured Notes	(12,261)	—
Unamortized debt issuance costs for previous ABL Facility	(1,187)	—
	(13,448)	—
Total gain (loss) on modification or extinguishment of debt	$(27,863)	$98,187

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Based on these financing transactions, the Company recognized a loss on debt modification or extinguishment of approximately $3.6 million and $27.9 million for the nine months ended September 29, 2012 and October 1, 2011, respectively as summarized in the table below.

(Amounts in thousands)	For the Nine Months Ended September 29, 2012 (Unaudited)	For the Nine Months Ended October 1, 2011 (Unaudited)
Loss on extinguishment of debt:		
Tender premium associated with the 11.75% Senior Secured Notes	$—	$(10,883)
11.75% Senior Secured Notes unamortized discount	—	(775)
11.75% Senior Secured Notes unamortized debt issuance costs	—	(2,757)
13.125% Senior Subordinated Notes call premium	(1,487)	—
13.125% Senior Subordinated Notes unamortized discount	(372)	—
13.125% Senior Subordinated Notes unamortized debt issuance costs	(299)	—
	(2,158)	(14,415)
Loss on modification of debt:		
Third party fees for 8.25% Senior Secured Notes	—	(12,261)
Unamortized debt issuance costs for prior ABL Facility	—	(1,187)
Third party fees for 9.375% Senior Notes	(1,449)	—
	(1,449)	(13,448)
Total loss on modification or extinguishment of debt	$(3,607)	$(27,863)

Liquidity requirements

We intend to fund our ongoing capital and working capital requirements, including our internal growth, through a combination of cash flows from operations and, if necessary, from borrowings under our ABL Facility. We believe that we will continue to meet our liquidity requirements over the next 12 months. We believe that our operating units are positive cash flow generating units and will continue to sustain their operations without any significant liquidity concerns. The performance of these operating units is significantly impacted by the performance of the housing industry, specifically single family housing starts and home repair and remodeling activity. Any unforeseen or unanticipated downturn in the housing industry could have a negative impact on our liquidity position.

In order to meet these liquidity requirements as well as other anticipated liquidity needs in the normal course of business, as of September 29, 2012 we had cash and cash equivalents of approximately $28.1 million, $151.2 million of contractual availability under the ABL Facility and approximately $107.4 million of borrowing base availability. Management currently anticipates that these amounts, as well as expected cash flows from our operations and proceeds from any debt or equity financing should be sufficient to meet ongoing operational cash flow needs, capital expenditures, debt service obligations, and other fees payable under other contractual obligations for the foreseeable future.

Contractual Obligations

The following table summarizes our contractual cash obligations under financing arrangements and lease commitments, including interest amounts, as of December 31, 2011 as if the February 2012 debt transaction and September and October 2012 debt transactions had occurred as of December 31, 2011. Interest on the notes and the 8.25% Senior Secured Notes is fixed. Interest on the ABL Facility is variable and has been presented at the current rate of approximately 2.8%. Actual interest rates for future periods may differ from those presented here.

(Amounts in thousands)	Total Amount	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Long-term debt (1)	$ 1,055,000	$ —	$ —	$ 215,000	$ 840,000
Interest payments (2)	513,187	89,298	181,339	138,600	103,950
Non-cancelable lease commitments (3)	120,222	18,979	31,800	21,963	47,480
Purchase obligations (4)	1,970	1,970	—	—	—
Other long-term liabilities (5)	25,770	2,577	5,154	5,154	12,885
	$ 1,716,149	$ 112,824	$ 218,293	$ 380,717	$ 1,004,315

(1) Long-term debt is shown before discount, and consists of the notes, our 8.25% Senior Secured Notes, and the ABL Facility. For more information concerning the long-term debt, see "—Liquidity and Capital Resources" above.

(2) Interest payments for variable interest debt are based on current interest rates.

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

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

(5) Other long term liabilities include pension obligations which are estimated based on our 2012 annual funding requirement. Because we are unable to reliably estimate the timing of future tax payments related to uncertain tax positions, certain tax related obligations of approximately $3.5 million have been excluded from the table above.

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

In addition to the items listed in the Contractual Obligations table listed above, we have a potential obligation related to certain tax issues of approximately $3.9 million, including interest of approximately $0.9 million. The timing of the potential tax payments is unknown.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Inflation; Seasonality

Our performance is dependent to a significant extent upon the levels of home repair and remodeling and new home construction spending, all of which are affected by such factors as interest rates, inflation, consumer confidence and unemployment. We do not believe that inflation has had a material impact on our business, financial condition or results of operations during the past three fiscal years.

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

Recent Accounting Pronouncements

See Note 1 of the notes to consolidated financial statements for recent accounting pronouncements, which are hereby incorporated by reference into this section.

Quantitative and Qualitative Disclosures about Market Risk

Interest rate risk

Our principal interest rate exposure relates to the loans outstanding under our new ABL Facility, which provides for borrowings of up to $212.5 million, bearing interest at a variable rate, based on an adjusted LIBOR rate plus an applicable interest margin or the base rate plus an applicable interest margin. Assuming the ABL Facility is fully drawn, each quarter point increase or decrease in the interest rate would change our interest expense by approximately $0.5 million per year. At September 29, 2012, we were not party to any interest rate swaps to manage our interest rate risk. In the future, we may enter into interest rate swaps, involving exchange of floating for fixed rate interest payments, to reduce our exposure to interest rate volatility.

Foreign currency risk

Our results of operations are affected by fluctuations in the value of the U.S. dollar as compared to the value of the Canadian dollar. For the nine months ended September 29, 2012, the net impact of foreign currency changes to our results of operations was a gain of $0.3 million. The impact of foreign currency changes related to translation resulted in a decrease in stockholders' deficit of approximately $1.0 million for the nine months ended September 29, 2012. The revenue or expense reported by us as a result of currency fluctuations will be greater in times of U.S. dollar devaluation and less in times of U.S. dollar appreciation. We generally do not enter into derivative financial instruments to manage foreign currency exposure. At September 29, 2012, we did not have any significant outstanding foreign currency hedging contracts.

Commodity pricing risk

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

Inflation

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

Consumer and commercial credit

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

BUSINESS

Company Overview

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

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

History

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

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

- On August 27, 2004, Ply Gem acquired MWM Holding, a manufacturer of vinyl, wood, wood-clad, composite, impact and aluminum windows.

- On February 24, 2006, Ply Gem acquired Alenco, a manufacturer of aluminum and vinyl windows products. This acquisition supported our national window strategy and today operates under common leadership with our other U.S. window businesses.

- On October 31, 2006, Ply Gem completed the acquisition of MHE (formerly known as Alcoa Home Exteriors), a leading manufacturer of vinyl siding, aluminum siding, injection molded shutters and vinyl, aluminum and injection molded accessories. MHE is part of our Siding, Fencing, and Stone segment and operates under common leadership with our siding business.

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

- On October 31, 2008, Ply Gem acquired substantially all of the assets of Ply Gem Stone (formerly United Stone Veneer), a manufacturer of stone veneer products. Ply Gem Stone is part of our Siding, Fencing, and Stone segment and operates under common leadership with our siding business.
- On July 30, 2012, Ply Gem acquired substantially all of the assets of Greendeck Products, LLC, a composite products development company.

Business Strategy

We are pursuing the following business and growth strategies:

- Capture Growth Related to Housing Market Recovery. As a leading manufacturer of exterior building products, we intend to capitalize on the recovery in new construction and home repair and remodeling. The National Association of Home Builders' ("NAHB") 2011 estimate of single family housing starts was 434,000, which was approximately 62% below the 50-year average, representing a significant opportunity for growth as activity improves to rates that are more consistent with historical levels. The NAHB's September 2012 forecast reflects this growth opportunity, with single family housing starts estimated to increase to 528,000 for 2012, which is an increase of approximately 21.5% from 2011. Furthermore, we believe that the underinvestment in homes during the recent recession and the overall age of the U.S. housing stock will drive significant future spending for home repair and remodeling.

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

- Continue to Increase Market Penetration. We intend to increase the market penetration of our siding, fencing, and stone products and our window and door products by leveraging the breadth of our product offering and broad geographical footprint to serve customers across North America and by pursuing cross-selling opportunities. Additionally, our continued investments in product innovation and quality, coupled with strong customer service, further enhance our ability to capture increased sales in each of our core product categories. For example, based on internal estimates and industry experience, in 2011 we increased our penetration of the U.S. vinyl siding market to approximately 36.0% from 32.3% in 2010 due in part to a significant customer win in the retail sales channel as well as a new business win from a top national builder that represented an existing top 10 customer in our window business. We believe that this demonstrates the substantial opportunity across our product categories to cross-sell and bundle products, thereby increasing revenues from our existing channel partners and industry relationships. Another example of this cross-selling opportunity was the introduction in 2010 of a new line of vinyl windows under our Ply Gem brand as well as under our Mastic Home Exteriors brand, historically associated with vinyl siding products. We expect to build upon our share gains as the housing market recovers from its current low levels and to further enhance our leading positions.

- Expand Brand Coverage and Product Innovation. We will continue to increase the value of the Ply Gem brands by introducing new product categories for our customers and by developing innovative new products within our existing product categories. For example, we have developed a complete series of window products under the Ply Gem brand to target the higher margin home repair and remodeling window end market. Furthermore, our 2008 addition of stone veneer to our product offering in the Siding, Fencing, and Stone segment provides existing siding customers with access to the fastest growing category of exterior cladding products.

Our new products frequently receive industry recognition, as evidenced by our Ply Gem Mira aluminum-clad wood window receiving top Product Pick at the International Builder's Show in 2008, our Cedar Discovery designer accent product and Ovation vinyl siding product being named among the top 100 products in 2009 by leading industry publications, and our Ply Gem Stone True Stack and Designed Exterior Studio being named among the 101 best new products by Professional Builder and Professional Remodeler publications in 2012. The result of our commitment to product development and innovation has been demonstrated in the $310.1 million of incremental annualized sales that we recognized for new products introduced from 2009 to 2011.

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

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

Industry Overview

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

New home construction

New construction in the United States experienced strong growth from the early 1990s to 2006, with housing starts increasing at a compounded annual growth rate of 3.8%. However, from 2006 to 2011, single family housing starts declined 71% according to the NAHB. While the industry has experienced a period of severe correction and downturn, management believes that the long-term economic outlook for new construction in the United States is favorable and supported by an attractive interest rate environment and strong demographics, as new household formations and increasing immigration drives demand for starter homes. According to the Joint Center for Housing Studies of Harvard University, net new household formations between 2010 and 2020 are expected to be approximately 11.8 million units. Favorable demographic trends and historically low interest rates should be stimulants for new construction demand in the United States.

During 2010, the Federal First-Time and Repeat Home Buyer Tax Credit programs provided a stimulant for housing demand during the first half of 2010 as the program expired on April 30, 2010. According to the U.S. Census Bureau, single family housing starts increased by approximately 27.0% during the first half of 2010 compared to the first half of 2009, while single family housing starts for the second half of 2010 decreased by approximately 11.7% compared to the second half of 2009. During 2011, single family housing starts declined by approximately 7.9% to 434,000 compared to 2010. The NAHB is currently forecasting single family housing starts to increase in 2012 and 2013 by 21.5% and 26.0%, respectively. In addition, new construction in Canada is expected to benefit from similar demand stimulants as new construction in the United States, such as strong demographic trends and historically low interest rate levels. According to the Canadian Mortgage and Housing Corporation (“CMHC”), housing starts in Alberta, Canada are estimated to increase by approximately 15.8% in 2012, demonstrating the recovery in new construction in Western Canada.

Home repair and remodeling

Since the early 1990s and through 2006, demand for home repair and remodeling products in the United States increased at a compounded annual growth rate of 4.3%, according to the U.S. Census Bureau, as a result of strong economic growth, low interest rates and favorable demographics. However, beginning in 2007 the ability for homeowners to finance repair and remodeling expenditures, such as replacement windows or vinyl siding, has been negatively impacted by a general tightening of lending requirements by financial institutions and the significant decrease in home values, which limited the amount of home equity against which homeowners could borrow. Management believes that expenditures for home repair and remodeling products are also affected by consumer confidence that continued to be depressed during 2011 and into 2012 due to general economic conditions and high unemployment levels. Although certain aspects of the federal stimulus plan enacted in early 2009, such as energy saving tax credits and Homestar, may have encouraged some consumers to make home improvements, including the replacement of older windows with newer more energy-efficient windows, management believes that these favorable measures were offset during 2010 by the effects of high unemployment, limited availability of consumer financing and lower consumer confidence levels. However, management believes the long-term economic outlook of the demand for home repair and remodeling products in the United States is favorable and supported by the move towards more energy-efficient products, recent underinvestment in home maintenance and repair, and an aging housing stock.

Description of Business

Financial information about our segments is included in the notes to consolidated financial statements and incorporated herein by reference.

Siding, Fencing, and Stone segment

Products

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

	Mastic® Home Exteriors	Variform®	Napco®	Cellwood®	Durabuilt®	Georgia Pacific	Kroy®	Ply Gem® Stone
Specialty/Super Premium	Cedar Discovery® Structure® EPS Premium Insulated Siding	Heritage Cedar™ CSL 600®	Cedar Select® American Essence™	Cedar Dimensions™	670 Series™ Hand Split 650 Series™ Shingle Siding 660 Series™ Round Cut	Cedar Spectrum™ Seasons		Fieldstone Tuscan Fieldstone Shadow Ledgestone Cut Cobblestone

					Siding			Cobblestone Ridgestone Riverstone Brick
Premium	Quest® T-Lok® Barkwood® Liberty Elite® Board + Batten	Timber Oak Ascent™ Vortex Extreme™ Board + Batten	American Splendor® Board + Batten™	Dimensions® Board + Batten	480 Series™ 440 Series™	Cedar Lane® Select Board + Batten	Elegance Vinyl Fence and Composite Rail	
Standard	Carvedwood 44™ Silhouette Classic® Ovation™ Charleston Beaded®	Camden Pointe® Nottingham® Ashton Heights® Victorian Harbor®	American Herald® American Tradition American 76 Beaded®	Progressions® Colonial Beaded	450 Series™ Beaded	Heritage Hill™ Forest Ridge® Shadow Ridge® Castle Ridge® Somerset™ Beaded	Performance Vinyl Fence and Rail	
Economy	Mill Creek® Brentwood® Trade Mark®	Contractors Choice®	American Comfort®	Evolutions®	410 Series™	Chatham Ridge® Vision Pro® Parkside® Oakside®	Classic Vinyl Fence	

The breadth of our product lines and our multiple brand and price point strategy enable us to target multiple distribution channels (wholesale and specialty distributors, retailers and manufactured housing) and end users (new construction and home repair and remodeling).

Customers and distribution

We have a multi-channel distribution network that serves both the new construction and the home repair and remodeling sectors, which exhibit different, often counter-balancing, demand characteristics. In conjunction with our multiple brand and price point strategy, we believe our multi-channel distribution strategy enables us to increase our sales and sector penetration while minimizing channel conflict. We believe our strategy reduces our dependence on any one channel, which provides us with a greater ability to sustain our financial performance through economic fluctuations.

We sell our siding and accessories to specialty distributors (one-step distribution) and to wholesale distributors (two-step distribution). Our specialty distributors sell directly to remodeling contractors and builders. Our wholesale distributors sell to retail home centers and lumberyards who, in turn, sell to remodeling contractors, builders and consumers. In the specialty channel, we have developed an extensive network of approximately 800 independent distributors, serving over 22,000 contractors and builders nationwide. We are well-positioned in this channel as many of these distributors are both the largest and leading consolidators in the industry. In the wholesale channel, we are the sole supplier of vinyl siding and accessories to BlueLinx (formerly a distribution operation of the Georgia-Pacific Corporation), one of the largest building products distributors in the United States. Through BlueLinx and our BlueLinx dedicated sales force, our Georgia-Pacific private label vinyl siding products are sold at major retail home centers, lumberyards and manufactured housing manufacturers. A portion of our siding and accessories is also sold directly to home improvement centers. Our growing customer base of fencing and railing consists of fabricators, distributors, retail home centers and lumberyards. Our customer base of stone veneer products consists of distributors, lumberyards, retailers and contractors.

Our largest customer comprised 14.7% and 14.8% of the net sales of our Siding, Fencing, and Stone segment for the years ended December 31, 2011 and 2010, respectively.

Production and facilities

Vinyl siding, skirting, soffit and accessories are manufactured in our Martinsburg, West Virginia, Jasper, Tennessee, Stuarts Draft, Virginia and Kearney, Missouri facilities, while all metal products are produced in our Sidney, Ohio facility. The majority of our injection molded products such as shakes, shingles, scallops, shutters, vents and mounts are manufactured in our Gaffney, South Carolina facility. The vinyl and metal plants have sufficient capacity to support planned levels of sales growth for the foreseeable future. Our fencing and railing products are currently manufactured at our York, Nebraska and Fair Bluff, North Carolina facilities. The fencing and railing plants have sufficient capacity to support our planned sales growth for the foreseeable future. Our stone veneer products are manufactured at our Middleburg, Pennsylvania facility. Our manufacturing facilities are among the safest in all of North America with three of them having received the highest federal and/or state OSHA safety award and rating.

Raw materials and suppliers

PVC resin and aluminum are major components in the production of our Siding, Fencing, and Stone products. PVC resin and aluminum are commodity products and are available from both domestic and international suppliers. Changes in PVC resin and aluminum prices have a direct impact on our cost of products sold. Historically, we have been able to pass on the price increases to our customers. The results of operations for individual quarters can be negatively impacted by a delay between the time of raw material cost increases and price increases that we implement in our products, or conversely can be positively impacted by a delay between the time of a raw material price decrease and competitive pricing moves that we implement accordingly.

Competition

We compete with other national and regional manufacturers of vinyl siding, fencing, and stone products. We believe we are currently the largest manufacturer of vinyl siding in North America. Our vinyl siding competitors include CertainTeed, Alside, Royal Building Products and smaller, regional competitors. Based on our internal estimates and industry experience, we believe that we have increased our penetration of the U.S. vinyl siding end market in 2011 by 3.7% to approximately 36.0% of total unit sales as compared to approximately 32.3% in 2010. Our aluminum accessories competitors include Alsco, Gentek and other smaller regional competitors. Significant growth in vinyl fencing and railing has attracted many new entrants, and the sector today is fragmented. Our fencing and railing competitors include U.S. Fence, Homeland, Westech, Bufftech, and Azek. Our stone veneer competitors include Boral, Eldorado Stone, Coronado Stone and smaller, regional competitors. We generally compete on product quality, breadth of product offering, sales and service support. In addition to competition from other vinyl siding, fencing and stone products, our products face competition from alternative materials, such as wood, metal, fiber cement and masonry siding. Increases in competition from other exterior building products manufacturers and alternative building materials could cause us to lose customers and lead to net sales decreases.

Intellectual property

We possess a wide array of intellectual property rights, including patents, trademarks, tradenames, proprietary technology and know-how and other proprietary rights. In connection with the marketing of our products, we generally obtain trademark protection for our brand names in the Siding, Fencing, and Stone segment. Depending on the jurisdiction, trademarks are valid as long as they are in use and/or their registrations are properly maintained and they have not become generic. Registrations of trademarks can generally be renewed indefinitely as long as the trademarks are in use. While we do not believe the Siding, Fencing, and Stone segment is dependent on any one of our trademarks, we believe that our trademarks are important to the development and conduct of our business as well as the marketing of our products. We vigorously protect all of our intellectual property rights.

Seasonality

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 a portion of our overhead and expenses 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 delayed profit margins when such conditions exist.

We generally carry increased working capital during the first half of a fiscal year to support those months where customer demand exceeds production capacity. We believe that this is typical within the industry.

Backlog

Our Siding, Fencing, and Stone segment had a backlog of approximately $8.5 million at December 31, 2011, and a backlog of approximately $7.5 million at December 31, 2010. The backlog for our Siding, Fencing, and Stone segment was approximately $13.0 million as of September 29, 2012. We expect to fill 100% of the orders during 2012 that were included in our backlog at December 31, 2011 and September 29, 2012.

Windows and Doors segment

Products

In our Windows and Doors segment, our principal products include vinyl, aluminum, wood and clad-wood windows and patio doors and steel, wood, and fiberglass entry doors that serve both the new construction and the home repair and remodeling sectors in the United States and Canada. Our products in our Windows and Doors segment are sold under the Ply Gem® Windows, Great Lakes® Window, Mastic® by Ply Gem, and Ply Gem® Canada brands. In the past, we have also sold our windows and doors under our CWD Windows and Doors brand names. A summary of our current product lines is presented below according to price point:

	Ply Gem U.S. Windows		Mastic by Ply Gem	Great Lakes Window	Ply Gem Canada
	New Construction	Replacement		Replacement	New Construction
Specialty/ Super-Premium	Mira® Premium Series	Select Series	Mastic 5000 Series	Uniframe® EcoSMART	Regency® Ambassador® Fusion®
Premium	Pro Series - West	Premium Series	Mastic 4000 Series	Lifestyles®	Envoy® Diplomat® Concorde®
Standard	Pro Series - East	Pro Series	Mastic 3000 Series	Seabrooke®	Pro Series
Economy	Builder Series	Contractor Series		Bayshore®	

We continue introducing new products to the portfolio which allow us to enter or further penetrate new distribution channels and customers. The breadth of our product lines and our multiple price point strategy enable us to target multiple distribution channels (wholesale and specialty distributors, retailers and manufactured housing) and end user markets (new construction and home repair and remodeling).

Customers and distribution

We have a multi-channel distribution and product strategy that enables us to serve both the new construction and the home repair and remodeling sectors. By offering this broad product offering and industry leading service, we are able to meet the local needs of our customers on a national scale. This strategy has enabled our customer base (existing and new) to simplify their supply chain by consolidating window suppliers. Our good, better, best product and price point strategy allows us to increase our sales and sector penetration while minimizing channel conflict. This strategy reduces our dependence on any one channel, providing us with a greater ability to sustain our financial performance through economic fluctuations.

The new construction product lines are sold for use in new residential and light commercial construction through a highly diversified customer base, which includes independent building material dealers, regional/national lumberyard chains, builder direct/OEMs and retail home centers. Our repair and remodeling window products are primarily sold through independent home improvement dealers, one-step distributors, and big box retail outlets. Dealers typically market directly to homeowners or contractors in connection with remodeling requirements while distributors concentrate on local independent retailers.

In Canada, sales of product lines for new construction are predominantly made through direct sales to builders and contractors, while sales for repair and remodeling are made primarily through retail lumberyards. Ply Gem Canada products are distributed through nine company-owned distribution centers.

Our sales to our top five largest window and door customers represented 28.9% and 26.9% of the net sales of our Windows and Doors segment for the years ended December 31, 2011 and 2010, respectively.

Production and facilities

Our window and door products leverage a network of vertically integrated production and distribution facilities located in Virginia, Ohio, North Carolina, Georgia, Texas, California, Washington and Alberta, Canada. Our window and door manufacturing facilities have benefited from our continued investment and commitment to product development and product quality combined with increasing integration of best practices across our product offerings. In 2010, we began producing vinyl compound for our west coast facilities which improved our operating efficiency and resulted in lower production cost for these items. In 2010, we continued making upgrades to insulated glass production lines in anticipation of more stringent energy efficiency requirements driven by changes in building codes and consumer demand for Energy Star rated products.

While market conditions required us to close three facilities in 2009, all of our facilities have the ability to increase capacity in a cost effective manner by expanding production shifts. Ongoing capital investments will focus upon new product introductions and simplification, equipment maintenance and cost reductions. Our manufacturing facility in Western Canada received the highest provincial safety award during 2010, demonstrating our commitment to safety.

Raw materials and suppliers

PVC compound, wood, aluminum and glass are major components in the production of our window and door products. These products are commodity products available from both domestic and international suppliers. Historically, changes in PVC compound, aluminum billet and wood cutstock prices have had the most significant impact on our material cost of products sold in our Windows and Doors segment. We are one of the largest consumers of PVC resin in North America and we continue to leverage our purchasing power on this key raw material. The PVC resin compound that is used in our window lineal production is produced internally. The leveraging of our PVC resin buying power and our PVC resin compounding capabilities benefits all of our window companies. Our window plants have consolidated glass purchases to take advantage of strategic sourcing savings opportunities. In addition, we have continued to vertically integrate aluminum extrusion in our window plants.

Competition

The window and patio door sector remains fragmented, comprised primarily of local and regional manufacturers with limited product offerings. The sector’s competitors in the United States include national brands, such as Jeld-Wen, Simonton, Pella and Andersen, and numerous regional brands, including MI Home Products, Atrium, Weathershield and Milgard. Competitors in Canada include Jeld-Wen, Gienow, All Weather and Loewen. We generally compete on service, product performance, a complete product offering, sales and support. We believe all of our products are competitively priced and that we are one of the only manufacturers to serve all end markets and price points.

Intellectual property

We possess a wide array of intellectual property rights, including patents, trademarks, tradenames, proprietary technology and know-how and other proprietary rights. In connection with the marketing of our products, we generally obtain trademark protection for our brand names in the Windows and Doors segment. Depending on the jurisdiction, trademarks are valid as long as they are in use and/or their registrations are properly maintained and they have not become generic. Registrations of trademarks can generally be renewed indefinitely as long as the trademarks are in use. While we do not believe the Windows and Doors segment is dependent on any one of our trademarks, we believe that our trademarks are important to the Windows and Doors segment and the development and conduct of our business as well as the marketing of our products. We vigorously protect all of our intellectual property rights.

Seasonality

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. Accordingly, our working capital is typically higher in the second and third quarters as well. 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 delayed profit margins when such conditions exist.

Because we have successfully implemented lean manufacturing techniques and many of our windows and doors are made to order, inventories in our Windows and Doors segment do not change significantly with seasonal demand.

Backlog

Our Windows and Doors segment had a backlog of approximately $19.4 million at December 31, 2011, and approximately $16.9 million at December 31, 2010. The backlog for our Windows and Doors segment was approximately $29.2 million as of September 29, 2012. We expect to fill 100% of the orders during 2012 that were included in our backlog at December 31, 2011 and September 29, 2012.

Environmental and Other Regulatory Matters

Our facilities are subject to numerous United States and Canadian federal, state, provincial and local laws and regulations relating to pollution and the protection of the environment, including those governing emissions to air, discharges to water, use, storage and transport of hazardous materials, storage, treatment and disposal of waste, remediation of contaminated sites, and protection of worker health and safety. From time to time, our facilities are subject to investigation by governmental regulators. In addition, we have been identified as one of many potentially responsible parties for contamination present at certain offsite locations to which we or our predecessors are alleged to have sent hazardous materials for recycling or disposal. We may be held liable, or incur fines or penalties in connection with such requirements or liabilities for, among other things, releases of hazardous substances occurring on or emanating from current or formerly owned or operated properties or any associated offsite disposal location, or for known or newly-discovered contamination at any of our properties from activities conducted by previous occupants. The amount of such liability, fine or penalty may be material. Certain environmental laws impose strict, and under certain circumstances joint and several, liability for the cost of addressing releases of hazardous substances upon certain classes of persons, including site owners or operators and persons that disposed or arranged for the disposal of hazardous substances at contaminated sites.

We believe that our current operations are in substantial compliance with all applicable environmental laws and that we maintain all material permits required to operate our business.

Based on available information, we do not believe that any known compliance obligations, claims, releases or investigations will have a material adverse effect on our results of operations, cash flows or financial position. However, there can be no guarantee that previously known or newly-discovered matters or any inability to enforce our available indemnification rights against previous owners of our subsidiaries will not result in material costs or liabilities.

Under the stock purchase agreement governing the Ply Gem acquisition, our former parent, Nortek, has agreed to indemnify us, subject to certain limitations, for environmental liabilities arising from our former ownership or operation of subsidiaries or properties where such ownership or operation ceased prior to the completion of the Ply Gem acquisition and for certain other liabilities. Our ability to seek indemnification from Nortek is, however, limited by the strength of Nortek's financial condition, which could change in the future, as well as by limits to any such indemnities or obligations. 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 and Alberta Environment (arising from subsurface contamination discovered at our Calgary, Alberta property), and we may in the future be subject to environmental proceedings involving Thermal-Gard, Inc. (arising from groundwater contamination in Punxsutawney, Pennsylvania), Kroy Building Products, Inc. (relating to contamination in a drinking water well in York, Nebraska), and Mastic Home Exteriors, Inc. (relating to a closed landfill site in Sidney, Ohio). Under the stock purchase agreement governing the Ply Gem acquisition, Nortek has agreed to indemnify us fully for any liability in connection with the Punxsutawney contamination. Alcan Aluminum Corporation assumed the obligation to indemnify us with respect to certain liabilities for environmental contamination of the York property occurring prior to 1994 when it sold the property to us in 1998. Our former subsidiary, Hoover Treated Wood Products, Inc., is involved in an environmental proceeding with the Georgia Department of Natural Resources in connection with a contaminated landfill site in Thomson, Georgia. While we had assumed an obligation to indemnify the purchaser of our former subsidiary when we sold Hoover Treated Wood Products, Inc., our obligation has been novated and assumed by Nortek. Our ability to seek indemnification or enforce other obligations is, however, limited by the strength of the financial condition of the indemnitor or responsible party, which could change in the future, as well as by limits to any such indemnities or obligations.

On February 24, 2011, MW Manufacturers Inc. ("MW"), a subsidiary of MWM Holding, received a draft Administrative Order on Consent from the United States Environmental Protection Agency (the "EPA"), Region III, under Section 3008(h) of the Resource Conservation and Recovery Act (RCRA) relating to contamination associated with an underground storage tank formerly located at its Rocky Mount, Virginia property. MW finalized the Administrative Order on Consent with the EPA, Region III, and it became effective on September 12, 2011. As part of the Administrative Order on Consent, during the fourth quarter, MW provided the EPA with a preliminary cost estimate of approximately $1.8 million over the remediation period. Certain liabilities for this subject contamination have been previously assumed by U.S. Industries, Inc., pursuant to its indemnity obligation under the stock purchase agreement dated August 11, 1995, whereby U.S. Industries, Inc. sold the stock of MW to Fenway Partners. As the successor-in-interest of Fenway Partners, we are similarly indemnified by U.S. Industries, Inc. Our ability to seek indemnification from U.S. Industries is, however, limited by the terms of the indemnity as well as the strength of U.S. Industries' financial condition, which could change in the future.

In addition, under the stock purchase agreement governing the MWM Holding acquisition, the sellers agreed to indemnify us for the first $250,000 in certain costs of compliance with the New Jersey Industrial Site Recovery Act at a facility of MW in Hammonton, New Jersey and for 75% of any such costs between $250,000 and $5.5 million. Our ability to seek indemnification or enforce other obligations is, however, limited by the strength of the financial condition of the indemnitor or responsible party, which could change in the future, as well as by limits to any such indemnities or obligations.

We voluntarily comply with the Vinyl Siding Institute (“VSI”) Certification Program with respect to our vinyl siding and accessories. Under the VSI Certification Program, third party verification and certification, provided by Architectural Testing, Inc. (“ATI”), is used to ensure uniform compliance with the minimum standards set by the American Society for Testing and Materials (“ASTM”). Those products compliant with ASTM specifications for vinyl siding will perform satisfactorily in virtually any environment. Upon certification, products are added to the official VSI list of certified products and are eligible to bear the official VSI certification logo.

Employees

As of September 29, 2012, we had 4,661 full-time employees worldwide, of whom 4,216 were in the United States and 445 were in Canada. While employees at our Canadian plant and our Bryan, Texas plant are currently our only employees with whom we have a collective bargaining agreement, we are currently in the process of negotiating a collective bargaining agreement with a recently elected union at our distribution facility in British Columbia, Canada.

- Approximately 4.6% of our total employees are represented by the United Brotherhood of Carpenters and Joiners of America, pursuant to a collective bargaining agreement with certain of our Canadian employees, which expires on December 31, 2014.
- Approximately 8.5% of our total employees are represented by the International Chemical Workers Union Council, pursuant to a collective bargaining agreement with certain of our Alenco Windows employees, which expires in December 2013.

Financial Information about Geographic Areas

All of the Company's operations are located in the United States and Canada. Revenue from external customers for the nine months ended September 29, 2012 consisted of:

- $793.1 million from United States customers
- $57.3 million from Canadian customers
- $2.3 million from all other foreign customers

Revenue from external customers for the year 2011 consisted of:

- $959.2 million from United States customers
- $70.9 million from Canadian customers
- $4.8 million from all other foreign customers

Revenue from external customers for the year 2010 consisted of:

- $915.5 million from United States customers
- $75.9 million from Canadian customers
- $4.5 million from all other foreign customers

Revenue from external customers for the year 2009 consisted of:

- $882.9 million from United States customers
- $65.0 million from Canadian customers

- $3.5 million from all other foreign customers

At September 29, 2012, December 31, 2011, 2010, and 2009, long-lived assets totaled approximately $17.4 million, $17.1 million, $18.0 million, and $17.5 million, respectively, in Canada, and $607.1 million, $630.9 million, $667.5 million, and $729.7 million, respectively, in the United States. We are exposed to risks inherent in any foreign operation, including foreign exchange rate fluctuations.

Properties

Our corporate headquarters is located in Cary, North Carolina. We own and lease several additional properties in the U.S. and Canada. We operate the following facilities as indicated, and each facility is leased unless indicated with "Owned" under the Lease Expiration Date column below.

Location	Square Footage	Facility Use	Lease Expiration Date
Siding, Fencing, and Stone Segment			
Jasper, TN	270,000	Manufacturing and Administration	Owned
Fair Bluff, NC (1)	198,000	Manufacturing and Administration	09/30/2024
Kearney, MO (1)	175,000	Manufacturing and Administration	09/30/2024
Kansas City, MO	125,000	Warehouse	12/31/2013
Valencia, PA (2)	104,000	Manufacturing and Administration	09/30/2024
Martinsburg, WV (1)	163,000	Manufacturing and Administration	09/30/2024
Martinsburg, WV	165,000	Warehouse	04/14/2016
York, NE (1)	76,000	Manufacturing	09/30/2024
Stuarts Draft, VA	257,000	Manufacturing and Administration	Owned
Sidney, OH	819,000	Manufacturing and Administration	Owned
Gaffney, SC	259,000	Manufacturing and Administration	Owned
Harrisonburg, VA	358,000	Warehouse	02/28/2018
Blacksburg, SC	49,000	Warehouse	Month-to-month
Kansas City, MO	36,000	Administration	12/31/2017
Middleburg, PA	100,000	Manufacturing and Administration	12/31/2016
South Pittsburgh, TN	95,000	Warehouse	10/31/2014
Gaffney, SC	55,000	Warehouse	12/31/2013
Selinsgrove, PA	32,000	Warehouse	Month-to-month
Windows and Doors Segment			
Calgary, AB, Canada (1)	301,000	Manufacturing and Administration	09/30/2024
Walbridge, OH (1)	250,000	Manufacturing and Administration	09/30/2024
Walbridge, OH	30,000	Warehouse	05/30/2017
Rocky Mount, VA (1)	600,000	Manufacturing and Administration	09/30/2024
Rocky Mount, VA	163,000	Manufacturing	05/31/2013
Rocky Mount, VA	180,000	Manufacturing	08/31/2016
Rocky Mount, VA	70,000	Warehouse	02/16/2016
Rocky Mount, VA	80,000	Warehouse	08/31/2013
Rocky Mount, VA	120,000	Warehouse	08/31/2016
Rocky Mount, VA	50,000	Warehouse	Month-to-month
Roanoke, VA	13,000	Administration	03/31/2013
Fayetteville, NC	56,000	Warehouse	Owned
Peachtree City, GA	148,000	Manufacturing	08/19/2014
Peachtree City, GA	40,000	Manufacturing	Owned
Dallas, TX	54,000	Manufacturing	08/31/2015
Dallas, TX	29,000	Warehouse	06/30/2015
Bryan, TX	273,000	Manufacturing and Administration	08/20/2014
Bryan, TX	75,000	Manufacturing	12/31/2014
Auburn, WA	262,000	Manufacturing and Administration	12/31/2013

Corona, CA	128,000	Manufacturing and Administration	12/30/2015
Sacramento, CA	234,000	Manufacturing and Administration	09/12/2019
Corporate			
Cary, NC	20,000	Administration	10/31/2015

(1) These properties are included in a long-term lease entered into as a result of a sale/leaseback agreement entered into in August 2004 as part of the funding for the purchase of MWM Holding.

(2) This property was subleased to a third party during 2010.

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Legal Proceedings

From time to time, we may be involved in legal proceedings and litigation relating to claims arising out of our operations and businesses that cover a wide range of matters, including, among others, environmental matters, contract and employment claims, personal injury, product liability, warranty and modification, adjustment or replacement of component parts of units sold.

On February 24, 2011, MW Manufacturers Inc. ("MW"), a subsidiary of MWM Holding, received a draft Administrative Order on Consent from the United States Environmental Protection Agency ("EPA"), Region III, under Section 3008(h) of the Resource Conservation and Recovery Act (RCRA) relating to contamination associated with an underground storage tank formerly located at its Rocky Mount, Virginia property. MW finalized the Administrative Order on Consent with the EPA, and it became effective on September 12, 2011. As part of the Administrative Order on Consent, during the fourth quarter, MW provided the EPA with a preliminary cost estimate of approximately $1.8 million over the remediation period. Certain liabilities for this subject contamination have been previously assumed by U.S. Industries, Inc., pursuant to its indemnity obligation under the stock purchase agreement dated August 11, 1995, whereby U.S. Industries, Inc. sold the stock of MW to Fenway Partners. As the successor-in-interest of Fenway Partners, we are similarly indemnified by U.S. Industries, Inc. Our ability to seek indemnification from U.S. Industries is, however, limited by the terms of the indemnity as well as the strength of U.S. Industries' financial condition, which could change in the future.

MANAGEMENT

Board of Directors and Executive Officers

The Board of Directors of Ply Gem Prime Holdings, Inc., Ply Gem Holdings, and Ply Gem Industries are identical.

Name	Age	Position(s)
Frederick J. Iseman	60	Chairman of the Board and Director
Gary E. Robinette	64	President, Chief Executive Officer and Director
Shawn K. Poe	50	Vice President and Chief Financial Officer
John Wayne	50	Executive Vice President, Chief Operating Officer
Lynn Morstad	48	President, U.S. Windows Group
John Buckley	48	President, Siding Group
Timothy D. Johnson	37	General Counsel
David N. Schmoll	53	Senior Vice President, Human Resources
Robert A. Ferris	70	Director
Steven M. Lefkowitz	48	Director
John D. Roach	69	Director
Michael Haley	62	Director
Timothy T. Hall	43	Director
Jeffrey T. Barber	59	Director

Set forth below is a brief description of the business experience for each member of our Board of Directors and our executive officers.

Frederick J. Iseman – Chairman of the Board and Director

Since the Ply Gem acquisition, Frederick Iseman has served as our Chairman of the Board of Directors. Mr. Iseman is currently Chairman and CEO of CI Capital Partners, a private equity firm which was founded by Mr. Iseman in 1993. Prior to establishing CI Capital Partners, Mr. Iseman founded Hambro-Iseman Capital Partners, a merchant banking firm. From 1988 to 1990, Mr. Iseman was a member of the Hambro International Venture Fund. Mr. Iseman is a former Chairman of the Board of Anteon International Corporation and a former director of Buffets Holdings, Inc. Mr. Iseman graduated from Yale University with a BA in English Literature.

Mr. Iseman's experience in the private equity field provides us with valuable insight regarding acquisitions, debt financings, equity financings and public market sentiment. In addition, Mr. Iseman's experience with growing portfolio companies similar to the Company provides benchmarking and other industry tools pertinent to us. Mr. Iseman's background and experiences qualify him to serve as Chairman of the Board.

Gary E. Robinette – President, Chief Executive Officer and Director

Gary E. Robinette was appointed our President and Chief Executive Officer in October 2006 at which time he was also elected to our Board of Directors. Prior to joining Ply Gem, Mr. Robinette served as Executive Vice President and COO at Stock Building Supply, formerly a Wolseley company, since September 1998, and was also a member of the Wolseley North American Management board of directors. Mr. Robinette held the position of President of Erb Lumber Inc., a Wolseley company, from 1993 to 1998 and served as Chief Financial Officer and Vice President of Carolina Holdings which was the predecessor company of Stock Building Supply. Mr. Robinette received a BS in accounting from Tiffin University, where he is a member of the Board of Trustees, and a MBA from Xavier University, where he is a member of the President's Advisory Board. He is also a member of the Policy Advisory

Board of Harvard University's Joint Center for Housing Studies.

Mr. Robinette's 30 years of experience with building products and distribution companies provides the Board with relevant industry knowledge and expertise pertinent to the current economic environment. Throughout Mr. Robinette's tenure with various building product companies, he has experienced the housing industry's thriving growth, as well as a number of recessionary declines in the market. These experiences provide the Board with valuable insight regarding strategic decisions and the future direction and vision of the Company.

Shawn K. Poe – Vice President and Chief Financial Officer

Since the Ply Gem acquisition, Mr. Poe has served as our Vice President and Chief Financial Officer. Mr. Poe was appointed Vice President of Finance of our siding and accessories subsidiaries in March 2000. Prior to joining the Company, Mr. Poe held the position of Corporate Controller and various other accounting positions at Nordyne, Inc., which he joined in 1990. In addition, Mr. Poe held various accounting positions with Federal Mogul Corporation from 1984 to 1990. Mr. Poe graduated from Southeast Missouri State University in 1984 with a BS in Accounting. Mr. Poe graduated from Fontbonne College in 1994 with an MBA.

John Wayne – Executive Vice President, Chief Operating Officer

Mr. Wayne was appointed Executive Vice President and Chief Operating Officer of the Company effective June 1, 2012. Mr. Wayne joined the Company in 1998, and prior to his appointment to Executive Vice President and Chief Operating Officer had been President of our siding and accessories subsidiaries since January 2002 and Vice President of Sales and Marketing for our Variform and Napco siding and accessories subsidiaries before that. Prior to joining us, Mr. Wayne worked for Armstrong World Industries, Inc. from 1985 to 1998, holding a variety of sales management positions, including Vice President of Sales. Mr. Wayne served as the Chairman of the Vinyl Siding Institute, the Chairman of the VSI Code and Regulatory Committee, and Chairman of the VSI board of directors through December 2007 when his term ended. Mr. Wayne graduated from the University of Wisconsin in 1984 with a BA in Finance and Marketing.

Lynn Morstad - President, U.S. Windows Group

Mr. Morstad was appointed President of our U.S. Windows Group in October 2007 after having served as President of our New Construction Window Group since November 2006. Prior to that, Mr. Morstad served as President, Chief Operating Officer and Chief Financial Officer respectively of MW Manufacturers Inc., a Ply Gem subsidiary he joined in 2000. From March 1998 to May 2000, Mr. Morstad was employed by the Dr. Pepper/Seven Up division of Cadbury Schweppes as Vice President and Corporate Controller. In addition, Mr. Morstad served in senior financial positions with various divisions of the Newell Company for more than eight years. Mr. Morstad is a graduate of the University of Iowa.

John Buckley – President, Siding Group

Mr. Buckley was appointed President of our Siding Group effective June 1, 2012. Mr. Buckley joined the Company in 1999, and prior to his appointment to President of our Siding Group had been Senior Vice President of Sales for our siding and accessories subsidiaries. Prior to joining us, Mr. Buckley worked for CertainTeed from 1991 to 1999, holding a variety of sales management positions. Mr. Buckley received a BA in communications from the University of Michigan in 1986, and a MSA from Madonna University in 1991.

Timothy D. Johnson - General Counsel

Mr. Johnson joined the Company in June 2008 as General Counsel. Prior to joining the Company, he served as Vice President and Regional Counsel at Arysta LifeScience North America from 2006 to 2008. Previously, Mr. Johnson was an attorney with the law firms of Hunton & Williams from 2003 to 2006 and Wilson Sonsini Goodrich & Rosati from 2001 to 2003. Mr. Johnson received a BA in biology from Taylor University in 1997, and a JD from Duke University School of Law in 2001.

David N. Schmoll - Senior Vice President, Human Resources

Mr. Schmoll was appointed Senior Vice President of Human Resources in July 2007. Prior to joining Ply Gem, he served as Vice President of Stock Building Supply (formerly a Wolseley plc company) since 1995. Prior to that position, he served as Director of Human Resources since 1989 at Carolina Holdings, the predecessor company of Stock Building Supply, with responsibility for all human resource and development functions. Previously, Mr. Schmoll served in both human resource and collective bargaining positions at Reynolds & Reynolds. Mr. Schmoll graduated from the University of North Texas in 1981 and has attended executive development programs at both Duke University and the International Institute of Management Development.

Robert A. Ferris – Director

Since the Ply Gem acquisition, Robert A. Ferris has served as a director. Mr. Ferris retired as Managing Director of CI Capital Partners in December 2007, and was employed by CI Capital Partners since March 1998. From 1981 to February 1998, Mr. Ferris was a General Partner of Sequoia Associates (a private investment firm headquartered in Menlo Park, California). Prior to founding Sequoia Associates, Mr. Ferris was a Vice President of Arcata Corporation, a NYSE-listed company. Mr. Ferris is a former director of Anteon International Corporation, Buffets Holdings, Inc., Timberjack, Inc. and Champion Road Machinery Ltd. Effective January 1, 2008, Mr. Ferris assumed the position of President of Celtic Capital LLC, the investment manager of the entities that primarily hold the assets and investments of the Ferris Family. Mr. Ferris attended Boston College and Fordham Law School.

Mr. Ferris's prior tenure with CI Capital Partners as well as his public company experience as a director provides the Board with extensive knowledge of the debt and equity markets and the effect that pending strategic decisions will have on these public markets. Mr. Ferris provides advice regarding the impact of certain strategic decisions on both the Company and our industry.

Steven M. Lefkowitz – Director

Since the Ply Gem acquisition, Steven M. Lefkowitz has served as a director. Mr. Lefkowitz is President and Chief Operating Officer of CI Capital Partners, which he co-founded in 1993. From 1988 to 1993, Mr. Lefkowitz was employed by Mancuso & Company, a private investment firm, and served in several positions including as Vice President and as a Partner of Mancuso Equity Partners. Mr. Lefkowitz is a former director of Anteon International Corporation and Buffets Holdings, Inc. Mr. Lefkowitz graduated from Northwestern University and Kellogg Graduate School of Management.

Mr. Lefkowitz's experience with private equity markets provides the Board integral knowledge with respect to acquisitions, debt financings and equity financings.

John D. Roach – Director

Since the Ply Gem acquisition, Mr. Roach has served as a director. Mr. Roach is Chairman of the Board and Chief Executive Officer of Stonegate International, a private investment and advisory services company, and has been employed by Stonegate International since 2001. Mr. Roach served as Chairman of the Board, President and Chief Executive Officer of Builders FirstSource, Inc. from 1998 to 2001, and as Chairman of the Board, President and Chief Executive Officer of Fibreboard Corporation from 1991 to 1997. From 1987 to 1991, Mr. Roach held senior positions with Johns Manville Corporation, including President of Building Products Operations as well as Chief Financial Officer of Manville Corp, and served as a Senior Officer with Braxton Associates, Booz Allen Hamilton as well as The Boston Consulting Group. In addition, Mr. Roach currently serves as a director of URS Corporation, an engineering firm, a director of PMI Group, Inc., a provider of credit enhancement products and lender services, and a director of VeriSign, a leading provider of internet infrastructure services. Mr. Roach has previously served as a director of Kaiser Aluminum Corporation and its subsidiary, Kaiser Aluminum & Chemical Corporation, as a director of Material Sciences Corp., a provider of materials-based solutions, and participated on the boards of Magma Power, NCI Building Systems and Washington Group International. Mr. Roach holds a BS degree in Industrial Management from Massachusetts Institute of Technology and received an MBA degree from Stanford University Graduate School of Business, with highest distinction.

Mr. Roach's industry experience has provided valuable insight to the Board regarding strategic decisions. Mr. Roach understands the Board's impact in establishing corporate governance and evaluating strategic alternatives. Mr. Roach's vast experience with multiple Boards is valuable to the current Board when establishing the future direction of the Company.

Michael Haley – Director

Mr. Haley has served as a director since January 2005. Mr. Haley joined MW Manufacturers Inc. in June 2001 as President and served in this capacity until being named Chairman in January 2005. Mr. Haley retired as Chairman of MW in June 2005. Prior to joining MW, Mr. Haley was the President of American of Martinsville (a subsidiary of La-Z-Boy Inc.) from 1994 until May 2001 and was President of Loewenstein Furniture Group from 1988 to 1994. In addition, Mr. Haley currently serves as a director of American National Bankshares, Inc., Stanley Furniture Co. and LifePoint Hospitals, Inc. Mr. Haley graduated from Roanoke College in 1973 with a Bachelor's Degree in Business Administration. From April 2006 to present, Mr. Haley has served as an advisor to Fenway Partners, a private equity firm.

Mr. Haley's industry experience and background with the Company provides the Board with relevant industry knowledge and expertise when evaluating certain strategic decisions.

Timothy T. Hall – Director

In December 2006, the Board of Directors approved the addition of Mr. Hall as a member of the Board. Mr. Hall is a Managing Director at CI Capital Partners and has been employed by CI Capital Partners since 2001. Prior to joining CI Capital Partners, Mr. Hall was a Vice President at FrontLine Capital and an Assistant Vice President at GE Equity. Mr. Hall has an MBA from Columbia Business School and a BS degree from Lehigh University.

Mr. Hall's experience with private equity markets provides the Board integral knowledge with respect to acquisitions, debt financings and equity financings.

Jeffrey T. Barber – Director

In January 2010, the Board of Directors approved the addition of Mr. Barber as a member of the Board. Mr. Barber is a certified public accountant who worked for PricewaterhouseCoopers LLP from 1977 to 2008 and served as managing partner of PricewaterhouseCoopers' Raleigh, North Carolina office for 14 years. Mr. Barber is currently a Managing Director with Fennebresque & Co., a Charlotte, North Carolina based investment banking firm. In addition, Mr. Barber currently serves on the Board of Trustees of Blue Cross and Blue Shield of North Carolina and the Board of Directors of SciQuest, Inc., a procurement software company, where he serves as chair of the audit committee. Mr. Barber has a BS degree in accounting from the University of Kentucky.

Mr. Barber's audit experience with PricewaterhouseCoopers LLP for 31 years in which he worked on initial public offerings, Sarbanes-Oxley 404 attestations, business acquisitions and debt financings provides the Board with the financial background and experience to ensure the Company's consolidated financial statements comply with financial reporting guidelines. These experiences qualify Mr. Barber as a financial expert allowing him to contribute financial reporting considerations when evaluating certain strategic decisions.

Director Independence

We have determined that Messrs. Barber, Ferris, Haley and Roach are independent as such term is defined by the applicable rules and regulations of the New York Stock Exchange (the "NYSE") and the federal securities laws.

EXECUTIVE COMPENSATION

Overview

This compensation discussion describes the material elements of compensation of the Company's executive officers who served as named executive officers during our fiscal year ended December 31, 2011. The individuals who served as the principal executive officer and principal financial officer during 2011, as well as the other individuals included in the Summary Compensation Table below, are referred to as the "named executive officers." This compensation discussion focuses primarily on compensation awarded to, earned by, or paid to the named executive officers in 2011, as reflected in the following tables and related footnotes and narratives, but also describes compensation actions taken before or after 2011 to the extent that it enhances an understanding of the executive compensation disclosure.

The principal elements of our executive compensation program are base salary, annual cash incentives, other personal benefits and perquisites, post-termination severance, equity-based interests, and a long-term incentive plan. The Company's other personal benefits and perquisites consist of life insurance benefits and car allowances. The named executive officers are also eligible to participate in our 401(k) plan and our company-wide employee benefit health and welfare programs.

Compensation Program Objectives and Philosophy

General Philosophy

Our compensation philosophy is designed to provide a total compensation package to our executive officers that is competitive within the building materials industry and enables us to attract, retain, and motivate the appropriate talent for long-term success. In determining whether the components of our compensation packages, including salary and target bonus percentages, are competitive within the industry, we conduct informal, internal reviews of other building material companies that file public reports with the SEC to obtain a general understanding of such companies' compensation practices. During the year ended December 31, 2010, the Compensation Committee retained a compensation consultant to evaluate the total compensation packages for our executive officers. As a result of this compensation consultant's analysis, the Chief Executive Officer's and the Chief Financial Officer's base salaries were adjusted to market rates effective January 2011. We did not utilize the services of a compensation consultant for the years ended December 31, 2011 or 2009. We may continue to utilize a compensation consultant in future periods as necessary. The compensation consultant that was retained in 2010 did not perform any other services for the Company.

We believe that total compensation should be reflective of individual performance, which we evaluate based on the executive's achievement of individual performance targets, such as increasing operational efficiencies and successfully meeting budget, product development and customer focused initiatives, but should also vary with our performance in achieving financial and non-financial objectives, thus rewarding the attainment of these objectives. We align compensation levels commensurate with responsibilities and experience of the respective executive officers. We balance these compensation levels with our risk management policies to mitigate any conflicts of interest. We also weight executive officers' base salaries, incentive amounts, and equity awards in a manner intended to minimize risk-taking incentives that could have a detrimental effect on us.

The components of total compensation for our executive officers are as follows:

Base salary

In general. We provide the opportunity for our named executive officers and other executives to earn a competitive annual base salary. We provide this opportunity to attract and retain an appropriate caliber of talent for these positions and to provide a base wage that is not subject to our performance risk, as are other elements of our compensation, such as the annual cash incentive awards, equity interests, and long-term incentive awards described below. Base salaries of our named executive officers are only one component of our named executive officers' compensation packages and will not substitute for our incentive awards.

Our President and Chief Executive Officer, Gary E. Robinette, reviews the base salaries for our named executive officers, other than the President and Chief Executive Officer, in November and December of each year with any recommended increases being based on our performance as well as the individual's performance and responsibilities, which we believe to be consistent with our overall philosophy of rewarding both strong individual and Company performance. After this review, any salary increases for the executive officers other than the President and Chief Executive Officer are recommended by our President and Chief Executive Officer to our Compensation Committee and Board of Directors for approval. The base salary for our President and Chief Executive Officer is determined by the Compensation Committee of our Board of Directors, but will not be less than $530,000 per year.

Annual cash incentive awards

In general. We provide the opportunity for our named executive officers to earn an annual cash incentive award based upon our performance as well as the executive's individual performance. We provide this opportunity to attract and retain an appropriate caliber of talent for these positions and to motivate executives to achieve our financial goals. We believe that providing these annual incentives is consistent with our objective of providing compensation that varies with our performance in achieving financial and non-financial objectives.

2011 target award opportunities. Our 2011 performance measure is based upon the Company meeting or exceeding the following targets:

(i) Adjusted EBITDA targets (80% of total bonus) – For purposes of measuring annual cash incentives, we define "adjusted EBITDA" as net income (loss) plus interest expense (net of interest income), provision (benefit) for income taxes, depreciation and amortization, non-cash loss (gain) on modification or extinguishment of debt, non-cash foreign currency gain/(loss), customer inventory buybacks, impairment charges and management fees paid under our advisory agreement with an affiliate of the CI Partnerships. We established adjusted EBITDA targets for each of our respective segments and corporate office personnel with a minimum level of adjusted EBITDA required before any target award is achieved. A portion of every dollar of incremental consolidated adjusted EBITDA above the minimum threshold level will go to fund the bonus pool. The actual 2011 award achieved as a percentage of the target award for each segment and the corporate office were as follows:

	Percentage of Target
Siding, fencing, and stone	71.1%
Windows and doors	0%
Unallocated/Corporate	0%

(ii) Net sales growth (10% of total bonus) – The net sales growth criteria is measured based upon net sales growth from 2010 to 2011. The Company's minimum year-over-year net sales growth required for this component was $158.3 million, which was not achieved in 2011 due to depressed market conditions that persisted within the housing industry. As such, there will be no payout for this component of the annual cash incentive award.

(iii) Innovation (10% of total bonus)– The innovation criteria was achieved if the Company effectively pursued new product opportunities or new operating processes or procedures. The Company substantially achieved the innovation target for 2011.

Depending upon each named executive officer's responsibilities, a target award opportunity was established as a percentage of the individual officer's base salary at a range from 75% to 100% of base salary. The target cash incentive opportunity percentage of base salary for each individual officer is established based upon the position within the Company and is comparable to like positions within our Company. Prior to the beginning of 2011, Mr. Robinette reviewed our annual cash incentive plans, the performance measures and resulting awards with our Compensation Committee and our Board of Directors. For the year ended December 31, 2011, annual target cash incentive opportunities for the named executive officers are 100% of base salary for Mr. Robinette and 75% of base salary for Messrs. Poe, Wayne, Morstad, and Schmoll. Based on the incentives above, the Company accrued targeted bonus payments of $70,000, $26,250, $216,752, $28,725, and $27,258 for Mr. Robinette, Mr. Poe, Mr. Wayne, Mr. Morstad, and Mr. Schmoll, respectively.

Perquisites and other personal benefits

In general. We provide the opportunity for our named executive officers to receive certain perquisites and other personal benefits, including car allowances and Company-paid life insurance premiums. We provide these benefits to provide an additional useful benefit for our executives, and we believe that providing these benefits is essential to our ability to remain competitive in the general marketplace for attracting and retaining executive talent. For the year ended December 31, 2011, we provided personal benefits and perquisites, including car allowances and Company-paid life insurance premiums, to all of our named executive officers, as described below in the "Summary Compensation Table."

Equity awards

In general. Historically, we have provided the opportunity for our named executive officers to purchase both shares of common stock, par value $.01 per share (“Ply Gem Prime Common Stock”) and senior preferred stock, par value $.01 per share (“Ply Gem Prime Senior Preferred Stock”) in Ply Gem Prime, our parent company.

We believe it is vital to our Company to provide our named executive officers with the opportunity to hold an equity interest in our business. We believe that equity ownership among executives aligns management’s interests with those of stockholders and provides long-term incentives for the executives. Our named executive officers are the employees that have a significant impact on the long-term performance of the Company, so this opportunity is intended to incentivize them to improve the overall value of the business. Providing a Ply Gem Prime Senior Preferred Stock component as well as a Ply Gem Prime Common Stock component has allowed the executives to hold an ownership interest that has mirrored that held by non-employee investors in our Company and motivated and rewarded the executives for achieving financial objectives. We also believe that our management equity ownership structure promotes the retention of key management and that providing an equity component of compensation is consistent with our compensation objectives of rewarding performance-based compensation and attracting and retaining an appropriate caliber of talent.

The opportunities that we give our executive officers to invest in the business have been event-driven and have not been provided on any annual or other regular basis. The number of shares that a named executive officer has been permitted to purchase is determined based upon the individual’s level of responsibility within the Company. All equity purchases have been reviewed and approved by our Compensation Committee and Board of Directors.

Ply Gem Prime Common Stock. Some of our named executive officers have purchased Ply Gem Prime Common Stock either as (1) ”Incentive Stock” or (2) part of a strip of equity that is purchased at the same time the officer purchases shares of Ply Gem Prime Senior Preferred Stock.

Incentive Stock—Protected and unprotected. Ply Gem Prime Common Stock purchased as Incentive Stock becomes “Protected” over time, based on the officer’s continued service with the Company. Twenty percent (20%) of each officer’s Incentive Stock becomes Protected on the first anniversary of the purchase date and on each of the next four anniversaries. If the officer’s employment with us is terminated at any time, no remaining Incentive Stock that is not Protected (“Unprotected”) will become Protected. In addition, if a realization event or an initial public offering occurs at any time, any Incentive Stock that is Unprotected becomes immediately fully Protected.

Incentive Stock—Termination of employment. If a named executive officer’s Incentive Stock becomes Protected, the officer may have the opportunity to receive a greater per share price for such stock if the stock is purchased by Ply Gem Prime. Specifically, if the named executive officer’s employment with us is terminated for reasons other than cause, then Ply Gem Prime has the right to purchase the officer’s shares of Protected Incentive Stock at a price per share (the “Protected Stock Purchase Price”) equal to the quotient obtained by dividing (x) the excess of (i) a multiple of consolidated EBITDA over (ii) consolidated indebtedness, less the amount of unrestricted cash of Ply Gem Prime and its consolidated subsidiaries as of the date of termination by (y) the number of shares of fully diluted Ply Gem Prime Common Stock on the date of the officer’s termination of employment. For any Incentive Stock that is Unprotected as of termination, the purchase price is the lesser of (a) the original purchase price paid by the officer for the Incentive Stock, plus or minus any change in adjusted retained earnings per share from the date the shares were originally purchased through the end of the most recent fiscal quarter preceding the date of termination of employment and (b) the Protected Stock Purchase Price. If the officer is terminated for cause, all Incentive Stock held by the officer, whether or not Protected, will be repurchased by Ply Gem Prime for the same price applicable to Unprotected Incentive Stock in the preceding sentence.

We believe that this schedule whereby Incentive Stock becomes Protected over time aids in our ability to retain our named executive officers by requiring the executives’ continued service with the Company. In addition, because this schedule provides that the officers’ Incentive Stock becomes Protected upon certain corporate transactions, this schedule will provide the officers the incentive to work toward achieving such a transaction and to share in the value received by other shareholders.

If Ply Gem Prime Common Stock is not designated as Incentive Stock and is purchased as part of a strip with Ply Gem Prime Senior Preferred Stock, then the Ply Gem Prime Common Stock is fully vested at the time of purchase. This Ply Gem Prime Common Stock may be repurchased by Ply Gem Prime at any time following the officer’s termination of employment for the Protected Stock Purchase Price described above.

Ply Gem Prime Senior Preferred Stock. Ply Gem Prime Senior Preferred Stock that is purchased by the officers is fully vested at the time of purchase. This Ply Gem Prime Senior Preferred Stock may be repurchased by Ply Gem Prime at any time following the officer’s termination of employment and takes into account the liquidation value and the maximum dividend on the shares of Ply Gem Prime Senior Preferred Stock, consistent with the Certificate of Incorporation of Ply Gem Prime.

Phantom common and preferred stock units. Upon the completion of the Ply Gem acquisition and the MWM Holding acquisition, certain members of management contributed their investment in predecessor companies in exchange for phantom common stock units and phantom preferred stock units which were governed by a phantom stock plan. Under the phantom stock plan, each participant’s interest in the plan was recorded in a bookkeeping account; however, no stock was initially issued under the phantom stock plan. Each account recorded a number of units so that, any "phantom common stock units" were deemed to be invested in Ply Gem Prime Common Stock and any "phantom preferred stock units" were deemed invested in Ply Gem Prime Senior Preferred Stock. Certain of the phantom common stock units became "Protected" according to the same schedule as the Incentive Stock, based on the date the units were first awarded to the officers. Other phantom common stock units were not subject to any such schedule. Under the plan, upon liquidation and payment of a participant's account, the value of the account generally was to be paid to the participant either in cash or in shares of Ply Gem Prime's stock having a fair market value equal to the account balance, in the discretion of Ply Gem Prime. The opportunity for any named executive officer to participate in the phantom stock plan, as well as their level of participation, was reviewed and approved by our board of directors.

For the first three quarters of 2006, the phantom units were recognized by us as liability awards that had to be marked to market every quarter. In addition, in 2004, 2005, and 2006, new tax rules governing nonqualified deferred compensation required a re-examination of the structure of the phantom stock plan. Because of the risk of volatility associated with the above accounting treatment and the complexity associated with tax and accounting rule changes, our Board of Directors determined that the cost associated with the administrative, accounting and tax work for the phantom stock units was excessive and outweighed the benefits of continuing to permit the officers to hold such units.

As such, in September 2006, we converted all phantom common and preferred stock units held by each named executive officer into a cash account payable on a fixed schedule in years 2007 and beyond. The value of the portion of each cash account that represented phantom common units equaled the number of phantom common stock units credited to the phantom plan account on September 25, 2006 multiplied by $10.00. From September 25, 2006 through January 31, 2007, the value of the cash account was updated as if interest was credited on such value and compounded at December 31, 2006 at a rate equal to the applicable federal rate for short-term loans. This portion of the account was paid to each officer in a single lump-sum cash payment on January 31, 2007. The value of the portion of the cash account that represented the value of the phantom preferred stock units equaled the face amount of the number of shares of Ply Gem Prime Senior Preferred Stock represented by such units. This portion of the account is credited with deemed earnings, as if with interest, at an annual rate of 10% compounded semi-annually as of each June 30 and December 31, from the date of issuance of the phantom preferred stock unit through the date of payment. This portion of the account was paid on each of August 31, 2009, 2010, and 2011, such that one third of the original face amount, plus deemed earnings, is paid on each such date, or, if earlier, the officer's death, disability or a change of control. During the years ended December 31, 2011, 2010 and 2009, Mr. Morstad received phantom stock payouts of $216,630, $262,583 and $289,653, respectively.

In connection with the conversion described above, the Board of Directors authorized Ply Gem Prime to allow the named executive officers to invest in Ply Gem Prime Common Stock on September 25, 2006, which stock was either Incentive Stock or not, in the same proportion that the officer's phantom units had been deemed invested in such stock.

Stock options. We may grant the named executive officers options to purchase shares of Ply Gem Prime Common Stock pursuant to the Ply Gem Prime Holdings, Inc. 2004 Stock Option Plan. Options granted pursuant to the 2004 Option Plan are intended to qualify as incentive stock options under the Code. In November 2011, we granted Mr. Robinette an option to purchase 150,000 shares of a new non-voting class of our common stock at an exercise price of $100. These stock options were not intended to qualify as incentive stock options. Our Compensation Committee determined that the November 2011 option grant was necessary for retention purposes and to keep Mr. Robinette aligned with shareholders to an extent commensurate with the amount of shares repurchased by Ply Gem Prime in 2011. (See "Certain Relationships and Related Party Transactions" for additional discussion). The stock options granted to the chief executive officer vest 25% on each of the following dates: July 2012, July 2013, July 2014, and July 2015.

Long-term incentive plan

During the year ended December 31, 2011, the Company finalized a long-term incentive plan ("LTIP") for certain employees including named executive officers- Messrs. Robinette, Poe, Wayne, Morstad, and Schmoll. The long-term incentive plan was implemented to retain and incentivize the named executive officers to remain with the Company through the downturn in the housing market. The target bonus percentages were established at the following levels based on industry benchmarks for similar compensation programs for named executive officers:

	Long-term incentive plan Target bonus percentage of base salary
Mr. Robinette	300%
Mr. Poe	150%
Mr. Wayne	150%
Mr. Morstad	150%
Mr. Schmoll	150%

The long-term incentive plan has two separate components:

Performance bonus (50% of long-term incentive bonus) – The performance bonus component vests over a two year period with the first potential payment in January 2013. The performance bonus can be paid either in cash or stock. The participants in the plan are required to be an employee at the time of the payment in order to receive the award. For 2011 and 2012, the performance criterion is 90% of budgeted EBITDA for these two combined years.

Restricted stock (50% of long-term incentive bonus) – The restricted stock component vests over a three year period with the first vesting date in January 2014 since the plan was incepted in 2011. In 2014, an appropriate number of shares of restricted stock or common stock will be provided to eligible participants, including named executive officers, equating to the 50% restricted stock component based on the fair value of the stock.

Employment agreements

President and Chief Executive Officer

CEO employment agreement

In October 2006, Mr. Robinette joined the Company and was appointed as our President and Chief Executive Officer. In connection with such appointment, Mr. Robinette entered into an employment agreement with us, pursuant to which we have agreed to pay him an annual base salary of not less than $530,000 and an annual cash incentive target of 100% of base salary. In addition, Mr. Robinette was provided the opportunity by our Compensation Committee and Board of Directors to purchase 125,660 shares of Ply Gem Prime Common Stock, at a price of $10.00 per share, 110,000 shares of which were shares of Incentive Stock. The previous employment agreement expired during 2011 and a new employment agreement was finalized between the Company and the President and Chief Executive Officer during November 2011, which extended the term of his agreement by three years.

CEO retention agreement

In November 2008, the Company finalized a retention agreement with Mr. Robinette for his continued service through September 1, 2011 at which point Mr. Robinette would be entitled to receive a one-time, lump-sum cash bonus of $2,000,000. The bonus amount represents an amount that the Board of Directors determined to be a reasonable and necessary amount to retain Mr. Robinette's services and remain competitive in the marketplace for executive talent. We provided this retention opportunity to Mr. Robinette because we believe that Mr. Robinette's experience and talent are necessary to guide us through the depressed residential housing markets which then existed. On May 27, 2010, Mr. Robinette's retention agreement described above was amended so that he would receive a bonus of $3,000,000, rather than $2,000,000, payable upon the earlier of (i) the effective date of an initial public offering of the Company generating gross proceeds in excess of $100 million and (ii) September 1, 2011. This increase was made in light of his increased duties and our increased need for the retention of his services. During the year ended December 31, 2011, the Company made this $3,000,000 retention payment to Mr. Robinette.

During November 2011, the Company finalized a new retention agreement with Mr. Robinette for his continued services through December 31, 2014 at which point Mr. Robinette would be entitled to receive a one-time, lump-sum cash bonus of $2,000,000. The bonus amount represents an amount that the Board of Directors determined to be a reasonable and necessary amount to retain Mr. Robinette's services and remain competitive in the marketplace for executive talent. We provided this retention opportunity to Mr. Robinette because we believe that Mr. Robinette's experience and talent are necessary to guide us through the depressed residential housing and repair and remodeling markets.

Post-termination severance

We provide the opportunity for certain of our named executive officers to be protected under the severance provisions contained within their retention agreements and, for Mr. Robinette, his employment agreement, by providing salary continuation if employment is terminated under certain circumstances (two years for Mr. Robinette and one year for our other named executive officers). If the payment of severance to Mr. Robinette causes him to become subject to the golden parachute excise tax rules under Section 280G and 4999 of the Internal Revenue Code, then we will pay him a gross-up amount so that after all taxes are paid on the gross-up, he will have enough funds remaining to pay the excise tax imposed on the severance payments. We provide this opportunity to attract and retain an appropriate caliber of talent for the position. These retention agreements and Mr. Robinette's employment and retention agreements were approved by our Compensation Committee and Board of Directors, and the terms of these agreements can be found in individual agreements that have been filed as exhibits with the Securities and Exchange Commission (SEC). We believe the terms of our retention agreements and of Mr. Robinette's employment agreement and amended retention agreement are consistent with the provisions and benefit levels of other companies based upon reviewing disclosures made by those companies with the SEC in order to obtain a general understanding of current compensation practices. We believe the arrangements and benefits opportunity contained within our retention agreements and Mr. Robinette's employment agreement are reasonable and allow us to remain competitive in the general marketplace for executive talent. These arrangements are described in detail in "—Termination or change in control arrangements for 2011" below. The employment agreement between Mr. Robinette and the Company establishes the terms of his employment including salary and benefits, annual cash incentive award target and severance provisions in the event of termination of Mr. Robinette's employment.

Chief Financial Officer retention payment

In November of 2008, the Company finalized a retention agreement with Mr. Poe for his continued service through September 1, 2011 at which point Mr. Poe would be entitled to receive a one-time, lump-sum cash payment of $650,000, which the Board of Directors determined to be a reasonable and necessary amount to retain Mr. Poe's services and remain competitive in the marketplace for executive talent. We provided this retention opportunity to Mr. Poe because we believe that Mr. Poe's experience and talent are necessary to guide us through the residential housing and repair and remodeling markets downturn which currently exists. During the year ended December 31, 2011, the Company made this $650,000 retention payment to Mr. Poe.

During November 2011, the Company finalized a new retention agreement with Mr. Poe for his continued services through December 31, 2014, at which point Mr. Poe would be entitled to receive a one-time, lump-sum cash bonus of $700,000. The bonus amount represents an amount that the Board of Directors determined to be a reasonable and necessary amount to retain Mr. Poe's services and remain competitive in the marketplace for executive talent. We provided this retention opportunity to Mr. Poe because his prior retention arrangement was paid out and we believe that Mr. Poe's experience and talent remain necessary to guide us through the residential housing and repair and remodeling markets, which continue to be depressed.

The following table shows information concerning the annual compensation during 2011 for services provided to us by our President and Chief Executive Officer, our Vice President and Chief Financial Officer and our three other most highly compensated executive officers.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($) (1)	Stock Awards (2)	Option Awards ($) (3)	Non-equity Incentive Plan Compensation ($) (4)	Change in Pension Value (5)	All Other Compensation ($) (6)	Total ($)
Gary E. Robinette	2011	$ 700,000	$ 3,000,000	$ 1,050,000	$ 5,261,100	$ 70,000	$ -	$ 35,527	$ 10,116,627
President &	2010	580,000	-	-	298,272	-	-	27,066	905,338
Chief Executive Officer	2009	580,000	-	-	-	-	-	13,894	593,894
Shawn K. Poe	2011	350,000	650,000	262,500	-	26,250	-	33,354	1,322,104
Vice President &	2010	300,000	-	-	248,560	-	-	26,864	575,424
Chief Financial Officer	2009	300,000	-	-	-	-	-	304,836	604,836
John Wayne	2011	394,165	-	291,375	-	216,752	-	31,642	933,934
President, Siding Group	2010	388,500	-	-	-	19,425	-	25,687	433,612
	2009	388,500	-	-	-	-	-	20,279	408,779
Lynn Morstad	2011	375,417	-	277,500	-	28,725	15,017	32,276	728,935
President,	2010	370,000	-	-	-	-	9,879	25,649	405,528
Windows & Doors	2009	370,000	-	-	-	-	5,582	21,112	396,694
David N. Schmoll	2011	262,604	-	194,063	-	27,258	-	33,341	517,266
Sr. Vice President,	2010	-	-	-	-	-	-	-	-
Human Resources	2009	-	-	-	-	-	-	-	-

(1)The amounts in this column represent retention cash payments during 2011. These retention bonuses are described in the “Employment agreements” section above.

(2)The amounts in this column represent the aggregate grant date fair value, computed in accordance with FASB ASC Topic 718, of the restricted stock portion of the long-term incentive plan 2011 grants. This long-term incentive plan is described in the “General Philosophy” section of the Compensation Discussion and Analysis above.

(3)For the years ended December 31, 2011, 2010, and 2009, the amounts in this column represent the aggregate grant date fair value of awards computed in accordance with FASB ASC Topic 718 made during each respective year. Refer to Note 11 to the consolidated financial statements for a discussion of the assumptions made in the valuation.

(4)The amounts in this column represent performance-based cash bonuses earned for services rendered during 2011, 2010 and 2009. These incentive bonuses are described in the “Compensation Discussion and Analysis - Annual Cash Incentive Awards” section above.

(5)None of the named executive officers, other than Lynn Morstad, are covered by either of the Company’s pension plans. For Mr. Morstad, the aggregate actuarial present value of his pension benefit under the MW Manufacturing Inc. Retirement Plan and SERP plan for 2011 increased by $10,544 and $4,473, respectively. For Mr. Morstad, the aggregate actuarial present value of his pension benefit under the MW Manufacturing Inc. Retirement Plan and SERP plan for 2010 increased by $6,930 and $2,949, respectively, and the aggregate actuarial present value of his pension benefit under the MW Manufacturing Inc. Retirement Plan and SERP plan for 2009 increased by $3,927 and $1,655, respectively. The named executive officers did not receive any above-market or preferential earnings on compensation deferred on a basis that is not tax-qualified.

(6)The amounts in this column with respect to 2011 consist of the following items for each named executive officer shown below:

- Gary E. Robinette: $18,480 car allowance, $9,697 insurance premiums, and $7,350 company 401(k) contributions..
- Shawn K. Poe: $14,400 car allowance, $11,604 insurance premiums, and $7,350 company 401(k) contributions.
- John Wayne: $14,400 car allowance, $11,813 insurance premiums, and $5,429 company 401(k) contributions.
- Lynn Morstad: $14,400 car allowance, $11,751 insurance premiums, and $6,125 company 401(k) contributions.
- David N. Schmoll: $14,400 car allowance, $11,591 insurance premiums, and $7,350 company 401(k) contributions.

Grants of Plan-Based Awards for 2011

Name	Award	Grant Date	Estimated Future Payouts Under Non-equity Incentive Plan Awards (1) Target	Maximum	All Other Stock Awards (2)	Option Awards: Number of Securities Underlying Options (#) (3)	Exercise Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards (3)
Gary E. Robinette	Stock options	Nov 11, 2011	$ —	$ —	$ —	150,000	$ 100	$ 5,261,100
	Long-term incentive plan	Jan 1, 2011	1,050,000	—	1,050,000	—	—	—
	Annual incentive plan	N/A	700,000	1,050,000	—	—	—	—
Shawn K. Poe	Long-term incentive plan	Jan 1, 2011	262,500	—	262,500	—	—	—
	Annual incentive plan	N/A	262,500	393,750	—	—	—	—
John Wayne	Long-term incentive plan	Jan 1, 2011	291,375	—	291,375	—	—	—
	Annual incentive plan	N/A	301,574	452,361	—	—	—	—
Lynn Morstad	Long-term incentive plan	Jan 1, 2011	277,500	—	277,500	—	—	—
	Annual incentive plan	N/A	287,250	430,875	—	—	—	—
David N. Schmoll	Long-term incentive plan	Jan 1, 2011	194,063	—	194,063	—	—	—
	Annual incentive plan	N/A	201,000	301,500	—	—	—	—

(1) These amounts represent the target payout amounts for the performance portion of the long-term incentive plan awards and the target and maximum payouts for the incentive plan granted to each named executive officer in 2011.

(2) These amounts represent the restricted stock portion of the long-term incentive plan grant for each named executive officer when the stock vests after three years. The dollar amount of the payout is fixed at grant and will be paid in three years in a variable amount of restricted stock or Common Stock for this service component of the long-term incentive plan.

(3)

These amounts represent stock options granted to each of the named executive officers during 2011, computed in accordance with FASB ASC Topic 718. Refer to Note 11 to the consolidated financial statements for a discussion of the assumptions made in the valuation.

Outstanding Equity Awards at Fiscal Year-End for 2011

Name	Number of Securities Underlying Unexcercised Options (#) Excercisable (1)	Number of Securities Underlying Unexcercised Options (#)Unexcercisable (1)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#) (2)	Market Value of Shares or Units of Stock That Have Not Vested ($) (3)
Gary E. Robinette	2,951	1,967	$ 80	October 2, 2018	10,500	$ 1,050,000
	2,400	9,600	$ 80	April 28, 2020	—	—
	—	150,000	$ 100	November 11, 2021	—	—
Shawn K. Poe	902	601	$ 80	October 2, 2018	2,625	262,500
	2,000	8,000	$ 80	April 28, 2020	—	—
John Wayne	1,930	1,286	$ 80	October 2, 2018	2,914	291,375
	9,000	6,000	$ 80	December 5, 2018	—	—
Lynn Morstad	2,318	1,545	$ 80	October 2, 2018	2,775	277,500
	7,200	4,800	$ 80	December 5, 2018	—	—
David N. Schmoll	23,200	5,800	$ 80	July 9, 2017	1,941	194,063
	88	59	$ 80	October 2, 2018	—	—

(1) Each option becomes vested and exercisable with respect to 20% of the shares covered by the option on each of the first five anniversaries of the grant date, excluding Mr. Robinette's November 2011 grant which vests 25% on each of the following dates: July 2012, July 2013, July 2014, and July 2015.

(2) The Stock Awards set forth in this table represent restricted stock awards described in the long-term incentive plan section above. The actual number of shares eligible to vest in 2014 will be a number with an aggregate fair market value equal to the fixed dollar amount in the column to the immediate right, and the share numbers in this column were calculated by dividing that fixed number by $100, an estimate of the current fair market value of one share of our common stock.

(3) The Market Value represents the fixed liability related to the long-term incentive plan to be settled in January 2014 with a variable amount of restricted stock or Common Stock based on the fair value of the stock at that time.

Stock Vested for 2011

Name	Stock Awards	
	Number of Shares	Value Realized on

	Acquired on Vesting (#) (1)	Vesting ($) (2)
Gary E. Robinette	—	$ —
Shawn K. Poe	—	$ —
John Wayne	—	$ —
Lynn Morstad	—	$ —
David N. Schmoll	750	$ 75,000

(1) The Stock Awards in this table represent the number of shares of Common Stock that were either vested on the date of grant or that became Protected during 2011, as described in the "Executive Compensation—Compensation Program Objectives and Philosophy—Equity Awards—Ply Gem Prime Common Stock" section above.

(2) This amount represents the fair value of the shares of Common Stock that became Protected during 2011. These shares remain subject to certain transfer restrictions provided in a stockholders' agreement with Ply Gem Prime. During the year ended December 31, 2011, there were no stock options exercised by any employees.

Pension Benefits for 2011

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit ($) (d) (1)	Payments During Last Fiscal Year ($) (e)
Gary E. Robinette	NA			
Shawn K. Poe	NA			
John Wayne	NA			
Lynn Morstad	MW Retirement Plan	4 (2)	$ 45,851	
	MW SERP Plan	4 (2)	$ 19,449	
David N. Schmoll	NA			

(1) The material assumptions used to derive the present value of the accumulated pension benefit shown in this table are set forth in Note 5 to our consolidated financial statements included elsewhere herein.

(2) The number in this column is less than the number of the officer's actual years of service with the Company. This is because the plans have been frozen, as described below.

Pension Plans

We maintain the MW Manufacturers, Inc. Retirement Plan, a tax-qualified defined benefit retirement plan, acquired with the MWM Holding acquisition in August 2004 (the "MW Retirement Plan") and the MW Manufacturers, Inc. Supplemental Executive Retirement Plan (the "MW SERP Plan"), which covers our executives whose benefits are limited by operation of the Code. We refer to both the MW Retirement Plan and the MW SERP Plan together as the "MW Plans." Mr. Morstad is a participant in the MW Plans. None of the other named executive officers are participants in our pension plans.

The MW Plans' benefits are calculated based upon years of service with the Company and compensation levels during the service period. Participation under the MW Plans was frozen with respect to all salaried employees effective October 31, 2004. The decision to freeze the benefit provisions affects any executive officer under the MW Plans.

The normal retirement date to receive full benefits is the first calendar month following the participant's 65th birthday. There are provisions under the MW Plans for a reduced benefit amount upon election of early retirement prior to age 65, with this option available to all participants of the MW Plans, including executive officers.

The benefit payment options under the MW Plans are as follows:

- Life annuity;
- Period certain annuities;
- Joint and survivor annuity (if married); and
- In some cases under the MW Retirement Plan only, a full or partial lump sum payment.

Nonqualified Deferred Compensation for 2011

Name	Aggregate Earnings in Last FY ($)	Aggregate Balance at Last FYE ($) (1)
Gary E. Robinette	—	—
Shawn K. Poe	—	138,452
John Wayne	—	395,632
Lynn Morstad	—	—
David N. Schmoll	—	—

(1) The aggregate balance at December 31, 2011 represents the balance of the cash-denominated deferred compensation accounts established in connection with the conversion of the phantom stock plan awards on September 25, 2006, as described in "—Executive Compensation—Compensation Program Objectives and Philosophy—Equity awards—Phantom common and preferred stock units" above.

Termination or Change in Control Arrangements for 2011

Each of the named executive officers is entitled to certain payments and benefits in the event his employment is terminated by the Company without "cause" or he resigns following a "material adverse change". The following chart quantifies these payments and benefits:

Name	Years	Severance ($) (1)	Benefits ($)	Bonus ($) (2)	Total ($)
Employment Agreement:					
Gary E. Robinette	2	$1,400,000	$4,548	$70,000	$1,474,548
Retention Agreements:					
Shawn K. Poe	1	350,000	11,064	26,250	387,314
John Wayne	1	402,098	11,192	216,752	630,042
Lynn Morstad	1	383,000	11,166	28,725	422,891
David N. Schmoll	1	268,000	11,005	27,258	306,263

(1) As described in the narrative below, the severance arrangement is payable over a two-year salary continuation period for Mr. Robinette and a one-year salary continuation period for the other named executive officers.

(2) A portion of the performance measures for the year ended December 31, 2011 were achieved. As a result, the amounts in this column represent the earned annual management incentive plan bonuses.

Mr. Robinette's employment agreement and the retention agreements for each of Messrs. Poe, Wayne, Morstad and Schmoll provide that the officer will receive payments and benefits if he is terminated without "cause" or resigns following a "material adverse change." "Cause" means certain failures to perform duties after demand by the Board of Directors or obey the Board of Directors or a senior executive of the Company, a material act of dishonesty in connection with executive duties, or conviction of a felony, a fraudulent or dishonest misdemeanor or a civil judgment for fraud.

"Material adverse change" is defined in Mr. Robinette's employment agreement as an assignment of duties inconsistent with his position, reduction of salary or target bonus or Company action that would deny him any material employee benefit without his consent. "Material adverse change" in the retention agreements for the other named executive officers is defined the same as in Mr. Robinette's employment agreement; however, it does not include a reduction in target bonus, but does include the Company requiring the executive to be based more than 50 miles from his current office location, as well as any Company breach of any provision of the retention agreement.

To receive any payments or benefits in connection with a termination for cause or material adverse change, the executive must release certain claims against the Company. In addition, the executive must comply with certain restrictive covenants, including a covenant not to compete with our business for two years following termination in the case of Mr. Robinette and one year following termination in the case of all other executives. The restrictive covenants also prohibit the executives from soliciting our employees for two years following termination in the case of Mr. Robinette and one year following termination in the case of all other executives. The covenants also prohibit disclosure of our confidential information and the mailing of disparaging statements about the Company and our people.

Mr. Robinette's current employment agreement provides that he will receive an amount equal to two years of his base salary at the time of termination, plus medical insurance benefit coverage paid over the 24 months following termination. If Mr. Robinette dies or becomes disabled prior to December 31, 2014, he will be paid a pro rata portion of the $2,000,000 retention payment described above under "—Executive Compensation—Employment agreements—President and Chief Executive Officer."

For the named executive officers other than Mr. Robinette, if the named executive officer's employment is terminated during the year, the officer is eligible to receive an amount equal to one year of base salary at the rate at the time of termination, paid over a one year period, plus a pro rata portion of an amount equal to the lesser of the officer's annual cash incentive award target or the actual cash incentive award that would have been paid under the incentive award plan had the officer been employed at the date that such cash incentive award is actually paid, paid in a lump sum as soon as practicable following the date on which the amount which will be paid is determined. The named executive officers other than Mr. Robinette are also eligible to receive a lump sum payment equal to a pro rata portion of any annual cash bonus the officer would have received with respect to the year of termination, paid when bonuses are paid to other executives, as well as continuation of medical and dental benefits for one year following termination of employment.

Mr. Poe may be eligible to receive severance in addition to that shown in the table above worth up to one additional year if at the end of the 12 month period following his termination he has not been able to obtain employment providing him with a salary of at least $350,000. If Mr. Poe dies or becomes disabled prior to December 31, 2014, he will be paid a pro rata portion of the $700,000 retention payment described above under "—Executive Compensation—Employment agreements—Chief Financial Officer retention payment."

The named executive officers may be entitled to receive a cash payment for their individual shares of Incentive Stock, if Ply Gem Prime elects to exercise its call right under the existing stockholders agreement. If Ply Gem Prime had exercised its call right on December 31, 2011, the named executive officers would not have received any money for any of the shares of common stock because the value per share at December 31, 2011 per the formula and terms contained in the existing stockholders agreement is zero.

In addition, upon a change in control, all Ply Gem Prime Common Stock held by the named executive officers that is Unprotected will become Protected. Vesting of Ply Gem Prime Common Stock accelerates upon a change of control transaction or an initial public offering but only to the extent of the proportion of our business that is sold or offered to the public.

Director Compensation for 2011

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Frederick Iseman	$—	$—	$ —	$—
Robert A. Ferris	—	—	—	—
Steven M. Lefkowitz	—	—	—	—
John D. Roach	77,500	—	—	77,500
Michael Haley	75,000	—	—	75,000
Jeffrey T. Barber	80,000	—	—	80,000
Timothy T. Hall	—	—	—	—

The Director fees consist of annual amounts for participation on the Board of Directors as well as participation on the Compensation Committee, the Audit Committee, and the Nominating and Governance Committee for certain directors.

During January 2012, the Company issued 600 restricted shares of common stock of Ply Gem Prime to each of three members of the Board of Directors (Mr. Roach, Mr. Haley, and Mr. Barber). These shares will vest over the 2012 calendar period.

Compensation Committee lnterlocks and Insider Participation

During 2011, our Compensation Committee consisted of: Mssrs. Steven M. Lefkowitz (chairman), John D. Roach, Timothy T. Hall, and Robert A. Ferris. None of these directors has ever served as an officer or employee of the Company. During 2011, none of the members of the Compensation Committee had any relationship with the Company requiring disclosure under Item 404 of Regulation S-K. None of our executive officers served as a member of the board of directors or compensation committee, or similar committee, of any other company whose executive officers(s) served as a member of our Board of Directors or our Compensation Committee.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Upon completion of the Ply Gem Acquisition, Ply Gem Industries entered into an advisory agreement with CI Capital Partners LLC, ("CI Capital Partners"), which we refer to the "General Advisory Agreement".

Under the General Advisory Agreement, CI Capital Partners provides us with acquisition and financial advisory services as the Board of Directors shall reasonably request. In consideration of these services, Ply Gem Industries agreed to pay CI Capital Partners (1) an annual fee equal to 2% of our EBITDA, as defined in such agreement, (2) a transaction fee, payable upon the completion by us of any acquisition, of 2% of the sale price, (3) a transaction fee, payable upon the completion by us of any divestitures, of 1% of the sale price, and (4) a transaction fee, payable upon the completion of the sale of our company, of 1% of the sale price. EBITDA in the General Advisory Agreement is based on our net income (loss) plus extraordinary losses and/or any net capital losses realized, provision for income taxes, interest expense (including amortization or write-off of debt discount and debt issuance costs and commissions, and other items), depreciation and amortization, dividends paid or accrued on preferred stock, certain management fees paid to CI Capital Partners, charges related to certain phantom units, and a number of other items. The annual fee payable in any year may not exceed the amounts permitted under the senior credit facilities or the indenture governing the 8.25% Senior Secured Notes. CI Capital Partners is obligated to return any portion of the annual fee that has been prepaid if an event of default has occurred and is continuing under either the senior credit facilities or the indenture governing the 8.25% Senior Secured Notes.

The initial term of the General Advisory Agreement is 10 years, and is automatically renewable for consecutive one-year extensions, unless Ply Gem Industries or CI Capital Partners provide notice of termination. In addition, the General Advisory Agreement may be terminated by CI Capital Partners at any time, upon the occurrence of specified change of control transactions or upon an initial public offering of our shares or shares of any of our parent companies. If the General Advisory Agreement is terminated for any reason prior to the end of the initial term, Ply Gem Industries will pay to CI Capital Partners an amount equal to the present value of the annual advisory fees that would have been payable through the end of the initial term, based on our cost of funds to borrow amounts under our senior credit facilities. On November 6, 2012, the Company and CI Capital Partners amended the General Advisory Agreement to extend the initial term for a period of 10 years to November 6, 2022. In addition, the amendment caps the amount payable in the event the General Advisory Agreement is terminated prior to the end of the initial term to an amount equal to the present value of the annual advisory fees that would have been payable through the earlier of (a) December 31 following the third anniversary of the date of termination or (b) the end of the initial term, based on our cost of funds to borrow amounts under our senior credit facilities. Under the General Advisory Agreement, the Company paid management fees of approximately $2.3 million, $2.5 million, and $2.5 million for the years ended December 31, 2011, 2010, and 2009, respectively. Under the General Advisory Agreement the Company paid management fees of approximately $2.1 million and $1.8 million for the nine months ended September 29, 2012 and October 1, 2011, respectively.

In 2009, affiliates of the Company's controlling stockholder purchased approximately $281.4 million of the 9% Senior Subordinated Notes. During 2010, approximately $218.8 million aggregate principal amount of the 9% Senior Subordinated Notes held by such affiliates were transferred to the Company's indirect stockholders and ultimately to Ply Gem Prime Holdings, our indirect parent company, in exchange for equity of Ply Gem Prime valued at approximately $114.9 million. Such notes were then transferred to Ply Gem Holdings and then to Ply Gem Industries for no consideration as a capital contribution and cancelled on February 12, 2010. On February 16, 2010, Ply Gem Industries redeemed the remaining $141.2 million aggregate principal amount of outstanding 9% Senior Subordinated Notes (including approximately $62.5 million of the 9% Senior Subordinated Notes held by affiliates of the Company's controlling stockholder). During the years ended December 31, 2010 and 2009, the Company paid these affiliates approximately $9.8 million and $15.5 million, respectively, of interest for the 9% Senior Subordinated Notes owned by these related parties.

During 2010, the Company received equity contributions of approximately $2.5 million from certain members of management. In addition, the Company repurchased equity of approximately $4.2 million from certain former members of management. As of December 31, 2010, approximately $1.2 million was classified as a current liability in accrued expenses in the consolidated balance sheet. During the year ended December 31, 2011, the approximate $1.2 million was paid in cash by the Company and reflected as an equity repurchase in 2011 on the Company's consolidated statement of cash flows.

During June 2010, the Company made a state tax payment of approximately $1.5 million for Ply Gem Prime. Ply Gem Prime incurred a state tax liability as a result of the 9% Senior Subordinated Notes debt extinguishment and related contribution during the first quarter of 2010 in which Ply Gem Prime recognized a capital gain of approximately $13.3 million. Ply Gem Prime is a holding company with no independent operating assets or liabilities other than its investment in the Company and therefore had no ability to make tax payments. The Company recognized this payment as a return of capital in the Company's consolidated balance sheet as of December 31, 2010.

During the fourth quarter of 2011, Ply Gem Prime entered into a stock repurchase agreement with the Company's Chief Executive Officer providing for the repurchase of 125,660 shares of common stock of Ply Gem Prime for $12.6 million. The repurchase was made by Ply Gem Prime with cash proceeds provided by the Company. Also during 2011, the Company repurchased equity of approximately $0.3 million from a former member of management.

As a result of the Ply Gem acquisition, Ply Gem Prime Holdings was the common parent of an affiliated group of corporations that includes Ply Gem Holdings, Ply Gem Industries and their subsidiaries. Ply Gem Prime Holdings elected to file consolidated federal income tax returns on behalf of the group. Accordingly, Ply Gem Prime Holdings, Ply Gem Industries and Ply Gem Holdings have entered into a Tax Sharing Agreement, under which Ply Gem Industries and Ply Gem Holdings will make payments to Ply Gem Prime Holdings. These payments will not be in excess of the tax liabilities of Ply Gem Industries, Ply Gem Holdings, and their respective subsidiaries, if these tax liabilities had been computed on a stand-alone basis. As previously stated, 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.

Before entering into any related party transaction, it is the Company’s policy to submit the proposed transaction to the Board for approval. The Company is not subject to the New York Stock Exchange listing requirements. As such, the Board has not made any affirmative determinations regarding material relationships of the directors with the Company, meaning that as of December 31, 2011, none of the Company’s current non-employee directors qualified as independent directors as defined in Section 303A of the NYSE’s Listed Company Manual.

PRINCIPAL STOCKHOLDERS

Ply Gem Holdings is the sole holder of all 100 issued and outstanding shares of Ply Gem Industries' common stock. Ply Gem Prime Holdings, Inc. is the sole holder of all 100 issued and outstanding shares of common stock of Ply Gem Holdings.

The following table sets forth the number and percentage of the outstanding shares of common stock of Ply Gem Prime Holdings, Inc. beneficially owned as of December 11, 2012 by:

- each named executive officer;
- each of our directors;
- each person known to us to be the beneficial owner of more than 5% of the common stock of Ply Gem Prime Holdings; and
- all of our executive officers and directors as a group.

Unless otherwise noted below, the address of each beneficial owner listed on the table below is c/o Ply Gem Industries, Inc., 5020 Weston Parkway, Suite 400, Cary, North Carolina 27513.

	Shares Beneficially Owned (1)	
Name of Beneficial Owner	Common Shares (2)	%
Caxton-Iseman (Ply Gem), L.P. (3)	828,040	19.4%
Caxton-Iseman (Ply Gem) II, L.P. (3)	2,990,767	70.0%
Frederick J. Iseman (3) (4)	3,818,807	89.4%
Robert A. Ferris (3)	—	*
Steven M. Lefkowitz (3) (5)	3,818,807	89.4%
Gary E. Robinette	—	*
Shawn K. Poe	40,608	1.0%
John Wayne	45,304	1.1%
Lynn Morstad	55,974	1.3%
David N. Schmoll	4,376	*
John D. Roach	3,577	*
Michael Haley	10,939	*
Timothy Hall (3)	—	*
All Directors and Executive Officers as a Group	3,978,959	93.2%

* Less than 1%.

(1) Determined in accordance with Rule 13d-3 under the Exchange Act.

(2) Ply Gem Prime Holdings also has a series of non-voting senior preferred stock.

(3) Address is c/o CI Capital Partners LLC, 500 Park Avenue, New York, New York 10022.

(4) By virtue of his indirect control of Caxton-Iseman (Ply Gem), L.P. and Caxton-Iseman (Ply Gem) II, L.P., Mr. Iseman is deemed to beneficially own (i) the 3,818,807 shares of common stock of Ply Gem Prime Holdings held

by those entities and (ii) the 1,417,853 preferred securities of Ply Gem Prime Holdings held by those entities which is 97.8% of the outstanding preferred securities of Ply Gem Prime Holdings.

(5) By virtue of being a director of the general partner of Caxton-Iseman (Ply Gem), L.P. and Caxton-Iseman (Ply Gem) II, L.P., Mr. Lefkowitz is deemed to beneficially own (i) the 3,818,807 shares of common stock of Ply Gem Prime Holdings held by those entities and (ii) the 1,417,853 preferred securities of Ply Gem Prime Holdings held by those entities which is 97.8% of the outstanding preferred securities of Ply Gem Prime Holdings.

DESCRIPTION OF OTHER INDEBTEDNESS

Senior Secured Asset-Based Revolving Credit Facility

General

On January 26, 2011, Ply Gem Holdings, Ply Gem Industries, each of the subsidiary guarantors and Ply Gem Canada entered into a senior secured asset-based revolving credit facility (the "ABL Facility") with UBS Securities LLC, as joint lead arranger and joint bookrunner, UBS AG, Stamford Branch, as U.S. administrative agent and U.S. collateral agent (the "Administrative Agent"), UBS AG Canada Branch, as Canadian administrative agent and Canadian collateral agent, Wells Fargo Capital Finance, LLC, as syndication agent, joint lead arranger, joint bookrunner and co-collateral agent (the "Co-Collateral Agent"), and a syndicate of financial institutions and institutional lenders. Set forth below is a summary of the terms of our ABL Facility. This summary is not a complete description of all the terms of the ABL Facility.

The ABL Facility initially provided for revolving credit financing of up to $175.0 million subject to borrowing base availability, with a maturity of five years, including sub-facilities for letters of credit, swingline loans and borrowings in Canadian dollars and United States dollars by Ply Gem Canada. In August 2011, the Company exercised 50% of its eligible accordion feature under the ABL Facility (upsizing the revolving commitments by $37.5 million), increasing the Company's ABL Facility from $175.0 million to $212.5 million. Under the terms of the ABL Facility, the Company has the ability to further increase the revolving commitments up to another $37.5 million to $250.0 million. Under the amended ABL Facility, $212.5 million of the ABL Facility is available to Ply Gem Industries, including a $15.0 million sub-facility available to Ply Gem Canada.

The borrowing base at any time equals the sum (subject to certain eligibility requirements, reserves and other adjustments) of:

- 85% of the net amount of other eligible receivables; and
- 85% of the net orderly liquidation value of eligible inventory; and
- 90% of the net amount of eligible credit card receivables.

All borrowings under the ABL Facility will be subject to the satisfaction of customary conditions, including absence of a default and accuracy of representations and warranties.

Interest Rate and Fees

Borrowings under the ABL Facility bear interest at a rate per annum equal to, at Ply Gem Industries' option, either (a) a base rate determined by reference to the higher of (1) the corporate base rate of the Administrative Agent and (2) the federal funds effective rate plus 0.5% or (b) a Eurodollar rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs, in each case plus an applicable margin. The initial applicable margin for borrowings under the ABL Facility was 1.50% for base rate loans and 2.50% for Eurodollar rate loans. The applicable margin for borrowings under the ABL Facility will be subject to step ups and step downs based on average excess availability under that facility. Swingline loans will bear interest at a rate per annum equal to the base rate plus the applicable margin. In addition to paying interest on outstanding principal under the ABL Facility, Ply Gem Industries is required to pay a commitment fee, in respect of the unutilized commitments thereunder, which fee will be determined based on utilization of the ABL Facility (increasing when utilization is low and decreasing when utilization is high). Ply Gem Industries must also pay customary letter of credit fees equal to the applicable margin on Eurodollar loans and agency fees.

Mandatory Prepayments

If at any time the aggregate amount of outstanding loans, unreimbursed letter of credit drawings and undrawn letters of credit under the ABL Facility exceeds the lesser of (i) the commitment amount and (ii) the borrowing base, Ply Gem Industries will be required to repay outstanding loans and cash collateralize letters of credit in an aggregate amount equal to such excess, with no reduction of the commitment amount. If the amount available under the ABL Facility is less than the greater of (a) 15% of the lower of the revolving credit commitments and the borrowing base and (b) $20 million (or $17.5 million for the months of January, February and March) or certain events of default have occurred, all cash from Ply Gem Industries material deposit accounts (including all concentration accounts) will be swept daily into a collection account controlled by the Administrative Agent under the ABL Facility and used to repay outstanding loans and cash collateralize letters of credit.

Voluntary Prepayments

Ply Gem Industries may voluntarily reduce the unutilized portion of the commitment amount and repay outstanding loans at any time without premium or penalty other than customary "breakage" costs with respect to Eurodollar loans.

Amortization and Final Maturity

There is no scheduled amortization under the ABL Facility. All outstanding loans under the facility are due and payable in full on January 26, 2016.

Guarantees and Security

All obligations under the ABL Facility are unconditionally guaranteed by Ply Gem Holdings and substantially all of Ply Gem Industries' existing and future, direct and indirect, wholly-owned domestic subsidiaries. All obligations under the ABL Facility, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all of the assets of Ply Gem Industries and the Guarantors, including:

- a first-priority security interest in personal property consisting of accounts receivable, inventory, cash, deposit accounts, and certain related assets and proceeds of the foregoing; and
- a second-priority security interest in, and mortgages on, substantially all of Ply Gem Industries' and the guarantors' material owned real property and equipment and all assets that currently secure the notes on a first-priority basis.

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

Restrictive Covenants and Other Matters

The ABL Facility requires that if excess availability is less than the greater of (a) 12.5% of the lower of the revolving credit commitments and the borrowing base and (b) $17.5 million or if an event of default occurs, Ply Gem Industries must comply with a minimum fixed charge coverage ratio test. In addition, the ABL Facility includes covenants that, subject to significant exceptions, limit Ply Gem Industries' ability and the ability of Ply Gem Holdings and Ply Gem Industries' subsidiaries to, among other things, incur debt, incur liens and engage in sale leaseback transactions, make investments and loans, pay dividends, engage in mergers, acquisitions and asset sales, prepay certain indebtedness, amend the terms of certain material agreements, enter into agreements limiting subsidiary distributions, engage in certain transactions with affiliates and alter the business that they conduct.

The ABL Facility contains events of default customary for financings of this type, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to certain indebtedness, certain events of bankruptcy, certain events under ERISA, material judgments, actual or asserted failure of any guaranty or security document supporting the ABL Facility to be in full force and effect and changes of control. If such an event of default occurs, the lenders under the ABL Facility would be entitled to take various actions, including the acceleration of amounts due under the ABL Facility and, subject to the Intercreditor Agreement, all actions permitted to be taken by a secured creditor.

In connection with the offering of the initial notes, we have obtained an amendment to the ABL Facility to permit the refinancing of the 13.125% Senior Subordinated Notes with the proceeds of the initial notes.

Existing 8.25% Senior Secured Notes

We currently have $840.0 million in aggregate principal amount of 8.25% Senior Secured Notes outstanding, which were issued by Ply Gem Industries in February 2011 and February 2012 and are guaranteed by Ply Gem Holdings and the domestic subsidiaries of Ply Gem Industries. The 8.25% Senior Secured Notes mature February 15, 2018 and bear interest at a rate of 8.25%.

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

The 8.25% Senior Secured Notes are fully and unconditionally guaranteed on a joint and several basis by Ply Gem Holdings and all of the domestic subsidiaries of Ply Gem Industries. The indenture governing the 8.25% Senior Secured Notes contains certain covenants that limit the ability of Ply Gem Industries and its restricted subsidiaries to incur additional indebtedness, pay dividends or make other distributions or repurchase or redeem their stock, make loans and investments, sell assets, incur certain liens, enter into agreements restricting their ability to pay dividends, enter into transactions with affiliates, and consolidate, merge or sell assets. In particular, Ply Gem Industries and its restricted subsidiaries may not incur additional debt (other than permitted debt in limited circumstances as defined in the indenture) unless, after giving effect to such incurrence, the consolidated interest coverage ratio of Ply Gem Industries would be at least 2.00 to 1.00. In addition, Ply Gem Industries and its restricted subsidiaries are limited in their ability to make certain payments, pay dividends or make other distributions to Ply Gem Holdings. Permitted payments, dividends and distributions include, but are not limited to, those used to redeem equity of officers, directors or employees under certain circumstances, to pay taxes, and to pay customary and reasonable costs and expenses of an offering of securities that is not consummated.

The 8.25% Senior Secured Notes and the related guarantees are secured on a first-priority lien basis by substantially all of the assets (other than the assets securing the Company's obligations under the ABL Facility, which consist of accounts receivable, inventory, cash, deposit accounts, securities accounts, chattel paper and proceeds of the foregoing and certain assets such as contract rights, instruments and documents related thereto) of Ply Gem Industries and the Guarantors and on a second-priority lien basis by the assets that secure the ABL Facility.

THE EXCHANGE OFFER

Terms of the Exchange Offer

We are offering to exchange our exchange notes for a like aggregate principal amount of our initial notes.

The exchange notes that we propose to issue in this exchange offer will be substantially identical to our initial notes except that, unlike our initial notes, the exchange notes will have no transfer restrictions or registration rights. You should read the description of the exchange notes in the section in this prospectus entitled "Description of the Notes."

We reserve the right in our sole discretion to purchase or make offers for any initial notes that remain outstanding following the expiration or termination of this exchange offer and, to the extent permitted by applicable law, to purchase initial notes in the open market or privately negotiated transactions, one or more additional tender or exchange offers or otherwise. The terms and prices of these purchases or offers could differ significantly from the terms of this exchange offer.

Expiration Date; Extensions; Amendments; Termination

This exchange offer will expire at 5:00 p.m., New York City time, on January 24, 2013, unless we extend it in our reasonable discretion. The expiration date of this exchange offer will be at least 20 business days after the commencement of the exchange offer in accordance with Rule 14e-1(a) under the Securities Exchange Act of 1934.

We expressly reserve the right to delay acceptance of any initial notes, extend or terminate this exchange offer and not accept any initial notes that we have not previously accepted if any of the conditions described below under "—Conditions to the Exchange Offer" have not been satisfied or waived by us. We will notify the exchange agent of any extension by oral notice promptly confirmed in writing or by written notice. We will also notify the holders of the initial notes by a press release or other public announcement communicated before 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date unless applicable laws require us to do otherwise.

We also expressly reserve the right to amend the terms of this exchange offer in any manner. If we make any material change, we will promptly disclose this change in a manner reasonably calculated to inform the holders of our initial notes of the change including providing public announcement or giving oral or written notice to these holders. A material change in the terms of this exchange offer could include a change in the timing of the exchange offer, a change in the exchange agent and other similar changes in the terms of this exchange offer. If we make any material change to this exchange offer, we will disclose this change by means of a post-effective amendment to the registration statement which includes this prospectus and will distribute an amended or supplemented prospectus to each registered holder of initial notes. In addition, we will extend this exchange offer for an additional five to ten business days as required by the Exchange Act, depending on the significance of the amendment, if the exchange offer would otherwise expire during that period. We will promptly notify the exchange agent by oral notice, promptly confirmed in writing, or written notice of any delay in acceptance, extension, termination or amendment of this exchange offer.

Procedures for Tendering Initial Notes

Proper Execution and Delivery of Letters of Transmittal

To tender your initial notes in this exchange offer, you must use one of the three alternative procedures described below:

(1)

Regular delivery procedure: Complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal. Have the signatures on the letter of transmittal guaranteed if required by the letter of transmittal. Mail or otherwise deliver the letter of transmittal or the facsimile together with the certificates representing the initial notes being tendered and any other required documents to the exchange agent on or before 5:00 p.m., New York City time, on the expiration date.

(2) Book-entry delivery procedure: Send a timely confirmation of a book-entry transfer of your initial notes, if this procedure is available, into the exchange agent's account at The Depository Trust Company in accordance with the procedures for book-entry transfer described under "—Book-Entry Delivery Procedure" below, on or before 5:00 p.m., New York City time, on the expiration date.

(3) Guaranteed delivery procedure: If time will not permit you to complete your tender by using the procedures described in (1) or (2) above before the expiration date and this procedure is available, comply with the guaranteed delivery procedures described under "—Guaranteed Delivery Procedure" below.

The method of delivery of the initial notes, the letter of transmittal and all other required documents is at your election and risk. Instead of delivery by mail, we recommend that you use an overnight or hand-delivery service. If you choose the mail, we recommend that you use registered mail, properly insured, with return receipt requested. In all cases, you should allow sufficient time to assure timely delivery. You should not send any letters of transmittal or initial notes to us. You must deliver all documents to the exchange agent at its address provided below. You may also request your broker, dealer, commercial bank, trust company or nominee to tender your initial notes on your behalf.

Only a holder of initial notes may tender initial notes in this exchange offer. A holder is any person in whose name initial notes are registered on our books or any other person who has obtained a properly completed bond power from the registered holder.

If you are the 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 notes, you must contact that registered holder promptly and instruct that registered holder to tender your notes on your behalf. If you wish to tender your initial notes on your own behalf, you must, before completing and executing the letter of transmittal and delivering your initial notes, either make appropriate arrangements to register the ownership of these notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time.

You must have any signatures on a letter of transmittal or a notice of withdrawal guaranteed by:

(1) a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc.;

(2) a commercial bank or trust company having an office or correspondent in the United States; or

(3) an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Exchange Act, unless the initial notes are tendered:

(a) by a registered holder or by a participant in The Depository Trust Company whose name appears on a security position listing as the owner, who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal and only if the exchange notes are being issued directly to this registered holder or deposited into this participant's account at The Depository Trust Company; or

(b) for the account of a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc., a commercial bank or trust company having an office or correspondent in the United States or an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934.

If the letter of transmittal or any bond powers are signed by:

(1) the recordholder(s) of the initial notes tendered: the signature must correspond with the name(s) written on the face of the initial notes without alteration, enlargement or any change whatsoever.

(2) a participant in The Depository Trust Company: the signature must correspond with the name as it appears on the security position listing as the holder of the initial notes.

(3) a person other than the registered holder of any initial notes: these initial notes must be endorsed or accompanied by bond powers and a proxy that authorize this person to tender the initial notes on behalf of the registered holder, in satisfactory form to us as determined in our sole discretion, in each case, as the name of the registered holder or holders appears on the initial notes.

(4) trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity: these persons should so indicate when signing. Unless waived by us, evidence satisfactory to us of their authority to so act must also be submitted with the letter of transmittal.

To tender your initial notes in this exchange offer, you must make the following representations:

(1) you are authorized to tender, sell, assign and transfer the initial notes tendered and to acquire exchange notes issuable upon the exchange of such tendered initial notes, and that we will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim when the same are accepted by us;

(2) any exchange notes acquired by you pursuant to the exchange offer are being acquired in the ordinary course of business, whether or not you are the holder;

(3) you or any other person who receives exchange notes, whether or not such person is the holder of the exchange notes, has no arrangement or understanding with any person to participate in a distribution of such exchange notes within the meaning of the Securities Act and is not participating in, and does not intend to participate in, the distribution of such exchange notes within the meaning of the Securities Act;

(4) you or such other person who receives exchange notes, whether or not such person is the holder of the exchange notes, is not an "affiliate," as defined in Rule 405 of the Securities Act, of ours, or if you or such other person is an affiliate, you or such other person will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;

(5) if you are not a broker-dealer, you represent that you are not engaging in, and do not intend to engage in, a distribution of exchange notes; and

(6) if you are a broker-dealer that will receive exchange notes for your own account in exchange for initial notes, you represent that the initial notes to be exchanged for the exchange notes were acquired by you as a result of market-making or other trading activities and acknowledge that you will deliver a prospectus in connection with any resale, offer to resell or other transfer of such exchange notes.

You must also warrant that the acceptance of any tendered initial notes by the issuers and the issuance of exchange notes in exchange therefor shall constitute performance in full by the issuers of its obligations under the registration rights agreement relating to the initial notes.

To effectively tender notes through The Depository Trust Company, the financial institution that is a participant in The Depository Trust Company will electronically transmit its acceptance through the Automatic Tender Offer Program. The Depository Trust Company will then edit and verify the acceptance and send an agent's message to the exchange agent for its acceptance. An agent's message is a message transmitted by The Depository Trust Company to the exchange agent stating that The Depository Trust Company has received an express acknowledgment from the participant in The Depository Trust Company tendering the notes that this participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce this agreement against this participant.

Book-Entry Delivery Procedure

Any financial institution that is a participant in The Depository Trust Company's systems may make book-entry deliveries of initial notes by causing The Depository Trust Company to transfer these initial notes into the exchange agent's account at The Depository Trust Company in accordance with The Depository Trust Company's procedures for transfer. To effectively tender notes through The Depository Trust Company, the financial institution that is a participant in The Depository Trust Company will electronically transmit its acceptance through the Automatic Tender Offer Program. The Depository Trust Company will then edit and verify the acceptance and send an agent's message to the exchange agent for its acceptance. An agent's message is a message transmitted by The Depository Trust Company to the exchange agent stating that The Depository Trust Company has received an express acknowledgment from the participant in The Depository Trust Company tendering the notes that this participation has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce this agreement against this participant. The exchange agent will make a request to establish an account for the initial notes at The Depository Trust Company for purposes of the exchange offer within two business days after the date of this prospectus.

A delivery of initial notes through a book-entry transfer into the exchange agent's account at The Depository Trust Company will only be effective if an agent's message or the letter of transmittal or a facsimile of the letter of transmittal with any required signature guarantees and any other required documents is transmitted to and received by the exchange agent at the address indicated below under "—Exchange Agent" on or before the expiration date unless the guaranteed delivery procedures described below are complied with. Delivery of documents to The Depository Trust Company does not constitute delivery to the exchange agent.

Guaranteed Delivery Procedure

If you are a registered holder of initial notes and desire to tender your notes, and (1) these notes are not immediately available, (2) time will not permit your notes or other required documents to reach the exchange agent before the expiration date or (3) the procedures for book-entry transfer cannot be completed on a timely basis and an agent's message delivered, you may still tender in this exchange offer if:

(1) you tender through a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc., a commercial bank or trust company having an office or correspondent in the United States, or an eligible guarantor institution within the meaning of Rule 17Ad-15 under the Exchange Act;

(2) on or before the expiration date, the exchange agent receives a properly completed and duly executed letter of transmittal or facsimile of the letter of transmittal, and a notice of guaranteed delivery, substantially in the form

provided by us, with your name and address as holder of the initial notes and the amount of notes tendered, stating that the tender is being made by that letter and notice and guaranteeing that within three New York Stock Exchange trading days after the expiration date the certificates for all the initial notes tendered, in proper form for transfer, or a book-entry confirmation with an agent's message, as the case may be, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and

(3) the certificates for all your tendered initial notes in proper form for transfer or a book-entry confirmation as the case may be, and all other documents required by the letter of transmittal are received by the exchange agent within three New York Stock Exchange trading days after the expiration date.

Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes

Your tender of initial notes will constitute an agreement between you and us governed by the terms and conditions provided in this prospectus and in the related letter of transmittal.

We will be deemed to have received your tender as of the date when your duly signed letter of transmittal accompanied by your initial notes tendered, or a timely confirmation of a book-entry transfer of these notes into the exchange agent's account at The Depository Trust Company with an agent's message, or a notice of guaranteed delivery from an eligible institution is received by the exchange agent.

All questions as to the validity, form, eligibility, including time of receipt, acceptance and withdrawal of tenders will be determined by us in our sole discretion. Our determination will be final and binding.

We reserve the absolute right to reject any and all initial notes not properly tendered or any initial notes which, if accepted, would, in our opinion or our counsel's opinion, be unlawful. We also reserve the absolute right to waive any conditions of this exchange offer or irregularities or defects in tender as to particular notes with the exception of conditions to this exchange offer relating to the obligations of broker dealers, which we will not waive. If we waive a condition to this exchange offer, the waiver will be applied equally to all note holders. Our interpretation of the terms and conditions of this exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of initial notes must be cured within such time as we shall determine. We, the exchange agent or any other person will be under no duty to give notification of defects or irregularities with respect to tenders of initial notes. We and the exchange agent or any other person will incur no liability for any failure to give notification of these defects or irregularities. Tenders of initial notes will not be deemed to have been made until such irregularities have been cured or waived. The exchange agent will return without cost to their holders any initial notes that are not properly tendered and as to which the defects or irregularities have not been cured or waived promptly following the expiration date.

If all the conditions to the exchange offer are satisfied or waived on the expiration date, we will accept all initial notes properly tendered and will issue the exchange notes promptly thereafter. Please refer to the section of this prospectus entitled "—Conditions to the Exchange Offer" below. For purposes of this exchange offer, initial notes will be deemed to have been accepted as validly tendered for exchange when, as and if we give oral or written notice of acceptance to the exchange agent.

We will issue the exchange notes in exchange for the initial notes tendered pursuant to a notice of guaranteed delivery by an eligible institution only against delivery to the exchange agent of the letter of transmittal, the tendered initial notes and any other required documents, or the receipt by the exchange agent of a timely confirmation of a book-entry transfer of initial notes into the exchange agent's account at The Depository Trust Company with an agent's message, in each case, in form satisfactory to us and the exchange agent.

If any tendered initial notes are not accepted for any reason provided by the terms and conditions of this exchange offer or if initial notes are submitted for a greater principal amount than the holder desires to exchange, the unaccepted or non-exchanged initial notes will be returned without expense to the tendering holder, or, in the case of initial notes tendered by book-entry transfer procedures described above, will be credited to an account maintained with the book-entry transfer facility, promptly after withdrawal, rejection of tender or the expiration or termination of the exchange offer.

By tendering into this exchange offer, you will irrevocably appoint our designees as your attorney-in-fact and proxy with full power of substitution and resubstitution to the full extent of your rights on the notes tendered. This proxy will be considered coupled with an interest in the tendered notes. This appointment will be effective only when, and to the extent that we accept your notes in this exchange offer. All prior proxies on these notes will then be revoked and you will not be entitled to give any subsequent proxy. Any proxy that you may give subsequently will not be deemed effective. Our designees will be empowered to exercise all voting and other rights of the holders as they may deem proper at any meeting of note holders or otherwise. The initial notes will be validly tendered only if we are able to exercise full voting rights on the notes, including voting at any meeting of the note holders, and full rights to consent to any action taken by the note holders.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, you may withdraw tenders of initial notes at any time before 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, you must send a written or facsimile transmission notice of withdrawal to the exchange agent before 5:00 p.m., New York City time, on the expiration date at the address provided below under "—Exchange Agent" and before acceptance of your tendered notes for exchange by us.

Any notice of withdrawal must:

(1) specify the name of the person having tendered the initial notes to be withdrawn;

(2) identify the notes to be withdrawn, including, if applicable, the registration number or numbers and total principal amount of these notes;

(3) be signed by the person having tendered the initial notes to be withdrawn in the same manner as the original signature on the letter of transmittal by which these notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer sufficient to permit the trustee for the initial notes to register the transfer of these notes into the name of the person having made the original tender and withdrawing the tender;

(4) specify the name in which any of these initial notes are to be registered, if this name is different from that of the person having tendered the initial notes to be withdrawn; and

(5) if applicable because the initial notes have been tendered through the book-entry procedure, specify the name and number of the participant's account at The Depository Trust Company to be credited, if different than that of the person having tendered the initial notes to be withdrawn.

We will determine all questions as to the validity, form and eligibility, including time of receipt, of all notices of withdrawal and our determination will be final and binding on all parties. Initial notes that are withdrawn will be deemed not to have been validly tendered for exchange in this exchange offer.

The exchange agent will return without cost to their holders all initial notes that have been tendered for exchange and are not exchanged for any reason, promptly after withdrawal, rejection of tender or expiration or termination of this exchange offer.

You may retender properly withdrawn initial notes in this exchange offer by following one of the procedures described under "—Procedures for Tendering Initial Notes" above at any time on or before the expiration date.

Conditions to the Exchange Offer

We will complete this exchange offer only if:

(1) there is no change in the laws and regulations which would reasonably be expected to impair our ability to proceed with this exchange offer;

(2) there is no change in the current interpretation of the staff of the SEC which permits resales of the exchange notes;

(3) there is no stop order issued by the SEC or any state securities authority suspending the effectiveness of the registration statement which includes this prospectus or the qualification of the indenture for our exchange notes under the Trust Indenture Act of 1939 and there are no proceedings initiated or, to our knowledge, threatened for that purpose;

(4) there is no action or proceeding instituted or threatened in any court or before any governmental agency or body that would reasonably be expected to prohibit, prevent or otherwise impair our ability to proceed with this exchange offer; and

(5) we obtain all governmental approvals that we deem in our sole discretion necessary to complete this exchange offer.

These conditions are for our sole benefit. We may assert any one of these conditions regardless of the circumstances giving rise to it and may also waive any one of them, in whole or in part, at any time and from time to time, if we determine in our reasonable discretion that it has not been satisfied, subject to applicable law. Notwithstanding the foregoing, all conditions to the exchange offer must be satisfied or waived before the expiration of this exchange offer. If we waive a condition to this exchange offer, the waiver will be applied equally to all note holders. We will not be deemed to have waived our rights to assert or waive these conditions if we fail at any time to exercise any of them. Each of these rights will be deemed an ongoing right which we may assert at any time and from time to time.

If we determine that we may terminate this exchange offer because any of these conditions is not satisfied, we may:

(1) refuse to accept and return to their holders any initial notes that have been tendered;

(2) extend the exchange offer and retain all notes tendered before the expiration date, subject to the rights of the holders of these notes to withdraw their tenders; or

(3)

waive any condition that has not been satisfied and accept all properly tendered notes that have not been withdrawn or otherwise amend the terms of this exchange offer in any respect as provided under the section in this prospectus entitled "—Expiration Date; Extensions; Amendments; Termination."

Accounting Treatment

We will record the exchange notes at the same carrying value as the initial notes as reflected in our accounting records on the date of the exchange. Accordingly, we will not recognize any gain or loss for accounting purposes. We will amortize the costs of the initial note offering and the exchange offer over the term of the notes.

Exchange Agent

We have appointed Wells Fargo Bank, National Association as exchange agent for this exchange offer. You should direct all questions and requests for assistance on the procedures for tendering and all requests for additional copies of this prospectus or the letter of transmittal to the exchange agent as follows:

By Registered & Certified Mail:
Wells Fargo Bank, N.A.
Corporate Trust Operations
MAC N9303-121
P.O. Box 1517
Minneapolis, MN 55480

By Regular Mail or Courier:
Wells Fargo Bank, N.A.
Corporate Trust Operations
MAC N9303-121
6th St & Marquette Avenue
Minneapolis, MN 55479

In Person by Hand Only:
Wells Fargo Bank, N.A.
Corporate Trust Services
Northstar East Building - 12th Floor
608 Second Avenue South
Minneapolis, MN 55402

By facsimile (for eligible institutions only): (612) 667-6282

For information or confirmation by telephone: (800) 344-5128

Fees and Expenses

We will bear the expenses of soliciting tenders in this exchange offer, including fees and expenses of the exchange agent and trustee and accounting, legal, printing and related fees and expenses.

We will not make any payments to brokers, dealers or other persons soliciting acceptances of this exchange offer. However, we will pay the exchange agent reasonable and customary fees for its services and will reimburse the exchange agent for its reasonable out-of-pocket expenses in connection with this exchange offer. We will also pay brokerage houses and other custodians, nominees and fiduciaries their reasonable out-of-pocket expenses for forwarding copies of the prospectus, letters of transmittal and related documents to the beneficial owners of the initial notes and for handling or forwarding tenders for exchange to their customers.

We will pay all transfer taxes, if any, applicable to the exchange of initial notes in accordance with this exchange offer. However, tendering holders will pay the amount of any transfer taxes, whether imposed on the registered holder or any other persons, if:

(1) certificates representing exchange notes or initial notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be registered or issued in the name of, any person other than the registered holder of the notes tendered;

(2) tendered initial notes are registered in the name of any person other than the person signing the letter of transmittal; or

(3) a transfer tax is payable for any reason other than the exchange of the initial notes in this exchange offer.

If you do not submit satisfactory evidence of the payment of any of these taxes or of any exemption from this payment with the letter of transmittal, we will bill you directly the amount of these transfer taxes.

Your Failure to Participate in the Exchange Offer Will Have Adverse Consequences

The initial notes were not registered under the Securities Act or under the securities laws of any state and you may not resell them, offer them for resale or otherwise transfer them unless they are subsequently registered or resold under an exemption from the registration requirements of the Securities Act and applicable state securities laws. If you do not exchange your initial notes for exchange notes in accordance with this exchange offer, or if you do not properly tender your initial notes in this exchange offer, you will not be able to resell, offer to resell or otherwise transfer the initial notes unless they are registered under the Securities Act or unless you resell them, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act.

In addition, except as set forth in this paragraph, you will not be able to obligate us to register the initial notes under the Securities Act. You will not be able to require us to register your initial notes under the Securities Act unless:

(1) an initial purchaser requests us to register initial notes that are not eligible to be exchanged for exchange notes in the exchange offer;

(2) you are not eligible to participate in the exchange offer;

(3) you may not resell the exchange notes you acquire in the exchange offer to the public without delivering a prospectus and that the prospectus contained in the exchange offer registration statement is not appropriate or available for such resales by you; or

(4) you are a broker-dealer and hold initial notes that are part of an unsold allotment from the original sale of the initial notes,

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

Delivery of Prospectus

Each broker-dealer that receives exchange notes for its own account in exchange for initial notes, where such initial notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See "Plan of Distribution."

DESCRIPTION OF THE NOTES

As used below in this "Description of the Notes" section, the "Issuer" means Ply Gem Industries, Inc., a Delaware corporation, and its successors, but not any of its subsidiaries. The Issuer issued the initial notes and will issue the exchange notes described in this prospectus (collectively, the "Notes") under an indenture, dated as of September 27, 2012 (the "Indenture"), among the Issuer, the Guarantors and Wells Fargo Bank, National Association, as trustee (the "Trustee"). The terms of the Notes include those set forth in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act. You may obtain a copy of the Indenture from the Issuer at its address set forth elsewhere in this prospectus.

The following is a summary of the material terms and provisions of the Notes and the Indenture. The following summary does not purport to be a complete description of the Notes or such agreement and is subject to the detailed provisions of, and qualified in its entirety by reference to, the Notes and the Indenture. You can find definitions of certain terms used in this description under the heading "—Certain Definitions."

Brief Description of the Notes and the Note Guarantees

The Notes:

- are senior unsecured obligations of the Issuer;
- are pari passu in right of payment with any existing and future senior Indebtedness of the Issuer;
- are effectively subordinated to any secured Indebtedness of the Issuer, including the ABL Facility and the Senior Secured Notes, to the extent of the value of the collateral that secures such Indebtedness;
- are structurally subordinated to all obligations of each Subsidiary of the Issuer that is not a Subsidiary Guarantor; and
- are guaranteed on a senior unsecured basis by the Guarantors.

The Note Guarantees:

The Notes are guaranteed by Parent and all wholly-owned Subsidiaries of the Issuer (other than Unrestricted Subsidiaries and Foreign Subsidiaries). See "—Additional Note Guarantees."
Each Note Guarantee:

- is a senior unsecured obligation of the Guarantor;
- is pari passu in right of payment with any existing and future senior Indebtedness of the Guarantor;
- is effectively subordinated to the Guarantee of such Guarantor under any secured Indebtedness of such Guarantor, including the guarantees of the ABL Facility and the Senior Secured Notes, to the extent of the value of the collateral that secures such Indebtedness and is owned by such Guarantor; and
- is structurally subordinated to all obligations of each Subsidiary of such Guarantor that is not a Subsidiary Guarantor.

As of the date of this prospectus, all of the Issuer's subsidiaries are "Restricted Subsidiaries." However, none of the Issuer's Foreign Subsidiaries guarantee or will guarantee the Notes. See "Risk Factors—Risks Related to Our Substantial Indebtedness and the Notes—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." In addition, under the circumstances described below under the subheading "—Certain Covenants—Limitations on Designation of Unrestricted Subsidiaries," the Issuer is permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." The Issuer's Unrestricted Subsidiaries will not be subject to many of the restrictive covenants in the Indenture. The Issuer's future Unrestricted Subsidiaries (if any) will not guarantee the Notes.

Principal, Maturity and Interest

The Notes will mature on April 15, 2017. The Notes bear interest at the rate shown on the cover page of this prospectus, payable on April 15 and October 15 of each year, commencing on April 15, 2013, to Holders of record at the close of business on April 1 or October 1, as the case may be, immediately preceding the relevant interest payment date. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.

The Notes will be issued in registered form, without coupons, and in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

An aggregate principal amount of initial notes equal to $160 million was issued on September 27, 2012, and up to $160,000,000 aggregate principal amount of exchange notes is being issued in this offering. The Issuer may issue additional Notes having identical terms and conditions to the Notes, except for issue date, issue price, transfer restrictions, interest rate, first interest payment date and the amount of interest paid on the first interest payment date after such issue date, in an unlimited aggregate principal amount (the "Additional Notes"), subject to compliance with the covenants described under "—Certain Covenants—Limitations on Additional Indebtedness" and "—Certa Covenants—Limitations on Liens." Any Additional Notes will be part of the same issue as the Notes and will be treated as one class with the Notes, including for purposes of voting, redemptions and offers to purchase; provided, however, that a separate CUSIP will be issued for any Additional Notes unless the Notes and Additional Notes are fungible for U.S. federal income tax purposes. For purposes of this "Description of the Notes," except for the covenants described under "—Certain Covenants—Limitations on Additional Indebtedness" and "—Certain Covenants—Limitations on L references to the Notes include Additional Notes, if any.

Methods of Receiving Payments on the Notes

If a Holder has given wire transfer instructions to the Issuer at least ten Business Days prior to the applicable payment date, the Issuer will make all payments on such Holder's Notes by wire transfer of immediately available funds to the account specified in those instructions. Otherwise, payments on the Notes will be made at the office or agency of the paying agent (the "Paying Agent") and registrar (the "Registrar") for the Notes within the City and State of New York unless the Issuer elects to make interest payments by check mailed to the Holders at their addresses set forth in the register of Holders.

Ranking

The Indebtedness evidenced by the Notes and the Note Guarantees is senior unsecured Indebtedness of the Issuer or the applicable Guarantor, as the case may be, and ranks pari passu in right of payment with all existing and future senior Indebtedness of the Issuer and the Guarantors, as the case may be. The Indebtedness evidenced by the Notes and the Note Guarantees is senior in right of payment to all existing and future Subordinated Indebtedness of the Issuer and the Guarantors, as the case may be. The Notes are unsecured obligations of the Issuer. Secured Indebtedness and other secured obligations of the Issuer will be effectively senior to the Notes to the extent of the value of the assets securing such Indebtedness or other obligations.

As of September 29, 2012:

(1) Parent, the Issuer and its Subsidiaries had $895.0 million aggregate principal amount of senior secured Indebtedness outstanding, consisting of $55.0 million of Indebtedness outstanding under the ABL Facility (with an additional $107.4 million of borrowing base availability) and $840.0 million of the Senior Secured Notes; and

(2) Parent, the Issuer and its Subsidiaries had $160.0 million of senior unsecured Indebtedness outstanding, consisting of the Notes.