PGT, Inc.
Form S-1/A
June 09, 2006

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As filed with the Securities and Exchange Commission on June 9, 2006
Registration No. 333-132365

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 4
TO
Form S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

PGT, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**3442**	**20-0634715**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

1070 Technology Drive
North Venice, Florida 34275
(941) 480-1600
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Rodney Hershberger
President and Chief Executive Officer
PGT, Inc.
1070 Technology Drive
North Venice, Florida 34275
(941) 480-1600
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

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

registration statement for the same offering. o

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

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

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

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

SUBJECT TO COMPLETION JUNE 9, 2006

PRELIMINARY PROSPECTUS

8,823,529 SHARES
COMMON STOCK

This is the initial public offering of shares of common stock of PGT, Inc. No public market currently exists for our common stock. We are offering 8,823,529 shares of our common stock. We expect the public offering price to be between $16.00 and $18.00 per share.

We have applied to have our common stock approved for listing on The Nasdaq National Market under the symbol PGTI.

Investing in our common stock involves a high degree of risk. Before buying any shares, you should carefully read the discussion of material risks of investing in our common stock in Risk factors beginning on page 11 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to us	$	$

The underwriters may also purchase from us up to an additional 1,323,529 shares of our common stock at the public offering price, less underwriting discounts and commissions, to cover over-allotments, if any, within 30 days of the date of this prospectus. If the underwriters exercise this option in full, the total underwriting discounts and commissions will be $, our total proceeds, before expenses, will be $.

The underwriters are offering the common stock as set forth under Underwriting. Delivery of the shares of common stock will be made on or about , 2006.

Deutsche Bank Securities **JPMorgan**

JMP Securities

Raymond James

SunTrust Robinson Humphrey

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You should rely only on the information contained in this prospectus or in any related free writing prospectus filed with the Securities and Exchange Commission and used or referred to in an offering to you of the securities. We have not, and the underwriters have not, authorized anyone to provide you with additional information or information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of shares of our common stock.

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ABOUT THIS PROSPECTUS

As used in this prospectus, unless the context requires otherwise, we, us, our, or the Company refers to PGT, In and its consolidated subsidiary. All references to fiscal years of the Company in this prospectus refer to 52 or 53 weeks ending on the Saturday nearest December 31. The period ended January 1, 2005 consisted of 53 weeks. Unless otherwise indicated, the information in this prospectus assumes no exercise of the Underwriters over-allotment option.

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Market data and other statistical information regarding the window and door industry used throughout this prospectus are based on independent industry publications, government publications, reports by independent market research firms, or other published independent sources. Some data, in particular data with respect to the impact-resistant window and door market and our market share, are based on our good faith estimates that are derived from management estimates, our review of internal surveys, information provided by certain suppliers and independent sources. Unless otherwise indicated, statements as to our market position relative to our competitors are based on management estimates as of the end of fiscal year 2005.

Throughout this prospectus, references to impact-resistant windows and doors refer to windows and doors for residential applications that are specially designed to provide increased protection from hurricane-force winds and wind-borne debris. These windows and doors combine two sheets of glass that are laminated together with an inner-layer of polyvinyl butyral and are encased in heavy-duty aluminum or vinyl frames. Upon impact, although the individual layers of glass may break, the polyvinyl butyral inner-layer holds the broken glass particles together, which prevents penetration by the impacting object. Unless the context otherwise requires, such references do not include windows utilizing shutters or other active forms of hurricane protection.

WinGuard® Impact-Resistant Windows and Doors; PGT® Aluminum and Vinyl Windows and Doors; and Eze-Breeze® Sliding Panels are the registered trademarks of PGT Industries, Inc. This prospectus also contains trademarks and service marks of other companies.

PROSPECTUS SUMMARY

The following summary contains information about us and this offering. It likely does not contain all the information that is important to you. For a more complete understanding of us and this offering, we encourage you to read this entire document carefully, including the Risk factors section beginning on page 11 and the financial statements that are included elsewhere in this prospectus.

Our Company

We are the leading U.S. manufacturer and supplier of residential impact-resistant windows and doors and pioneered the U.S. impact-resistant window and door industry in the aftermath of Hurricane Andrew in 1992. Our impact-resistant products, which are marketed under the WinGuard brand name, combine heavy-duty aluminum or vinyl frames with laminated glass to provide protection from hurricane-force winds and wind-borne debris by maintaining their structural integrity and preventing penetration by impacting objects. Impact-resistant windows and doors satisfy increasingly stringent building codes in hurricane-prone coastal states and provide an attractive alternative to shutters and other active forms of hurricane protection that require installation and removal before and after each storm. Our current market share in Florida, the largest U.S. impact-resistant window and door market, is significantly greater than that of any of our competitors. WinGuard sales have increased at a compound annual growth rate of 51% since 1999 and represented 56% of our 2005 net sales, as compared to 17% of our 1999 net sales. We expect WinGuard sales to continue to represent an increasingly greater percentage of our net sales. In addition to our core WinGuard product line, we offer a complete range of premium, made-to-order and fully customizable aluminum and vinyl windows and doors primarily targeting the non-impact-resistant market, which represented 44% of our 2005 net sales. We manufacture these products in a wide variety of styles, including single hung, horizontal roller, casement, and sliding glass doors and we also manufacture sliding panels used for enclosing screened-in porches. For the year ended December 31, 2005, we generated net sales of $332.8 million, resulting in a compound annual growth rate of 23.7% since 1999. In the first quarter of 2006, we generated net sales of $96.4 million, a 21.4% increase over net sales generated in the first quarter of 2005.

The impact-resistant window and door market is growing faster than any major segment of the overall window and door industry. This growth has been driven primarily by increased adoption and more active enforcement of stringent building codes that mandate the use of impact-resistant products, as well as increased penetration of impact-resistant windows and doors relative to active forms of hurricane protection. An estimated 80% of the U.S. impact-resistant market uses active forms of hurricane protection. However, homeowners are increasingly choosing impact-resistant windows and doors due to ease of use, superior product performance, improved aesthetics, higher security features, and resulting lower insurance premiums for homeowners relative to standard windows. While offering all of these benefits, our WinGuard products are comparably priced to the combination of traditional windows and shutters. In addition, awareness of the benefits provided by impact-resistant windows and doors has increased dramatically due to media coverage of recent hurricanes and the experience of coastal homeowners and building contractors with these products. We have over one million installed WinGuard units and, following the devastating 2004 and 2005 hurricane seasons, there were no reported impact failures. According to the National Hurricane Center, we are currently in a period of heightened hurricane activity that could last another 10 to 20 years, which we expect to further drive awareness of impact-resistant windows and doors.

The geographic regions in which we currently operate include the Southeastern U.S., the Gulf Coast and the Caribbean. Additionally, we expect increased demand along the Atlantic coast, from Georgia to New York, as recently adopted building codes are enforced and awareness of the PGT brand continues to grow. We distribute our products through multiple channels, including over 1,300 window distributors, building supply distributors, window replacement dealers and enclosure contractors. This broad distribution network provides us with the flexibility to meet demand as it shifts between the residential new construction and repair and remodeling end markets. We operate strategically located manufacturing facilities in North Venice, Florida and Lexington, North Carolina, both capable of producing fully-customizable windows and doors. Our North Venice plant is vertically integrated with a glass tempering and laminating facility. Because of increased demand for our products, we are moving our Lexington operations to a larger facility in Salisbury, North Carolina. This facility will increase our

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manufacturing capacity by over 160,000 square feet, include glass laminating and tempering capabilities, and support the expansion of our geographic footprint as the impact-resistant market continues to grow.

Our Competitive Strengths

We believe our sales, earnings and cash flow will be driven by the following competitive strengths:

+ The leading position in the rapidly growing U.S. impact-resistant window and door market with superior products and strong brand awareness.

  We have leading market share and brand awareness of our impact-resistant windows and doors among contractors and homeowners is significantly higher than that of any of our competitors.

  We have the manufacturing expertise and technical know-how to develop and manufacture a complete line of impact-resistant windows and doors that pass the most rigorous product tests and are in compliance with stringent building code requirements.

  Over the past decade, our management team has been actively involved in the development of hurricane-protection building codes, positioning us well for future market opportunities.

+ Diversified and loyal customer base across multiple distribution channels and end markets.

  Our broad distribution network effectively serves both the residential new construction and repair and remodeling end markets and provides us with the flexibility to meet demand as it shifts between these end markets.

  Over the past five years, the residential new construction and repair and remodeling end markets have represented approximately 61% and 39% of our sales, respectively.

  Our largest customer represents only 2.8% of our sales, and our top ten customers represent only 16.8% of our sales.

+ Flexible and vertically-integrated manufacturing.

  Our facilities are strategically located to maximize efficiency, minimize lead times and cost-effectively serve several of the nation s fastest growing regional markets.

  Our in-house glass tempering and laminating facility provides us with a significant competitive advantage due to consistent material sourcing, shorter lead times, lower costs, and greater custom production capabilities.

  Our finished goods are shipped within an average of 48 hours of completion, allowing us to carry minimal finished product inventory.

+ Superior customer service before, during and after the sale.

  Our manufacturing process provides an efficient flow of product from order through delivery, allowing us to deliver impact-resistant products from our Florida facility in an average of three weeks, which we believe is below the industry average.

  Our cross-functional workforce and company-owned truck fleet ensure timely fulfillment of customer orders, evidenced by our on-time delivery rate of 99%.

  We have provided training and product education to over 15,000 customers, installers, architects, and building code officials through PGT University, increasing our customer loyalty and strengthening our brand awareness.

  Our well-trained sales team has outstanding technical knowledge, ensuring that our products meet building code specifications and are properly installed.

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+ Experienced management team and continuous improvement culture.

  Our senior management team has successfully demonstrated the ability to grow our business by introducing new product lines, expanding to new geographic markets and continuously improving product quality and service levels.

  Our senior management team, including our President, Chief Executive Officer, and co-founder, Rodney Hershberger, has an average of 20 years of manufacturing experience.

Although we believe that the factors described above will drive our sales, earnings, and cash flow and provide us with opportunities to grow, we have a substantial amount of indebtedness and there are a number of other risks and uncertainties that may affect our financial condition, results of operations, and cash flows. See Risk factors for further information.

Our Strategy

Our strategy is to leverage our competitive strengths to grow sales, earnings and cash flow and to expand our market positions in the window and door industry.

+ Increase penetration of existing impact-resistant markets.

  An estimated 80% of the U.S. impact-resistant market still uses shutters and other forms of active hurricane protection, providing us with a significant growth opportunity as demand continues to shift toward impact-resistant windows and doors.

  We will continue to drive WinGuard sales by capitalizing on the performance benefits provided by our impact-resistant windows and doors, including ease of use, improved aesthetics, higher security features, full egress, visibility, UV protection, and noise reduction.

  As a market leader, we influence consumer and builder demand through our marketing and advertising campaigns, which further increase brand awareness of our WinGuard products.

  We will continue to develop our strong relationships with large national homebuilders who are increasingly offering WinGuard windows and doors as part of their standard package.

+ Leverage our market-leading position to continue to expand into new geographical markets.

  The impact-resistant market spans the coastline from Mexico to New York, and the market opportunity will continue to grow as increasingly stringent building codes requiring impact-resistant products are adopted and enforced and product awareness continues to grow.

  Many of our WinGuard customers serve non-coastal areas, and we are leveraging these existing relationships to expand sales of our premium non-impact-resistant windows and doors.

+ Continue to develop new products to capitalize on high growth opportunities.

  Our recently introduced Vinyl WinGuard products are targeting impact-resistant markets where vinyl is the material of choice because of its thermal efficiencies.

  We recently introduced our multi-story product line in high density coastal areas, where developers and builders continue to build mid- and high-rise condominiums.

  We now offer a full range of customizable product colors and are launching wood-grain aluminum products to enhance our premium product offerings.

  We are leveraging our laminated glass technology and manufacturing expertise to expand into new markets, such as noise abatement and bomb blast protection.

+ Continue to focus on productivity improvements and working capital utilization.
We continue to drive increased output and manufacturing efficiencies through investments in automation, workforce training and development, process and product controls, and re-engineering of assembly-line layouts.

We have successfully increased our sales per manufacturing square foot from $210 in 1997 to $510 in 2005 and have reduced our inventory as a percentage of sales from 8.5% in 1997 to 4.2% in 2005.

Our History

Our subsidiary, PGT Industries, Inc., was founded in 1980 as Vinyl Technology, Inc. by Paul Hostetler and our current President and Chief Executive Officer, Rodney Hershberger. The PGT brand was established in 1987, and we introduced our WinGuard product line in the aftermath of Hurricane Andrew in 1992.

On December 16, 2003, an affiliate of JLL Partners formed PGT, Inc. as a Delaware corporation named JLL Window Holdings, Inc., to acquire all of the outstanding stock of PGT Holding Company (the then-parent company of PGT Industries, Inc.) for approximately $318.4 million on January 29, 2004. In connection with the acquisition, some of the officers and employees of PGT Industries, Inc. rolled over their shares of common stock of PGT Holding Company (and vested options to acquire such shares) in exchange for shares of Company common stock (and vested options to acquire such shares). The purchase price consisted of $286.6 million in cash, net of cash acquired, and $31.8 million, representing the fair value of shares of our Company s common stock and shares subject to vested stock options of PGT Holding Company held by officers and employees that were rolled over to Company stock options. The fair value of the stock and rollover options was determined based on the price paid (net of debt) by the Company in the acquisition. As a result of the transaction, PGT Holding Company became our wholly-owned subsidiary, and on May 25, 2005, PGT Holding Company was merged with and into the Company. The acquisition, the related repayment of the Company s then-existing debt, and transaction fees and expenses were financed with a combination of debt financing from a new $195.0 million credit facility entered into by the Company and a $125.0 million equity contribution by an affiliate of JLL Partners. On February 15, 2006, our name was changed to PGT, Inc.

There were no significant changes to our management or operations in connection with the acquisition, nor were there any significant tax consequences to the Company. For more information on the JLL acquisition, see Note 4 to our audited consolidated financial statements included herein.

Only the Company is selling securities in this offering. Upon completion of this offering, an affiliate of JLL Partners will retain 14,463,776 shares of our common stock and our directors and executive officers, as a group, will retain 1,043,911 shares. For further information on the consideration to be paid for the shares to be sold in this offering, as compared to the consideration paid by JLL Partners affiliate and management investors in the acquisition, see the section entitled Dilution.

Our Principal Investors

An affiliate of JLL Partners, Inc. owned 91.8% of our outstanding common stock prior to this offering, and will own 58.9% following this offering. Founded in 1988, JLL Partners is a private equity investment firm that has invested in a wide variety of sectors, including the building products industry. JLL Partners portfolio companies have included Builders First Source, Inc., AdvancePCS, IASIS Healthcare, C.H.I. Overhead Doors, Mosaic Sales Solutions, Education Affiliates, Medical Card Systems, and JG Wentworth.

Recent Developments

On June 5, 2006, our board of directors and our stockholders approved a 662.07889-for-1 stock split of our common stock.

After the stock split, effective June 6, 2006, each holder of record held 662.07889 shares of common stock for every 1 share held immediately prior to the effective date. As a result of the stock split, the board of directors also exercised its discretion under the anti-dilution provisions of our 2004 Stock Incentive Plan to adjust the number of shares underlying stock options and the related exercise prices to reflect the change in the per share value and outstanding shares on the date of the stock split. The effect of fractional shares is not material.

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Following the effective date of the stock split, the par value of the common stock remained at $0.01 per share. As a result, we have increased the common stock in our consolidated balance sheets and statements of shareholders equity included herein on a retroactive basis for all of our Company s periods presented, with a corresponding decrease to additional paid-in capital. All share and per share amounts and related disclosures in this prospectus have also been retroactively adjusted for all of our Company s periods presented to reflect the 662.07889-for-1 stock split.

Our principal executive offices are located at 1070 Technology Drive, North Venice, Florida 34275, our telephone number is (941) 480-1600, and our website is www.pgtindustries.com. We have not incorporated by reference into this prospectus the information on our website, and you should not consider it to be a part of this prospectus.

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THE OFFERING

Common stock offered	8,823,529 shares (10,147,058 shares if the underwriters exercise their over-allotment option in full)
Common stock to be outstanding immediately after this offering	24,573,012 shares (25,896,541 shares if the underwriters exercise their over-allotment option in full)
Use of Proceeds	We estimate that the net proceeds to us from this offering after expenses will be approximately $138.0 million, or approximately $158.9 million if the underwriters exercise their over-allotment option in full, assuming an initial public offering price of $17.00 per share. We intend to use the net proceeds that we receive from this offering to repay a portion of our outstanding debt under our credit facilities, and for general corporate purposes. See Use of proceeds.
Proposed Nasdaq symbol	PGTI

The number of shares of our common stock outstanding after this offering is based on 15,749,483 shares outstanding as of June 7, 2006. Unless otherwise indicated, all information in this prospectus assumes the following:

- a 662.07889-for-1 split of our common stock, effective June 6, 2006; and
- the initial offering price will be $17.00, which is the midpoint of the estimated price range shown on the cover page of this prospectus.

The number of shares of our common stock to be outstanding immediately after this offering excludes:

- 4,938,536 shares of our common stock issuable upon exercise of options outstanding as of June 7, 2006, at a weighted average exercise price of $4.39 per share, of which options to purchase 3,452,729 shares were exercisable as of that date;
- 1,323,529 shares of our common stock that may be purchased by the underwriters to cover over-allotments, if any; and
- 3,000,000 shares of our common stock reserved for issuance under our 2006 Equity Incentive Plan.

Unless we specifically state otherwise, the information in this prospectus assumes that the underwriters do not exercise their option to purchase up to 1,323,529 shares of our common stock to cover over-allotments, if any.

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SUMMARY HISTORICAL FINANCIAL INFORMATION AND OTHER DATA

The following table sets forth a summary of consolidated financial information and other data of the periods or at each date indicated. The summary historical financial data as of and for the first quarters ended April 1, 2006 and April 2, 2005, have been derived from our unaudited condensed consolidated financial statements and related notes thereto included in this prospectus. The summary historical financial data as of December 31, 2005 and January 1, 2005 and for the year ended December 31, 2005, and the period January 30, 2004 to January 1, 2005, have been derived from our audited consolidated financial statements and related notes thereto included in the prospectus, which have been audited by Ernst & Young LLP, independent registered public accounting firm. The summary historical financial data for the period December 28, 2003 to January 29, 2004 and the year ended December 27, 2003, have been derived from PGT Holding Company s audited consolidated financial statements and related notes thereto included in this prospectus, which have been audited by Ernst & Young LLP, independent registered public accounting firm. Throughout this prospectus, we refer to PGT Holding Company as our Predecessor. The summary historical financial data as of December 27, 2003 and December 28, 2002 and for the year ended December 28, 2002, have been derived from our Predecessor s audited consolidated financial statements and related notes thereto not included in this prospectus.

On January 29, 2004, we were acquired by an affiliate of JLL Partners in a purchase business combination. This acquisition was accounted for using purchase accounting in accordance with SFAS No. 141, Business Combinations. The post-acquisition periods of our Company have been impacted by the application of purchase accounting resulting in incremental, non-cash depreciation expense and non-cash amortization of intangible assets. Accordingly, the results of operation for the periods of our Company are not comparable to the results of operation for the Predecessor periods.

All information included in the following tables should be read in conjunction with Management s discussion and analysis of financial condition and results of operations and with the consolidated financial statements and related notes included elsewhere in this prospectus.

	Company				Predecessor		
Consolidated Summary Financial Data	First Quarter Ended April 1, 2006	First Quarter Ended April 2, 2005	Year Ended December 31, 2005	January 30, 2004 to January 1, 2005	December 28, 2003 to January 29, 2004	Year Ended December 27, 2003	Year Ended December 28, 2002
	(Unaudited)						
	(In thousands, except per share amounts)						
Net sales	$ 96,355	$ 79,364	$ 332,813	$ 237,350	$ 19,044	$ 222,594	$ 160,627
Cost of sales	60,634	49,636	209,475	152,316	13,997	135,285	96,327
Gross margin	35,721	29,728	123,338	85,034	5,047	87,309	64,300
Selling, general and administrative expenses(1)	21,868	19,492	83,634	63,494	6,024	55,655	40,761
Write-off of trademark			7,200				
Stock compensation expense(2)	26,898		7,146				
Income (loss) from operations	(13,045)	10,236	25,358	21,540	(977)	31,654	23,539
Other (income) expense, net(3)	(409)	(81)	(286)	124			
Interest expense	10,359	3,143	13,871	9,893	518	7,292	7,630
Income (loss) before income taxes	(22,995)	7,174	11,773	11,523	(1,495)	24,362	15,909
Income tax expense (benefit)	(8,919)	2,382	3,910	4,531	(912)	9,397	6,287
Net income (loss)	$ (14,076)	$ 4,792	$ 7,863	$ 6,992	$ (583)	$ 14,965	$ 9,622
Net income (loss) per common share basic(4)(6)	$ (0.89)	$ 0.30	$ 0.50	$ 0.44	N/A	N/A	N/A
Net income (loss) per common and common equivalent share diluted(4)(6)	$ (0.89)	$ 0.28	$ 0.45	$ 0.41	N/A	N/A	N/A
	15,749	15,720	15,723	15,720	N/A	N/A	N/A

Weighted average shares outstanding basic(5)(6)							
Weighted average shares outstanding diluted(5)(6)	15,749	17,221	17,299	17,221	N/A	N/A	N/A
Unaudited pro forma net income (loss) per common share basic	$ (0.64)		$ 0.36				
Unaudited pro forma net income (loss) per common share and common equivalent share diluted	$ (0.64)		$ 0.34				
Balance Sheet data (end of period):							
Cash and cash equivalents	$ 20,642	$ 2,295	$ 3,270	$ 2,525	$ 12,191	$ 8,536	$ 9,399
Total assets	461,329	410,871	425,553	409,936	157,084	154,505	138,658
Total debt, including current portion	320,000	160,375	183,525	168,375	61,683	61,641	66,803
Shareholders equity	58,943	171,065	156,571	166,107	68,187	68,731	52,169
Other financial data:							
Depreciation	$ 2,255	$ 1,637	$ 7,503	$ 5,221	$ 484	$ 5,075	$ 4,099
Amortization	1,564	2,005	8,020	9,289	44	458	458
Capital expenditures (excluding acquisitions)	10,736	2,829	15,864	12,635	150	7,523	4,356

(1) Includes management fees paid to our majority stockholder. The management services agreement pursuant to which these fees were paid will terminate upon consummation of this offering.

(2) Represents amounts paid to stock option holders (including applicable payroll taxes) in lieu of adjusting exercise prices in connection with the dividends paid to shareholders in September 2005 and February 2006 of $6.6 million and $26.9 million, respectively. These amounts include amounts paid to stock option holders whose other compensation is a component of cost of sales of $1.3 million and $5.1 million, respectively. Also includes stock issuance expense of $0.5 million in 2005.

(3) Includes the amortization of our interest rate cap.

(4) Basic net income per share represents net income divided by weighted average common shares outstanding, and diluted net income per share represents net income divided by weighted average common and common equivalent shares outstanding. Due to the significant change in our capital structure on January 29, 2004, the Predecessor amount has not been presented because it is not considered comparable to our Company s amount.

(5) Weighted average shares outstanding basic represents the weighted average number of shares of common stock outstanding and is determined by measuring (a) the shares outstanding during each portion of the respective reporting period that shares of common stock have been outstanding relative to (b) the total amount of time in such reporting period. Weighted average shares outstanding diluted represents the basic weighted average shares outstanding, adjusted to include the number of additional shares of common stock that would have been outstanding if the dilutive shares of common stock issuable upon exercise of our stock options had been issued.

(6) Reflects the impact of the 662.07889-for-1 stock split as discussed in Note 9 to the unaudited condensed consolidated financial statements included elsewhere herein.
Below is a presentation of EBITDA, a non-GAAP measure, which we believe is useful information for investors:

	Company				Predecessor		
	First Quarter Ended April 1, 2006	First Quarter Ended April 2, 2005	Year Ended December 31, 2005	January 30, 2004 to January 1, 2005	December 28, 2003 to January 29, 2004	Year Ended December 27, 2003	Year Ended December 28, 2002
	(Unaudited)						
	(In thousands)						
Net Income (loss)	$ (14,076)	$ 4,792	$ 7,863	$ 6,992	$ (583)	$ 14,965	$ 9,622
Interest expense	10,359	3,143	13,871	9,893	518	7,292	7,630
Income tax expense (benefit)	(8,919)	2,382	3,910	4,531	(912)	9,397	6,287
Depreciation	2,255	1,637	7,503	5,221	484	5,075	4,099
Amortization	1,564	2,005	8,020	9,289	44	458	458
EBITDA(1)(2)	$ (8,817)	$ 13,959	$ 41,167	$ 35,926	$ (449)	$ 37,187	$ 28,096

(1) Includes the impact of the following items:

Management fees(a)	$ 461	$ 238	$ 1,840	$ 1,362	$ 67	$ 800	$ 800
Write-off of NatureScape trademark(b)			7,200				
Stock compensation(c)	26,898		7,146				
NatureScape exit costs(d)			629				
Refinancing fees(e)			404				

(a)

Represents management fees paid to our majority stockholder. Such fees will not be paid following consummation of this offering.

(b) Represents a write-down of our NatureScape trademark in connection with the sale of our NatureScape business.

(c) Represents compensation expense related to amounts paid to option holders in lieu of adjusting exercise prices in connection with the payment of dividends to shareholders in September 2005 and February 2006. Also includes stock issuance expense in 2005.

(d) Represents exit costs related to the sale of our NatureScape business, such as the write-off of raw materials and equipment.

(e) Represents legal fees related to refinancing our senior secured credit facility in September 2005.

(2) EBITDA is defined as net income plus interest expense (net of interest income), income taxes, depreciation, and amortization. EBITDA is a measure commonly used in the window and door industry, and we present EBITDA to enhance your understanding of our operating performance. We use EBITDA as one criterion for evaluating our performance relative to that of our peers. We believe that EBITDA is an operating performance measure that provides investors and analysts with a measure of operating results unaffected by

differences in capital structures, capital investment cycles, and ages of related assets among otherwise comparable companies. Further, we believe that EBITDA is a useful measure because it improves comparability of predecessor and successor results of operations, since purchase accounting renders depreciation and amortization non-comparable between predecessor and successor periods. While we believe EBITDA is a useful measure for investors, it is not a measurement presented in accordance with United States generally accepted accounting principles, or GAAP. You should not consider EBITDA in isolation or as a substitute for net income, cash flows from operations, or any other items calculated in accordance with GAAP. In addition, EBITDA has inherent material limitations as a performance measure. It does not include interest expense and, because we have borrowed money, interest expense is a necessary element of our costs. In addition, EBITDA does not include depreciation and amortization expense. Because we have capital and intangible assets, depreciation and amortization expense is a necessary element of our costs. Moreover, EBITDA does not include taxes, and payment of taxes is a necessary element of our operations. Accordingly, since EBITDA excludes these items, it has material limitations as a performance measure. To compensate for the limitations of EBITDA, the Company s management separately monitors capital expenditures, which impact depreciation expense, as well as amortization expense, interest expense, and income tax expense. Because not all companies use identical calculations, our presentation of EBITDA may not be comparable to other similarly titled measures of other companies. We strongly urge you to review the reconciliation information contained in this prospectus and our financial statements.

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RISK FACTORS

An investment in shares of our common stock involves risks. You should consider carefully the following information about these risks, together with the other information contained in this prospectus, before deciding to buy shares of our common stock. If any of the following risks actually occurs, our business, financial condition, results of operations, and future growth prospects could be materially and adversely affected. In these circumstances, the market price of our common stock could decline, and you may lose all or part of the money you paid to buy shares of our common stock.

Risks Relating to Our Business and Industry

Our operating results are substantially dependent on sales of our WinGuard line of products.

A majority of our net sales are, and are expected to continue to be, derived from the sales of our WinGuard line of products. Accordingly, our future operating results will depend on the demand for WinGuard products by current and future customers, including additions to this product line that are subsequently introduced. If our competitors release new products that are superior to WinGuard products in performance or price, or if we fail to update WinGuard products with any technological advances that are developed by us or our competitors or introduce new products in a timely manner, demand for our products may decline. A decline in demand for WinGuard products as a result of competition, technological change or other factors could have a material adverse effect on our ability to generate sales, which would negatively affect our financial condition, results of operation, and cash flow.

Changes in building codes could lower the demand for our impact-resistant windows and doors.

The market for our impact-resistant windows and doors depends in large part on our ability to satisfy state and local building codes that require protection from wind-borne debris. If the standards in such building codes are raised, we may not be able to meet their requirements, and demand for our products could decline. Conversely, if the standards in such building codes are lowered or are not enforced in certain areas, demand for our impact-resistant products may decrease. Further, if states and regions that are affected by hurricanes but do not currently have such building codes fail to adopt and enforce hurricane protection building codes, our ability to expand our business in such markets may be limited.

We may be unable to successfully implement our expansion plans included in our business strategy.

Our business strategy includes expansion into new geographic markets in additional coastal states as those states adopt or enforce building codes that require protection from wind-borne debris. Should these regions fail to adopt or enforce such building codes, our ability to expand geographically may be limited. In addition, if these regions do adopt or enforce building codes that require protection from wind-borne debris but our competitors enter those markets with products superior to ours in performance or price, demand for our products in such markets may not develop. Our business plan also provides for our introduction of new product lines, such as our new vinyl WinGuard products, and our new multi-story product line. If our competitors release new products that are superior to ours in performance or price, or if we cannot develop products that meet customers demands or introduce our products in a timely manner, we may be unable to generate sales of such new products.

We are also expanding our business by moving our operations in North Carolina to a larger facility, which we acquired in February 2006. This new facility will significantly increase our manufacturing capacity. However, we may not be able to expand our operations in North Carolina in an efficient and cost-effective manner or without significant disruption to our existing operations, including the diversion of management s attention and resources from existing operations. Our failure to successfully expand our North Carolina facility could prevent us from remaining competitive or adversely affect our ability to expand into new geographic markets.

Our industry is competitive, and competition may increase as our markets grow as more states adopt or enforce building codes that require impact-resistant products.

The window and door industry is highly competitive. We face significant competition from numerous small, regional producers, as well as a small number of national producers. Some of these competitors make products from alternative materials, including wood. Any of these competitors may (i) foresee the course of market development more accurately than do we, (ii) develop products that are superior to our products, (iii) have the ability to produce similar products at a lower cost, (iv) develop stronger relationships with window distributors, building supply distributors, and window replacement dealers, or (v) adapt more quickly to new technologies or evolving customer requirements than do we. As a result, we may not be able to compete successfully with them.

In addition, while we are skilled at creating finished impact-resistant and other window and door products, the materials we use can be purchased by any existing or potential competitor. New competitors can enter our industry, and existing competitors may increase their efforts in the impact-resistant market. Furthermore, if the market for impact-resistant windows and doors continues to expand, larger competitors could enter, or expand their presence in, the market and may be able to compete more effectively. Finally, we may not be able to maintain our costs at a level sufficiently low for us to compete effectively. If we are unable to compete effectively, demand for our products and our profitability may decline.

Our business is currently concentrated in one state.

Our business is concentrated geographically in Florida. In fiscal year 2005, approximately 88% of our sales were generated from sales in Florida. A decline in the economy of the state of Florida or of the coastal regions of Florida, a change in state and local building code requirements for hurricane protection, or any other adverse condition in the state could cause a decline in the demand for our products in Florida, which could decrease our sales and profitability.

Declines in the new construction or repair and remodeling markets could lower the demand for, and the pricing of, our products, which could adversely affect our results.

The window and door industry is subject to the cyclical market pressures of the larger new construction and repair and remodeling markets, which in turn may be significantly affected by adverse changes in economic conditions such as demographic trends, employment levels, and consumer confidence. Production of new homes and home repair and remodeling projects may also decline because of shortages of qualified tradesmen, and shortages of materials. In addition, the homebuilding industry and the home repair and remodeling sector are subject to various local, state, and federal statutes, ordinances, rules, and regulations concerning zoning, building design and safety, construction, and similar matters, including regulations that impose restrictive zoning and density requirements in order to limit the number of homes that can be built within the boundaries of a particular area. Increased regulatory restrictions could limit demand for new homes and home repair and remodeling products and could negatively affect our sales and earnings. Declines in our customers construction levels could decrease demand for our products, which would have a significant adverse impact on our sales and results of operations.

We depend on third-party suppliers, and the prices we pay for our raw materials are subject to rapid fluctuations.

Our ability to offer a wide variety of products to our customers is dependent upon our ability to obtain adequate material supplies from manufacturers and other suppliers. Generally, our raw materials and supplies are obtainable from various sources and in sufficient quantities. However, it is possible that our competitors or other suppliers may create laminates or products based on new technologies that are not available to us or are more effective than our products at surviving hurricane-force winds and wind-borne debris or that they may have access to products of a similar quality at lower prices.

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Our most significant raw materials include aluminum extrusion and glass, each of which is subject to periods of rapid and significant fluctuations in price. Our cost of aluminum extrusion and glass increased by 10% and 12%, respectively, over the last three years, and the total cost of our raw materials in 2005 constituted approximately 57% of our total cost of goods sold. Although in many instances we have agreements with our suppliers, these agreements are generally terminable by either party on limited notice. Moreover, other than with our suppliers of polyvinyl butyral and aluminum, we do not have long-term contracts with the majority of the suppliers of our raw materials. In addition, our current forward contracts for aluminum run through October of 2006. In the event that severe shortages of such materials occur, or if we are unable to enter into a new hedge agreement on favorable terms for the purchase of aluminum, we may experience increases in the cost of, or delay in the shipment of, our products, which may result in lower margins on the sales of our products. While historically we have been able to substantially pass on significant cost increases through to our customers, our results between periods may be negatively impacted by a delay between the cost increases and price increases in our products. Failure by our suppliers to continue to supply us with materials on commercially reasonable terms, or in our ability to pass on any future price increases could result in significantly lower margins.

Our level of indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, and prevent us from meeting our obligations under our debt instruments.

As of April 1, 2006, after giving effect to the application of the net proceeds of this offering, our total indebtedness would have been $182.0 million, and our annual debt service payments for 2006 would have been $14.8 million (consisting of $14.8 million of interest and no principal). At this level of debt, a 1% increase in LIBOR would result in an increase in interest expense of $1.8 million, without giving effect to our hedging arrangements.

Our debt could have important consequences for you, including:

- increasing our vulnerability to general economic and industry conditions;
- requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures, and future business opportunities;
- exposing us to the risk of increased interest rates because certain of our borrowings, including borrowings under our credit facilities, will be at variable rates of interest;
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions, and general corporate or other purposes; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who have less debt.

In addition, some of our debt instruments, including those governing our credit facilities, contain cross-default provisions that could result in multiple tranches of our debt being declared immediately due and payable. In such event, it is unlikely that we would be able to satisfy our obligations under all of such accelerated indebtedness simultaneously.

We may incur additional indebtedness.

We may incur additional indebtedness under our credit facilities, which provide for up to $30 million of revolving credit borrowings. In addition, we and our subsidiary may be able to incur substantial additional indebtedness in the future, including secured debt, subject to the restrictions contained in the agreements governing our credit facilities. If new debt is added to our current debt levels, the related risks that we now face could intensify.

Our debt instruments contain various covenants that limit our ability to operate our business.

Our credit facilities contain various provisions that limit our ability to, among other things:

- transfer or sell assets, including the equity interests of our subsidiary, or use asset sale proceeds;
- incur additional debt;
- pay dividends or distributions on our capital stock or repurchase our capital stock;
- make certain restricted payments or investments;
- create liens to secure debt;
- enter into transactions with affiliates;
- merge or consolidate with another company; and
- engage in unrelated business activities.

In addition, our credit facilities require us to meet specified financial ratios. These covenants may restrict our ability to expand or fully pursue our business strategies. Our ability to comply with these and other provisions of our credit facilities may be affected by changes in our operating and financial performance, changes in general business and economic conditions, adverse regulatory developments, or other events beyond our control. The breach of any of these covenants, including those contained in our credit facilities, could result in a default under our indebtedness, which could cause those and other obligations to become due and payable. If any of our indebtedness is accelerated, we may not be able to repay it.

Our continued success will depend on our ability to retain our key employees and to attract and retain new qualified employees.

Our success depends to a significant extent on the continued service of our senior management team, which has an average of 20 years of manufacturing experience, including our President, Chief Executive Officer, and co-founder, Rodney Hershberger. Although we have employment agreements with key members of our senior management team, each of our employees, subject to applicable notice requirements, may terminate his employment at any time. Our industry is highly specialized, and the pool of individuals with relevant experience in the window and door industry, especially the impact-resistant window and door industry, is limited, and retaining and training employees with the skills necessary to operate our business effectively is challenging, costly, and time-consuming. Accordingly, should we lose the services of any member of our senior management team, our board of directors would have to conduct a search for a qualified replacement. This search may be prolonged, and we may not be able to locate and hire a qualified replacement. The loss of any member of our senior management team or other experienced, senior employees could impair our ability to execute our business plan and growth strategy, cause us to lose customers and reduce our net sales, or lead to employee morale problems and the loss of other key employees. In addition, we may be unsuccessful in attracting and retaining the personnel we require to expand our operations successfully, including the expansion of our facilities in North Carolina.

We may be adversely affected by any disruption in our information technology systems.

Our operations are dependent upon our information technology systems, which encompass all of our major business functions. For example, our Expert Configuration Order Fulfillment System enables us to synchronize the scheduling of the manufacturing processes of multiple feeder and assembly operations to serve our make-to-order needs and ship in geographical sequence, and our Web Weaver web-based order entry system extends the Expert Configuration technology to the dealer, allowing configuration and price-quoting from the field. A substantial disruption in our information technology systems for any prolonged period could result in delays in

receiving inventory and supplies or filling customer orders and adversely affect our customer service and relationships.

We may be adversely affected by any disruptions to our manufacturing facilities or disruptions to our customer, supplier, or employee base.

Any serious disruption to our facilities resulting from hurricanes and other weather-related events, fire, an act of terrorism, or any other cause could damage a significant portion of our inventory, affect our distribution of products, and materially impair our ability to distribute our products to customers. We could incur significantly higher costs and longer lead times associated with distributing our products to our customers during the time that it takes for us to reopen or replace a damaged facility. In addition, if there are disruptions to our customer and supplier base or to our employees caused by hurricanes, as we experienced during the 2004 hurricane season, our business could be temporarily adversely affected by higher costs for materials, increased shipping and storage costs, increased labor costs, increased absentee rates, and scheduling issues. Furthermore, some of our direct and indirect suppliers have unionized work forces, and strikes, work stoppages, or slowdowns experienced by these suppliers could result in slowdowns or closures of their facilities. Any interruption in the production or delivery of our supplies could reduce sales of our products and increase our costs.

The nature of our business exposes us to product liability and warranty claims.

We are involved in product liability and product warranty claims relating to the products we manufacture and distribute that, if adversely determined, could adversely affect our financial condition, results of operations, and cash flows. In addition, we may be exposed to potential claims arising from the conduct of homebuilders and home remodelers and their sub-contractors. Although we currently maintain what we believe to be suitable and adequate insurance in excess of our self-insured amounts, we may not be able to maintain such insurance on acceptable terms or such insurance may not provide adequate protection against potential liabilities. Product liability claims can be expensive to defend and can divert the attention of management and other personnel for significant periods, regardless of the ultimate outcome. Claims of this nature could also have a negative impact on customer confidence in our products and our company.

We are subject to potential exposure to environmental liabilities and are subject to environmental regulation.

We are subject to various federal, state, and local environmental laws, ordinances, and regulations. Although we believe that our facilities are in material compliance with such laws, ordinances, and regulations, as owners and lessees of real property, we can be held liable for the investigation or remediation of contamination on such properties, in some circumstances, without regard to whether we knew of or were responsible for such contamination. Remediation may be required in the future as a result of spills or releases of petroleum products or hazardous substances, the discovery of unknown environmental conditions, or more stringent standards regarding existing residual contamination. More burdensome environmental regulatory requirements may increase our general and administrative costs and may increase the risk that we may incur fines or penalties or be held liable for violations of such regulatory requirements.

A range of factors may make our quarterly net sales and earnings variable.

We have historically experienced, and in the future will continue to experience, variability in net sales and earnings on a quarterly basis. The factors expected to contribute to this variability include, among others, (i) the cyclical nature of the homebuilding industry and the home repair and remodeling sector, (ii) general economic conditions in the various local markets in which we compete, (iii) the distribution schedules of our customers, (iv) the effects of the weather, and (v) the volatility of prices of aluminum, glass and vinyl. These factors, among others, make it difficult to project our operating results on a consistent basis.

We conduct all of our operations through our subsidiary, and rely on dividends and other payments from our subsidiary to meet all of our obligations.

We are a holding company and derive all of our operating income from our subsidiary, PGT Industries, Inc. All of our assets are held by our subsidiary, and we rely on the earnings and cash flows of our subsidiary, which are paid to us by our subsidiary in the form of dividends and other payments, to meet our debt service obligations. The ability of our subsidiary to pay dividends or make other payments to us will depend on its respective operating results and may be restricted by, among other things, the laws of its jurisdiction of organization (which may limit the amount of funds available for the payment of dividends and other distributions to us), the terms of existing and future indebtedness and other agreements of our subsidiary, including our credit facilities, and the covenants of any future outstanding indebtedness we or our subsidiary incur.

We may be adversely affected by uncertainty in the economy and financial markets, including as a result of terrorism.

The window and door market is subject to the cyclical market pressures of the larger new construction and repair and remodeling markets, which in turn are significantly affected by changes in the economy, including demographic trends, employment levels, and consumer confidence. Instability in the economy and financial markets, including as a result of terrorism, may result in a decrease in residential construction activity, which would adversely affect our business. In addition, war or other adverse developments, including a retaliatory military strike or terrorist attack, may cause unpredictable or unfavorable economic conditions and could have a material adverse effect on our operating results and financial condition and on our ability to raise capital. Terrorist attacks similar to the ones committed on September 11, 2001, may also directly affect our ability to keep our operations and services functioning properly.

Being a public company will increase our administrative costs.

As a public company, we will incur significant legal, accounting, and other expenses that we did not incur as a private company. In addition, our management team will be required to spend valuable time on administrative matters that it would otherwise devote to our business. Under the rules and regulations of the SEC, as well as those of Nasdaq, our financial compliance costs will increase. Such rules may also make it more difficult and more expensive to obtain director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee, and qualified executive officers.

Investor confidence and the price of our common stock may be adversely affected if we are unable to comply with Section 404 of the Sarbanes-Oxley Act of 2002.

Upon completion of this offering, we will become an SEC reporting company. As a reporting company, we will be subject to rules adopted by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, which require us to include in our annual report on Form 10-K our management s report on, and assessment of, the effectiveness of our internal controls over financial reporting. In addition, our independent auditors must attest to and report on management s assessment of the effectiveness of our internal controls over financial reporting and the effectiveness of such internal controls. These requirements will first apply to our annual report for the fiscal year ending December 31, 2007. If we fail to properly assess and/or achieve and maintain the adequacy of our internal controls, there is a risk that we will not comply with all of the requirements imposed by Section 404. Moreover, effective internal controls are necessary for us to produce reliable financial reports and are important to help prevent financial fraud. Any failure in our development of internal controls could result in an adverse reaction in the financial marketplace due to a loss of investor confidence in the reliability of our financial statements, which ultimately could harm our business and could negatively impact the market price of our securities.

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Risks Related to Our Common Stock and the Offering

There has been no prior public market for our common stock, and an active trading market may not develop.

Prior to this offering, there has been no public market for our common stock. An active trading market may not develop following completion of this offering or, if developed, may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your shares. An inactive market may also impair our ability to raise capital by selling shares of capital stock and may impair our ability to acquire other companies by using our shares as consideration.

Our stock price may be volatile, and you may lose all or part of your investment.

The initial public offering price for the shares of our common stock sold in this offering has been determined by negotiation among the representatives of the underwriters and us. This price may not reflect the market price of our common stock following this offering and the price of our common stock may decline. In addition, the market price of our common stock could be highly volatile and may fluctuate substantially as a result of many factors, including:

- actual or anticipated fluctuations in our results of operations;
- variance in our financial performance from the expectations of market analysts;
- announcements by us or our competitors of significant business developments, changes in customer relationships, acquisitions or expansion plans;
- changes in the prices of our raw materials or the products we sell;
- our involvement in litigation;
- our sale of common stock or other securities in the future;
- market conditions in our industry;
- changes in key personnel;
- the trading volume of our common stock;
- changes in the estimation of the future size and growth rate of our markets; and
- general economic and market conditions.

In addition, the stock markets have experienced extreme price and volume fluctuations. Broad market and industry factors may materially harm the market price of our common stock, regardless of our operating performance. In the past, following periods of volatility in the market price of a company s securities, securities class action litigation has often been instituted against that company. If we were involved in any similar litigation we could incur substantial costs and our management s attention and resources could be diverted.

Investors in this offering will suffer immediate and substantial dilution relative to our net tangible book value.

The initial public offering price of our common stock is substantially higher than the net tangible book value per share of our common stock. Purchasers of our common stock in this offering will experience immediate and

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substantial dilution, which means that, assuming that all options issued prior to this offering are exercised:

- you will pay a price per share that substantially exceeds the per share book value of our assets immediately following the offering after subtracting our liabilities; and

- the purchasers in this offering will have contributed 48.8% of the total amount to fund us but will own only 29.9% of our outstanding shares.

The market price of our common stock could be negatively affected by future sales of our common stock.

Sales by us or our stockholders of a substantial number of shares of our common stock in the public market following this offering, or the perception that these sales might occur, could cause the market price of our common stock to decline or could impair our ability to raise capital through a future sale of, or pay for acquisitions using, our equity securities. The shares held by our executive officers, our directors, and our majority stockholder following this offering will be subject to lock-up agreements and may not be sold to the public during the 180-day period following the date of this prospectus without the consent of the underwriters. Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc. may, in their sole discretion and at any time without notice, release all or any portion of the shares subject to these lock-up agreements. Shares held by our officers, directors, and principal stockholder will be considered restricted securities within the meaning of Rule 144 under the Securities Act and, after the lock-up period, will be eligible for resale subject to certain limitations of Rule 144.

Upon the closing of this offering, the holders of an aggregate of 14,463,776 shares of our common stock, or their permitted transferees, are entitled to rights with respect to the registration of these shares under the Securities Act of 1933. In addition to outstanding shares eligible for future sale, shares of our common stock are issuable under currently outstanding stock options granted to several officers, directors and employees. Following this offering, we intend to file a registration statement on Form S-8 under the Securities Act registering 5,239,812 shares under our stock incentive plans. Shares included in such registration statement will be available for sale in the public market immediately after such filing except for shares held by affiliates who will have certain restrictions on their ability to sell.

The controlling position of an affiliate of JLL Partners will limit your ability to influence corporate matters.

An affiliate of JLL Partners owned 91.8% of our outstanding common stock prior to this offering and, after this offering, will own 58.9% of our outstanding common stock. Accordingly, following this offering, such affiliate of JLL Partners will have significant influence over our management and affairs and over all matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets, for the foreseeable future. This concentration of ownership may have the effect of delaying or preventing a transaction such as a merger, consolidation, or other business combination involving us, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control, even if such a transaction or change of control would benefit you or other minority stockholders. In addition, this concentrated control will limit your ability to influence corporate matters, and such affiliate of JLL Partners, as a controlling stockholder, could approve certain actions, including a going-private transaction, without approval of minority stockholders, subject to obtaining any required approval of our board of directors for such transaction. As a result, the market price of our common stock could be adversely affected.

The controlling position of an affiliate of JLL Partners will permit us to be exempt from certain Nasdaq corporate governance requirements.

Although we intend to satisfy all applicable Nasdaq corporate governance rules, for so long as an affiliate of JLL Partners continues to own more than 50% of our outstanding shares after the consummation of the offering, we intend to avail ourselves of the Nasdaq Rule 4350(c) controlled company exemption that applies to companies in which more than 50% of the stockholder voting power is held by an individual, a group, or another company. This rule will grant us an exemption from the requirements that we have a majority of independent

directors on our board of directors and that we have independent directors determine the compensation of executive officers and the selection of nominees to the board of directors. However, we intend to comply with such requirements in the event that such affiliate of JLL Partners ownership falls to or below 50%. In addition, although we intend to increase the size of the board following completion of this offering to appoint independent directors to satisfy the requirements of the Sarbanes-Oxley Act, we currently intend that a majority of the members of our board of directors will continue to be associated with JLL Partners for so long as an affiliate of JLL Partners owns more than 50% of our outstanding shares.

Our directors and officers who are affiliated with JLL Partners will not have any obligation to report corporate opportunities to us.

Because some individuals may serve as our directors or officers and as directors, officers, partners, members, managers, or employees of JLL Partners or its affiliates or investment funds and because such affiliates or investment funds may engage in similar lines of business to those in which we engage, our amended and restated certificate of incorporation allocates corporate opportunities between us and JLL Partners and its affiliates and investment funds. Specifically, for so long as JLL Partners and its affiliates and investment funds own at least 15% of our shares of common stock, none of JLL Partners, nor any of its affiliates or investment funds, or their respective directors, officers, partners, members, managers, or employees has any duty to refrain from engaging directly or indirectly in the same or similar business activities or lines of business as do we. In addition, if any of them acquires knowledge of a potential transaction that may be a corporate opportunity for the Company and for JLL Partners or its affiliates or investment funds, subject to certain exceptions, we will not have any expectancy in such corporate opportunity, and they will not have any obligation to communicate such opportunity to us. By becoming our stockholder, you will be deemed to have notice of and have consented to these provisions of our amended and restated certificate of incorporation that will be in effect at the completion of this offering.

Provisions in our charter documents could discourage a takeover that stockholders may consider favorable.

Provisions in our certificate of incorporation and bylaws, as amended and restated upon the closing of this offering, may have the effect of delaying or preventing a change of control or changes in our management, even if it would benefit you or other minority stockholders. These provisions include the following:

Our stockholders may not remove a director without cause, and our certificate of incorporation provides for a classified board of directors with staggered, three-year terms. As a result, it could take up to three years for stockholders to replace the entire board.

Our board of directors has the exclusive right to elect directors to fill a vacancy created by the expansion of the board of directors or the resignation, death, or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors.

Our stockholders may not act by written consent. As a result, holders of our capital stock would be able to take actions only at a stockholders meeting.

No stockholder may call a special meeting of stockholders. This may make it more difficult for stockholders to take certain actions.

We do not have cumulative voting in the election of directors. This limits the ability of minority stockholders to elect director candidates.

Stockholders must provide advance notice to nominate individuals for election to the board of directors or to propose matters that can be acted upon at a stockholders meeting. These provisions may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer s own slate of directors or otherwise attempting to obtain control of our company.

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Amendments to some provisions of our certificate of incorporation and bylaws require a supermajority vote of our stockholders.

Our board of directors may issue, without stockholder approval, shares of undesignated preferred stock. The ability to authorize undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us.

If we fail to meet the requirements of The Nasdaq National Market, our stock could be delisted, and the market for our stock could be less liquid.

We have applied to list our common stock on The Nasdaq National Market under the symbol PGTI. There are continuing eligibility requirements of companies listed on The Nasdaq National Market. If we are not able to continue to satisfy the eligibility requirements for The Nasdaq National Market, then our stock may be delisted.

The failure to maintain our listing on the Nasdaq National Market would harm the liquidity of our common stock and would have an adverse effect on the market price of our common stock. As a result, the liquidity of our common stock would be impaired, not only in the number of shares that could be bought or sold, but also through delays in the timing of transactions, reduction in security analysts and news media s coverage and lower prices for our common stock than might otherwise be attained. In addition, our common stock would become subject to the penny stock rules that impose additional sales practice requirements on broker-dealers who sell such securities.

If securities or industry analysts do not publish research or reports about our business, our stock price and trading volume could decline.

The trading market for our common stock will likely be significantly influenced by the research and reports that securities or industry analysts publish about us and our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our stock, our stock price would likely decline. In addition, if one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements regarding, among other things, our financial condition and business strategy. Forward-looking statements provide our current expectations and projections about future events. Forward-looking statements include statements about our expectations, beliefs, plans, objectives, intentions, assumptions, and other statements that are not historical facts. As a result, all statements other than statements of historical facts included in this prospectus, including, without limitation, statements under the headings Prospectus summary, Risk factors, Management s discussion and analysis of financial condition and results of operations, and Business, and located elsewhere in this prospectus regarding the prospects of our industry and our prospects, plans, financial position, and business strategy may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as may, could, expect, intend, estimate, anticipate, plan, foresee, believe, or continue, or the negatives of these terms or variations of them c terminology, but the absence of these words does not necessarily mean that a statement is not forward-looking.

Forward-looking statements are subject to known and unknown risks and uncertainties and are based on potentially inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to be correct. Important factors that could cause actual results to differ materially from our expectations are disclosed in this prospectus, including in conjunction with the forward-looking statements included in this prospectus and under the heading Risk factors. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements included in this document. These forward-looking statements speak only as of the date of this prospectus. We undertake no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this prospectus or to reflect the occurrence of unanticipated events except as may be required by applicable securities laws. Factors, risks, and uncertainties that could cause actual outcomes and results to be materially different from those projected include, among others:

Our dependence on one line of products for the majority of our net sales;

Changes in building codes or the failure to adopt or enforce building codes;

Our ability to execute our strategic plans;

Competition in the highly fragmented window and door industry;

The concentration of our business in one state;

Declines in the new construction and repair and remodeling end markets;

Prices we pay for raw materials and receive for finished products fluctuate rapidly;

Our level of indebtedness;

Our incurrence of additional indebtedness;

Our inability to take certain actions because of restrictions in our debt agreements;

Dependence on key personnel;

Disruptions in our information technology systems;

Disruptions at our manufacturing facilities or in our customer, supplier, or employee base;

Exposure to product liability and warranty claims;

Exposure to environmental liabilities and regulation;

Variability of our quarterly revenues and earnings;

Our reliance on our subsidiary;

Economic and financial uncertainty resulting from terrorism;

Costs incurred as a result of becoming a public company; and

Our ability to meet the requirements of the Sarbanes-Oxley Act of 2002.

USE OF PROCEEDS

We expect to receive approximately $138.0 million in net proceeds from this offering based on the sale of 8,823,529 shares at an initial offering price of $17.00 per share (which represents the midpoint of the range on the cover of this prospectus) after deducting estimated underwriting discounts and commissions and fees and expenses payable by us in connection with this offering. If the underwriters exercise their over-allotment option in full, we expect to receive approximately $158.9 million in net proceeds from this offering based on the sale of 10,147,058 shares at an initial offering price of $17.00 per share after deducting estimated underwriting discounts and commissions and fees and expenses payable by us in connection with this offering.

We intend to use the net proceeds of this offering:

- to repay up to $115.0 million of indebtedness under our second lien credit facility;
- to repay up to $23.0 million of indebtedness under our first lien credit facility; and
- for working capital and general corporate purposes.

On February 14, 2006, we entered into an amended and restated $235 million senior secured credit facility and entered into our new $115 million second lien credit facility. The proceeds of such amended and restated senior secured credit facility and second lien credit facility were used to refinance our then-existing indebtedness; pay an approximately $83.5 million dividend to our stockholders; make an approximately $26.9 million cash payment to holders of our stock options (including applicable payroll taxes of $0.5 million) in lieu of adjusting exercise prices; pay the fees and expenses associated with our credit facilities, and for working capital and general corporate purposes.

Throughout this prospectus we refer to such amendment and restatement of our senior secured credit facility in February 2006, entrance into the new second lien credit facility, and the use of proceeds from the term borrowings under each such facility, including the payment of a dividend of $83.5 million, and the payment to holders of our stock options of $26.9 million in lieu of adjusting exercise prices as the recapitalization transactions.

The term loans under our senior secured credit facility have a maturity of six years and bear interest, at our option, at a rate equal to an adjusted LIBOR rate plus 3.0% per annum or a base rate plus 2.0% per annum. The revolving loans under our senior secured credit facility have a maturity of five years and bear interest initially, at our option (provided, that all swingline loans shall be base rate loans), at a rate equal to an adjusted LIBOR rate plus 2.75% per annum or a base rate plus 1.75% per annum, and, may decline to 2.00% for LIBOR loans and 1.00% for base rate loans if certain leverage ratios are met. The term loans under our second lien credit facility have a maturity of six and one half years and bear interest, at our option, at a rate equal to an adjusted LIBOR rate plus 7.0% per annum or a base rate plus 6.0% per annum. For further information on our credit facilities, see Description of certain indebtedness.

An increase (or decrease) in the initial public offering price from the assumed initial public offering price of $17.00 per share by $1.00 would increase (or decrease) the net proceeds to us from this offering by approximately $8.2 million, after deducting estimated underwriting discounts and commissions and estimated fees and expenses associated with this offering payable by us, assuming no exercise of the underwriters over-allotment option and no other change to the number of shares offered by us as set forth on the cover page of this prospectus. An increase (or decrease) of 1,000,000 shares from the expected number of shares to be sold in the offering, assuming no change in the assumed initial public offering price, would increase (or decrease) the net proceeds to us from this offering by approximately $15.8 million, after deducting estimated underwriting discounts and commissions and estimated fees and expenses associated with this offering. Any such increase (or decrease) will result in a corresponding increase (or decrease) in the amount of our indebtedness that is repaid.

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DIVIDEND POLICY

We have not paid regular dividends in the past, and any future determination relating to our dividend policy will be made at the discretion of our board of directors and will depend on a number of factors, including restrictions in our debt instruments, our future earnings, capital requirements, financial condition, future prospects, and other factors that our board of directors may deem relevant. The terms of our credit facilities restrict our ability to pay dividends, and we currently do not intend to pay dividends.

In the third quarter of 2005, we paid a dividend to our stockholders and accrued a compensation-based payment to all holders of our outstanding stock options (including vested and unvested options) in lieu of adjusting exercise prices in connection with the payment of such dividend. The aggregate dividend to stockholders was approximately $20.0 million, and the aggregate amount payable to option holders was approximately $6.6 million (including applicable payroll taxes of $0.5 million), which was recognized as stock compensation expense.

On February 17, 2006, with a portion of the net proceeds of our second amended and restated senior secured credit facility and our new second lien credit facility, we paid a dividend to our stockholders and a compensation-based payment to all holders of our outstanding stock options (including vested and unvested options) in lieu of adjusting exercise prices in connection with the payment of such dividend. The aggregate dividend to stockholders was approximately $83.5 million, and the aggregate payment to option holders was approximately $26.9 million (including applicable payroll taxes of $0.5 million), which will be recognized as stock compensation expense.

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CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and capitalization as of April 1, 2006, (i) on an actual basis and (ii) as adjusted to give effect to this offering and the application of the net proceeds therefrom, as if each had occurred on April 1, 2006. You should read this table in conjunction with Use of proceeds, Management s discussion and analysis of financial condition and results of operations, and our consolidated financial statements and the notes thereto, each included elsewhere in this prospectus.

	April 1, 2006	
	Actual	As Adjusted for this Offering
	(In millions)	
Cash and cash equivalents	$ 20.6	$ 17.3
Debt		
First lien credit facility	205.0	182.0
Second lien credit facility	115.0	
Revolving credit facility(1)		
Total debt(2)	320.0	182.0
Shareholders equity:		
Common stock ($0.01 par value, 200.0 million shares authorized, 15.7 million and 24.6 million issued and outstanding Actual and As Adjusted at April 1, 2006, respectively)	0.2	0.2
Additional paid-in capital(2)	69.1	207.1
Retained earnings (accumulated deficit)	(14.1)	(15.5)
Accumulated other comprehensive income	3.7	3.7
Total shareholders equity	58.9	195.5
Total capitalization(2)	$ 378.9	$ 377.5

(1) As of the date hereof, there are no borrowings outstanding under our $30 million Revolving Credit Facility, although $5.4 million of letters of credit are outstanding thereunder. See Description of certain indebtedness.

(2) To the extent we change the number of shares of common stock we sell in this offering from the shares we expect to sell, or we change the initial public offering price from the $17.00 per share assumed initial public offering price, or any combination of these events occurs, our net proceeds from this offering, As Adjusted total debt and As Adjusted additional paid-in capital may increase or decrease correspondingly. An increase (or decrease) of $1.00 from the assumed initial public offering price, assuming no change in the number of shares of common stock to be sold and no exercise of the underwriters over-allotment option, would increase (or decrease) our net proceeds from this offering and our As Adjusted additional paid-in capital by approximately $8.2 million and decrease (or increase) our As Adjusted total debt by approximately $8.2 million. An increase (or decrease) of

1,000,000 shares from the expected number of shares to be sold in the offering, assuming no change in the assumed initial public offering price and no exercise of the underwriters over-allotment option, would increase (or decrease) our net proceeds from this offering and our As Adjusted additional paid-in capital by approximately $15.8 million and decrease (or increase) our As Adjusted total debt by approximately $15.8 million.

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DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock after giving effect to this offering. Our net tangible book value as of April 1, 2006, was approximately $(221.2) million, or approximately $(14.04) per share of common stock. Net tangible book value per share is equal to our total tangible assets minus total liabilities all divided by the number of shares of common stock outstanding as of April 1, 2006. After giving effect to the sale of 8,823,529 shares of our common stock in this offering at an assumed initial public offering price of $17.00 per share, and after deducting estimated underwriting discounts and commissions, our estimated offering expenses, and expenses to pay down debt, our pro forma as adjusted net tangible book value as of April 1, 2006, would have been approximately $(84.6) million, or approximately $(3.44) per share of common stock. The difference represents an immediate increase in pro forma net tangible book value of approximately $10.60 per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of approximately $20.44 per share to new investors.

The following table illustrates the per share dilution to the new investors:

	Per Share
Assumed initial public offering price	$ 17.00
Net tangible book value as of April 1, 2006	(14.04)
Increase in net tangible book value attributable to this offering	10.60
Pro forma as adjusted net tangible book value after this offering	(3.44)
Dilution to new investors in this offering	$ 20.44

If the underwriters exercise their over-allotment option in full, pro forma as adjusted net tangible book value would increase to approximately $(2.46) per share, representing an increase to existing stockholders of approximately $11.58 per share, and there would be an immediate dilution of approximately $19.46 per share to new investors.

An increase (or decrease) in the initial public offering price from the assumed initial public offering price of $17.00 per share by $1.00 would increase (or decrease) our pro forma as adjusted net tangible book value after giving effect to this offering by approximately $8.2 million, our pro forma as adjusted net tangible book value per share after giving effect to this offering by $0.33 per share and the dilution in net tangible book value per share to new investors in this offering by $0.67 per share, after deducting the estimated underwriting discounts and commissions and estimated aggregate offering expenses payable by us and assuming no exercise of the underwriters over-allotment option and no other change to the number of shares offered by us as set forth on the cover page of this prospectus. An increase of 1,000,000 shares from the expected number of shares to be sold in the offering, assuming no change in the initial public offering price per share from the price assumed above, would increase our pro forma as adjusted net tangible book value after giving effect to this offering by approximately $15.8 million, our pro forma as adjusted net tangible book value per share after giving effect to this offering by $0.75 per share and the dilution in net tangible book value per share to new investors in this offering by $(0.75) per share, after deducting the estimated underwriting discounts and commissions and estimated aggregate offering expenses payable by us and assuming no exercise of the underwriters over-allotment option. A decrease of 1,000,000 shares from the expected number of shares to be sold in the offering, assuming no change in the initial public offering price per share from the price assumed above, would decrease our pro forma as adjusted net tangible book value after giving effect to this offering by approximately $15.8 million, our pro forma as adjusted net tangible book value per share after giving effect to this offering by $(0.82) per share, and the dilution in net tangible book value per share to new investors in this offering by $0.82 per share, after deducting the estimated underwriting discounts and commissions and estimated aggregate offering expenses payable by us and assuming no exercise of the underwriters over-allotment option.

The following table summarizes the differences between our existing stockholders (and option holders) and investors in this offering with respect to the total number of shares of common stock held by such stockholders (or subject to outstanding options), the total consideration paid to us (or payable upon exercise of outstanding options), and the average price per share paid by our existing stockholders (or payable by option holders upon exercise of outstanding options) and the price per share paid by investors in this offering before deducting estimated underwriting discounts and commissions and our estimated offering expenses:

	Shares or Options Purchased		Total Consideration		Average Price Per Share or Option
	Number	Percent	Amount	Percent	
Shares issued and outstanding	15,749,483	53.4%	$ 135,858,698	44.2%	$ 8.63
Shares issuable upon exercise of outstanding options	4,938,536	16.7%	21,696,595	7.0%	4.39
Shares issued in this offering	8,823,529	29.9%	150,000,000	48.8%	17.00
Total	29,511,548	100.0%	$ 307,555,293	100.0%	$ 10.42

If the underwriters exercise their over-allotment option in full, the following will occur, assuming exercise of all outstanding options:

the pro forma as adjusted percentage of shares of our common stock held by existing stockholders will decrease to approximately 51.1% of the total number of pro forma as adjusted shares of our common stock outstanding after this offering; and

the pro forma as adjusted number of shares of our common stock held by new public investors will increase to 10,147,058, or approximately 32.9% of the total pro forma as adjusted number of shares of our common stock outstanding after this offering.

An increase (or decrease) in the initial public offering price from the assumed initial public offering price of $17.00 per share by $1.00 would increase (or decrease) total consideration paid by new investors purchasing stock from us in this offering, total consideration paid by all investors described above, and the total average price per share paid by all such investors by $8.8 million, $8.8 million, and $0.30, respectively, assuming no change to the number of shares offered by us as set forth on the cover page of this prospectus and without deducting underwriting discounts and commissions and other expenses of this offering. An increase (or decrease) of 1,000,000 shares from the expected number of shares to be sold in the offering, assuming no change in the initial public offering price per share from the price assumed above, would increase (or decrease) total consideration paid by new investors purchasing stock from us in this offering, total consideration paid by all investors described above, and the total average price per share paid by all such investors by $17.0 million, $17.0 million, and $0.22, respectively, without deducting underwriting discounts and commissions and other expenses of this offering.

The discussion and tables above exclude 3.0 million shares of our common stock available for future grant or issuance under our 2006 Equity Incentive Plan.

Based on the estimated initial public offering price of $17.00, the intrinsic value of options outstanding at June 7, 2006 was $62.3 million, of which $50.6 million related to vested options and $11.7 million related to unvested options.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth selected historical consolidated financial information and other data of the periods or at each date indicated. The selected historical financial data as of and for the first quarters ended April 1, 2006 and April 2, 2005, have been derived from our unaudited condensed consolidated financial statements and related noted thereto included in this prospectus. The selected historical financial data as of December 31, 2005 and January 1, 2005 and for the year ended December 31, 2005, and the period January 30, 2004 to January 1, 2005, have been derived from our audited consolidated financial statements and related notes thereto included in the prospectus, which have been audited by Ernst & Young LLP, independent registered public accounting firm. The selected historical financial data for the period December 28, 2003 to January 29, 2004, and the year ended December 27, 2003, have been derived from PGT Holding Company s audited consolidated financial statements and related notes thereto included in this prospectus, which have been audited by Ernst & Young LLP, independent registered public accounting firm. Throughout this prospectus, we refer to PGT Holding Company as our Predecessor. The selected historical financial data as of December 27, 2003, and December 28, 2002, and for the year ended December 28, 2002 and the period January 29, 2001 to December 29, 2001, have been derived from our Predecessor s audited consolidated financial statements and related notes thereto not included in this prospectus.

On January 29, 2004, we were acquired by an affiliate of JLL Partners in a purchase business combination. This acquisition was accounted for using purchase accounting in accordance with SFAS No. 141, Business Combinations. The post-acquisition periods of our Company have been impacted by the application of purchase accounting resulting in incremental, non-cash depreciation expense and non-cash amortization of intangible assets. Accordingly, the results of operation for the periods of our Company are not comparable to the results of operation for the Predecessor periods.

All information included in the following tables should be read in conjunction with Management s discussion and analysis of financial condition and results of operations and with the consolidated financial statements and related notes, included elsewhere in this prospectus.

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Consolidated Selected Financial Data	Company				Predecessor			
	First Quarter Ended April 1, 2006	First Quarter Ended April 2, 2005	Year Ended December 31, 2005	January 30, 2004 to January 1, 2005	December 28, 2003 to January 29, 2004	Year Ended December 27, 2003	Year Ended December 28, 2002	January 29, 2001 to December 29, 2001
	(Unaudited)							
	(In thousands, except per share amounts)							
Net sales	$ 96,355	$ 79,364	$ 332,813	$ 237,350	$ 19,044	$ 222,594	$ 160,627	$ 124,957
Cost of sales	60,634	49,636	209,475	152,316	13,997	135,285	96,327	75,071
Gross margin	35,721	29,728	123,338	85,034	5,047	87,309	64,300	49,886
Selling, general and administrative expenses(1)	21,868	19,492	83,634	63,494	6,024	55,655	40,761	34,461
Write off of trademark			7,200					
Stock compensation expense(2)	26,898		7,146					
Income (loss) from operations	(13,045)	10,236	25,358	21,540	(977)	31,654	23,539	15,425
Other (income) expense, net(3)	(409)	(81)	(286)	124				
Interest expense	10,359	3,143	13,871	9,893	518	7,292	7,630	7,567
Income (loss) before income taxes	(22,995)	7,174	11,773	11,523	(1,495)	24,362	15,909	7,858
Income tax expense (benefit)	(8,919)	2,382	3,910	4,531	(912)	9,397	6,287	2,955
Net income (loss)	$ (14,076)	$ 4,792	$ 7,863	$ 6,992	$ (583)	$ 14,965	$ 9,622	$ 4,903
Net income (loss) per common share basic(4)(6)	$ (0.89)	$ 0.30	$ 0.50	$ 0.44	N/A	N/A	N/A	N/A
Net income (loss) per common and common equivalent share diluted(4)(6)	$ (0.89)	$ 0.28	$ 0.45	$ 0.41	N/A	N/A	N/A	N/A

Weighted average shares outstanding basic(5)(6)	15,749	15,720	15,723	15,720	N/A	N/A	N/A	N/A
Weighted average shares outstanding diluted(5)(6)	15,749	17,221	17,299	17,221	N/A	N/A	N/A	N/A
Unaudited pro forma net income (loss) per common share basic	$ (0.64)		$ 0.36					
Unaudited pro forma net income (loss) per common share and common equivalent share diluted	$ (0.64)		$ 0.34					
Balance Sheet data (end of period):								
Cash and cash equivalents	$ 20,642	$ 2,295	$ 3,270	$ 2,525	$ 12,191	$ 8,536	$ 9,399	$ 6,493
Total assets	461,329	410,871	425,553	409,936	157,084	154,505	138,658	128,305
Total debt, including current portion	320,000	160,375	183,525	168,375	61,683	61,641	66,803	70,354
Shareholders equity	58,943	171,065	156,571	166,107	68,187	68,731	52,169	43,095
Other financial data:								
Depreciation	$ 2,255	$ 1,637	$ 7,503	$ 5,221	$ 484	$ 5,075	$ 4,099	$ 3,036
Amortization	1,564	2,005	8,020	9,289	44	458	458	2,894

(1) Includes management fees paid to our majority stockholder. The management services agreement pursuant to which these fees were paid will terminate upon consummation of this offering.

(2) Represents amounts paid to stock option holders (including applicable payroll taxes) in lieu of adjusting exercise prices in connection with the dividends paid to shareholders in September 2005 and February 2006 of $6.6 million and $26.9 million, respectively. These amounts include amounts paid to stock option holders whose other compensation is a component of cost of sales of $1.3 million and $5.1 million, respectively. Also includes stock issuance expense of $0.5 million in 2005.

(3) Includes the amortization of our interest rate cap.

(4) Basic net income per share represents net income divided by weighted average common shares outstanding, and diluted net income per share represents net income divided by weighted average common and common equivalent

shares outstanding. Due to the significant change in our capital structure on January 29, 2004, the Predecessor amount has not been presented because it is not considered comparable to our Company s amount.

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(5) Weighted average shares outstanding basic represents the weighted average number of shares of common stock outstanding and is determined by measuring (a) the shares outstanding during each portion of the respective reporting period that shares of common stock have been outstanding relative to (b) the total amount of time in such reporting period. Weighted average shares outstanding diluted represents the basic weighted average shares outstanding, adjusted to include the number of additional shares of common stock that would have been outstanding if the dilutive shares of common stock issuable upon exercise of our stock options had been issued.

(6) Reflects the impact of the 662.07889-for-1 stock split as discussed in Note 9 to the unaudited condensed consolidated financial statements included elsewhere herein.

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

The following discussion of our financial condition and results of operations should be read in conjunction with all of the consolidated historical financial statements and the notes thereto included elsewhere in this prospectus. This discussion contains forward-looking statements. Please see Risk factors and Forward-looking statements for a discussion of certain of the uncertainties, risks and assumptions associated with these statements.

Basis of Presentation

On January 29, 2004, our predecessor, PGT Holding Company, was acquired by an affiliate of JLL Partners. The consolidated results of operations for the year ended December 27, 2003 as well as the period from December 28, 2003 to January 29, 2004 represent periods of PGT Holding Company, referred to as our Predecessor. The consolidated results of operations for the period from January 30, 2004 to January 1, 2005, and the year ended December 31, 2005, as well as the consolidated balance sheets at the end of each period, represent periods of our company.

In accordance with GAAP, we have separated our historical financial results for the Predecessor and our company. Purchase accounting requires that the historical carrying value of assets acquired and liabilities assumed be adjusted to fair value, which may yield results that are not comparable on a period-to-period basis due to the different, and sometimes higher, cost basis associated with the allocation of the purchase price. There were no material changes to the operations or customer relationships of the business as a result of the acquisition of the Predecessor.

In evaluating our results of operations and financial performance, our management has compared our full year results for 2005 and of our Predecessor for 2003 to our eleven-month period from January 30, 2004 to January 1, 2005. The one-month period of our Predecessor from December 28, 2003 to January 29, 2004 is not included in such comparisons because it does not reflect the purchase accounting that resulted from our acquisition by an affiliate of JLL Partners on January 29, 2004, and accordingly is not comparable to our eleven-month period from January 30, 2004 to January 1, 2005.

Overview

We are the leading U.S. manufacturer and supplier of residential impact-resistant windows and doors and pioneered the U.S. impact-resistant window and door industry in the aftermath of Hurricane Andrew in 1992. Our impact-resistant products, which are marketed under the WinGuard brand name, combine heavy-duty aluminum or vinyl frames with laminated glass to provide protection from hurricane-force winds and wind-borne debris by maintaining their structural integrity and preventing penetration by impacting objects. Impact-resistant windows and doors satisfy increasingly stringent building codes in hurricane-prone coastal states and provide an attractive alternative to shutters and other active forms of hurricane protection that require installation and removal before and after each storm. Our current market share in Florida, which is the largest U.S. impact-resistant window and door market, is significantly greater than that of any of our competitors. WinGuard sales have increased at a compound annual growth rate of 51% since 1999 and represented 56% of our 2005 net sales, as compared to 17% of our 1999 net sales. We expect WinGuard sales to continue to represent an increasingly greater percentage of our net sales. In addition to our core WinGuard product line, we offer a complete range of premium, made-to-order and fully customizable aluminum and vinyl windows and doors primarily targeting the non-impact-resistant market, which represented 44% of our 2005 net sales. We manufacture these products in a wide variety of styles, including single hung, horizontal roller, casement, and sliding glass doors and we also manufacture sliding panels used for enclosing screened-in porches. Our products are sold to both the residential new construction and home repair and remodeling end markets. For the year ended December 31, 2005, we generated net sales of $332.8 million, resulting in a compound annual growth rate of 23.7% since 1999. In the first quarter of 2006, we generated net sales of $96.4 million, a 21.4% increase over net sales generated in the first quarter of 2005.

The impact-resistant window and door market is growing faster than any major segment of the overall window and door industry. This growth has been driven primarily by increased adoption and more active enforcement of stringent building codes that mandate the use of impact-resistant products and increased penetration of impact-resistant windows and doors relative to active forms of hurricane protection. An estimated 80% of the U.S. impact-resistant market uses active forms of hurricane protection. However, homeowners are increasingly choosing impact-resistant windows and doors due to ease of use, superior product performance, improved aesthetics, higher security features, and resulting lower insurance premiums for homeowners relative to standard windows. While offering all of these benefits, our WinGuard products are comparably priced to the combination of traditional windows and shutters. In addition, awareness of the benefits provided by impact-resistant windows and doors has increased dramatically due to media coverage of recent hurricanes and the experience of coastal homeowners and building contractors with these products. We have over one million installed WinGuard units and, following the devastating 2004 and 2005 hurricane seasons, there were no reported impact failures. According to the National Hurricane Center, we are currently in a period of heightened hurricane activity that could last another 10 to 20 years, which we expect to further drive awareness of impact-resistant windows and doors.

The geographic regions in which we currently operate include the Southeastern U.S., the Gulf Coast and the Caribbean. According to The Freedonia Group, the Southeastern U.S. and the Gulf Coast comprise 41% of the total U.S. window and door market and are benefiting from population growth rates above the national average and from growing second home ownership. Additionally, we expect increased demand along the Atlantic coast, from Georgia to New York, as recently adopted building codes are enforced and awareness of the PGT brand continues to grow. We distribute our products through multiple channels, including over 1,300 window distributors, building supply distributors, window replacement dealers and enclosure contractors. This broad distribution network provides us with the flexibility to meet demand as it shifts between the residential new construction and repair and remodeling end markets. We offer a compelling value proposition to our customers centered on our high quality and fully customizable products, industry-leading lead times with 99% on-time delivery, and superior after-sale support. We believe our reputation for outstanding service and quality, strong brand awareness, leading market position and building code expertise provide us with sustainable competitive advantages.

We operate strategically located manufacturing facilities in North Venice, Florida and Lexington, North Carolina, both capable of producing fully-customizable windows and doors. Our North Venice plant is vertically integrated with a glass tempering and laminating facility, which provides us with a consistent source of impact-resistant laminated glass, shorter lead times, and substantially lower costs relative to third-party sourcing. Because of increased demand for our products, we are moving our Lexington operations to a larger facility in Salisbury, North Carolina that we acquired in February 2006. This facility will increase our manufacturing capacity by over 160,000 square feet, include glass laminating and tempering capabilities, and support the expansion of our geographic footprint as the impact-resistant market continues to grow.

Our History

Our subsidiary, PGT Industries, Inc., was founded in 1980 as Vinyl Technology, Inc. by Paul Hostetler and our current President and Chief Executive Officer, Rodney Hershberger. The PGT brand was established in 1987, and we introduced our WinGuard product line in the aftermath of Hurricane Andrew in 1992.

PGT Industries acquired Triple Diamond Glass of Venice, Florida in December 2001 and in 2002 acquired Binnings Building Products, Inc. of Lexington, North Carolina. These acquisitions were effected to acquire additional manufacturing capacity.

PGT, Inc. is a Delaware corporation formed on December 16, 2003, as JLL Window Holdings, Inc. by an affiliate of JLL Partners in connection with its acquisition of PGT Industries. In connection with the acquisition, PGT Holding Company (the then-parent corporation of PGT Industries) was merged with and into JLL Window Holdings, Inc. For more information about such acquisition, see Note 4 to our audited consolidated financial statements included herein. On February 15, 2006, our name was changed to PGT, Inc.

Factors influencing future results of operations

Our future results of operations will be affected by the following factors, some of which are beyond our control.

Residential new construction

Our business is driven in part by residential new construction activity. According to the U.S. Census Bureau, U.S. housing starts were 1.96 million in 2004 and 2.07 million in 2005. According to The Freedonia Group and the Joint Center for Housing Studies of Harvard University, strong housing demand will continue to be supported over the next decade by new household formations, increasing homeownership rates, the size and age of the population, an aging housing stock (approximately 35% of existing homes were built before 1960), improved financing options for buyers and immigration trends.

Home repair and remodeling expenditures

Our business is also driven by the home repair and remodeling market. According to the U.S. Census Bureau, national home repair and remodeling expenditures have increased in 36 of the past 40 years. This growth is mainly the result of the aging U.S. housing stock, increasing homeownership rates and older homeowners electing to upgrade their existing residences rather than moving into a new home. The repair and remodeling component of window and door demand tends to be less cyclical than residential new construction and partially insulates overall window and door sales from the impact of residential construction cycles.

Adoption and Enforcement of Building Codes

In addition to the hurricane-prone coastal states that already have adopted building codes requiring wind-borne debris protection, we expect additional states to adopt and enforce similar building codes, which will further expand the market opportunity for WinGuard. The speed with which new states adopt and enforce these building codes may impact our growth opportunities in new geographical markets.

Cyclical market pressures

Our financial performance will be impacted by economic conditions nationally and locally in the markets we serve. Our operating results are subject to fluctuations arising from changes in supply and demand, as well as labor costs, demographic trends, interest rates, single family and multi-family housing starts, employment levels, consumer confidence, and the availability of credit to homebuilders, contractors and homeowners.

Sale of NatureScape

On February 20, 2006, we sold our NatureScape product line, which constituted approximately $18.8 million of sales in 2005.

Cost of materials

The prices of our primary raw materials, including aluminum, laminate and glass, are subject to volatility and affect our results of operations when prices rapidly rise or fall within a relatively short period of time. We have a hedging program in place for aluminum, which represented 44% of our raw material purchases in the fourth quarter of 2005. This program requires us to anticipate our needs in order to minimize the impact of cyclical market pressures.

Recapitalization transactions

On February 14, 2006, we entered into an amended and restated $235 million senior secured credit facility and entered into a $115 million second lien senior secured credit facility. With the proceeds from those facilities, we refinanced $183.5 million under our prior credit facility, paid an $83.5 million dividend to shareholders, and made a $26.9 million cash payment to option holders (including applicable payroll taxes of $0.5 million) in lieu of adjusting exercise prices. We wrote off approximately $4.6 million of unamortized deferred financing costs

related to the prior credit facility that was recorded as interest expense in the first quarter ended April 1, 2006. The $4.5 million of costs incurred in connection with the refinancing are included as a component of other assets, net and amortized over the terms of the new senior secured credit facility.

Selling, general and administrative expense

Following consummation of this offering, we will incur certain incremental costs and expenses as a result of being a public company, including costs associated with our reporting requirements.

Critical Accounting Policies and Estimates

Critical accounting policies are those that both are important to the accurate portrayal of a company s financial condition and results, and require subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

In order to prepare financial statements that conform to accounting principles generally accepted in the U.S., commonly referred to as GAAP, we make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may be significantly different from our expectations.

We have identified the following accounting policies that require us to make the most subjective or complex judgments in order to fairly present our consolidated financial position and results of operations.

Revenue recognition

We recognize sales when all of the following criteria have been met: a valid customer order with a fixed price has been received; the product has been delivered and accepted by the customer; and collectibility is reasonably assured. All sales recognized are net of allowances for cash discounts and estimated returns, which are estimated using historical experience.

Allowance for doubtful accounts and related reserves

We extend credit to qualified dealers and distributors, generally on a non-collateralized basis. Accounts receivable are recorded at their gross receivable amount, reduced by an allowance for doubtful accounts that results in the receivable being recorded at estimated net realizable value. The allowance for doubtful accounts is based on management s assessment of the amount which may become uncollectible in the future and is determined based on our write-off history, aging of receivables, specific identification of uncollectible accounts, and consideration of prevailing economic and industry conditions. Uncollectible accounts are charged off after repeated attempts to collect from the customer have been unsuccessful. The difference between actual write-offs and estimated reserves has not been material.

Over the three-year period ending December 31, 2005, we recorded an expense averaging $1.1 million per year for potential uncollectible accounts. During this period, allowance for doubtful accounts has ranged from $0.4 million to $2.5 million, and write-off of uncollectible accounts, net of recoveries, averaged approximately $0.4 million.

Long-lived assets

We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of long-lived assets to future undiscounted net cash flows expected to be generated, based on management estimates, in accordance with Statements of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets.* Estimates made by management are subject to change and include such things as future growth assumptions, operating and capital expenditure requirements, asset useful lives and other factors, changes in which could materially impact the results of the impairment test. If such assets are considered to be impaired, the impairment recognized is the

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amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell, and depreciation is no longer recorded.

Goodwill

The impairment evaluation for goodwill is conducted at the end of each fiscal year, or more frequently if events or changes in circumstances indicate that an asset might be impaired. The evaluation is performed by using a two-step process. In the first step, which is used to screen for potential impairment, the fair value of the reporting unit is compared with the carrying amount of the reporting unit, including goodwill. The estimated fair value of the reporting unit is determined using the discounted future cash flows method, based on management estimates. If the estimated fair value of the reporting unit is less than the carrying amount of the reporting unit, then a second step, which determines the amount of the goodwill impairment to be recorded must be completed. In the second step, the implied fair value of the reporting unit s goodwill is determined by allocating the reporting unit s fair value to all of its assets and liabilities other than goodwill (including any unrecognized intangible assets). The resulting implied fair value of the goodwill that results from the application of this second step is then compared to the carrying amount of the goodwill and an impairment charge is recorded for the difference. Estimation of fair value is dependent on a number of factors, including, but not limited to, interest rates, future growth assumptions, operations and capital expenditure requirements and other factors which are subject to change and could materially impact the results of the impairment tests. Unless our actual results differ significantly from those in our estimation of fair value, it would not result in an impairment of goodwill.

Warranties

We have warranty obligations with respect to most of our manufactured products. Obligations vary by product components. The reserve for warranties is based on our assessment of the costs that will have to be incurred to satisfy warranty obligations on recorded net sales. The reserve is determined after assessing our warranty history and specific identification of our estimated future warranty obligations.

Over the three-year period ending December 31, 2005, we recorded a warranty expense averaging $3.5 million per year for costs related to warranties on our products. During this period, the accrual for warranties as a percentage of net sales has ranged from 1.0% in 2003 and 2004 to 1.7% in 2005. This increase in warranty accrual in 2005 resulted from a change in sales mix toward products that carry a higher replacement cost of materials and additional labor cost to service the product in the field.

Derivative instruments

We account for derivative instruments in accordance with Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended (SFAS No. 133). SFAS No. 133 requires us to recognize all of our derivative instruments as either assets or liabilities in the consolidated balance sheet at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, we must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, a cash flow hedge or a hedge of a net investment in a foreign operation.

All derivative instruments currently utilized by us are designated and accounted for as cash flow hedges (i.e., hedging the exposure to variability in expected future cash flows that is attributable to a particular risk).
SFAS No. 133 provides that the effective portion of the gain or loss on a derivative instrument designated and qualifying as a cash flow hedging instrument be reported as a component of other comprehensive income and be reclassified into earnings in the same period or periods during which the transaction affects earnings. The remaining gain or loss on the derivative instrument, if any, must be recognized currently in earnings.

Stock compensation

We adopted Statement of Financial Accounting Standards No. 123R, Share-Based Payment (SFAS 123R), on January 1, 2006. This statement is a fair-value approach for measuring stock-based compensation and requires us to recognize the cost of employee services received in exchange for our Company s equity instruments. Under SFAS 123R, we are required to record compensation expense over an award s vesting period based on the award s fair value at the date of grant. We have elected to adopt SFAS 123R on a prospective basis; accordingly, our financial statements for periods prior to January 1, 2006, do not include compensation costs calculated under the fair value method. The results of prior periods have not been restated.

Prior to January 1, 2006, we applied Accounting Principles Board Opinion 25, Accounting for Stock Issued to Employees (APB 25), and therefore recorded the intrinsic value of stock-based compensation as expense.

On July 5, 2005 and November 30, 2005, we granted employees stock options to acquire 0.5 million and 0.2 million shares of our common stock, with an exercise price of $8.64 and $12.84, respectively. The exercise price of such options was determined by our Board of Directors, members of which have expertise in the industry and in valuation of securities, with input from management. Subsequently, we performed a retrospective valuation to estimate the fair value of the underlying common stock as of June 30, 2005 and November 30, 2005, respectively, to confirm the exercise price of the stock options set by the Board of Directors was at or above the fair value of the underlying common stock. With respect to the July 5, 2005 grant, the value of the underlying common stock was determined as of June 30, 2005, which was the nearest month end.

We used (i) the market multiple and comparable transaction methodologies to estimate the fair value of our common stock as of June 30, 2005 and (ii) the market multiple, comparable transaction and discounted cash flow methodologies to estimate the fair value of our common stock as of November 30, 2005. The discounted cash flow methodology was used in the valuation as of November 30, 2005 because we had developed long-term projections permitting use of this methodology. The inclusion of this methodology had no material impact on the valuation. The significant factors and assumptions underlying the methodologies used to estimate the fair value of our common stock as of June 30, 2005 and November 30, 2005 are as follows:

Market Multiple Methodology

Multiples used in this methodology were determined through an analysis of certain publicly traded companies, which were selected on the basis of operational and economic similarity with our business operations.

Revenue and earnings multiples, when applicable, were calculated for the comparable companies based upon trading prices.

A comparative risk analysis between the public companies and us formed the basis for the selection of appropriate risk adjusted multiplies.

The risk analysis incorporated both quantitative and qualitative risk factors which related to, among other things, the nature of the industry in which we and the other comparable companies are engaged.

Comparable Transaction Methodology

This methodology involved analysis of multiples of earnings and cash flow for transactions involving a change in the controlling interest of companies with similar operations to ours.

Multiples used in this methodology were determined through an analysis of such transactions.

Earnings multiples, when applicable, were calculated for the comparable transactions, and a comparative risk analysis between the companies acquired in these transactions and us formed the basis for the selection of appropriate risk adjusted multiples.

Because this methodology involves controlling interest values resulting from purchases of greater than 50% of the stock of each target company, an adjustment was made to remove the control premium to reflect a minority interest valuation basis. The control premium utilized was 15% based on control premiums observed in the building products industry.

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Discounted Cash Flow Methodology

This methodology involved estimating the present value of the projected cash flows to be generated from our business, and then applying a discount rate to the projected cash flows to reflect all risks of ownership and the associated risks of realizing the stream of projected cash flows.

Because the cash flows were only projected over a limited number of years, a terminal value was computed as of the end of the last period of projected cash flows, which value was an estimate of the value of the enterprise on a going concern basis as of that future point in time.

Our valuation was then determined by discounting each of the projected future cash flows and the terminal value back to the present time and summing the results.

Each of the methods was used to determine our valuation from operations. We determined a range of our value based on each of the valuation methodologies used, and then calculated an average value of our common stock, weighting the results of each methodology equally, since each of the methodologies was equally reliable. As of June 30, 2005, the market multiple methodology resulted in a fair value of our Company between approximately $323 million and $378 million and the comparable transaction methodology resulted in a fair value of our Company between approximately $297 million and $329 million. As of November 30, 2005, the market multiple methodology resulted in a fair value of our Company between approximately $405 million and $459 million, the comparable transaction methodology resulted in a fair value of our Company between approximately $392 million and $434 million, and the discounted cash flow methodology resulted in a fair value of our Company between approximately $397 million and $473 million.

In determining these calculations, we assumed a lack of marketability discount of 20% as of July 5, 2005 and 10% as of November 30, 2005. We determined these discounts based primarily upon the AICPA s practice aid titled Valuation of Privately-Held-Company Equity Securities Issued as Compensation (2004), which provides best practices relating to the valuation of privately-held securities. The determination of the reasonable lack of marketability discount is based on qualitative and quantitative analysis, and subjective judgment of the following factors that, according to the AICPA practice guide, should be considered:

Prospects for liquidity; expectation of a market in the future;

Number, extent, and terms of existing contractual arrangements requiring the enterprise to purchase or sell its equity securities;

Restrictions on transferability of equity securities by the holder;

Pool of potential buyers;

Risk of volatility;

Size and timing of distributions;

Uncertainty of value;

Concentration of ownership;

Historical financial performance; and

Economic outlook of the enterprise.

Of these factors, we believe that the first should be given particular weight.

The differences in the fair values of our common stock as of July 5, 2005 and November 30, 2005 are primarily attributable to our significantly improved financial performance, as evidenced by our third quarter net sales of $87.1 million. This represented an 11.3% increase over net sales generated in the second quarter of 2005 and exceeded our forecast by 13.3%. Such increase was due to growing demand for our WinGuard products, which represented 60% of our net sales for the third quarter of 2005, as compared to 52% of our net sales for the second quarter of 2005. This increased demand results primarily from increased awareness of the benefits of impact-resistant windows and doors. Our operating results also improved due to a favorable shift in product mix to our more profitable WinGuard products, with our third quarter gross margin exceeding second quarter by 18.2%. Our improved financial performance continued from the third quarter into the fourth quarter of 2005, as fourth quarter net sales exceeded our forecast by 16% and gross margin exceeded our forecast by 12.7%. Moreover, there was a 19.7% increase in the median market price of the comparable companies (constituting a

47.3% annualized increase). In addition, the marketability discount was decreased from 20% to 10% to account for the difference in the expected time to our initial public offering.

The difference between the estimated public offering price of $17.00 (which is the midpoint of the range on the front cover of this prospectus) and the fair value of our common stock as of November 30, 2005, is primarily attributable to our significantly improved financial performance, as evidenced by our first quarter net sales of $96.4 million. This represented a 21.4% increase over net sales generated in the first quarter of 2005 and exceeded our forecast by 10%. Such increase was due to growing demand for our WinGuard products, which represented 62% of our net sales for the first quarter of 2006, as compared to 56% of our net sales for the year ended December 31, 2005. The increased demand for WinGuard products resulted from increased awareness of the benefits of impact-resistant windows and doors. Our operating results also improved due to a favorable shift in product mix to our more profitable WinGuard products. Our gross margin exceeded forecast by 15%. Moreover, in determining the public offering price, we revised the list of comparable companies to include companies that we believe were more comparable to us than the ones used in November 2005. Accordingly, because these companies had values higher than some of the companies previously used on November 30, 2005, this resulted in an increased valuation of our common stock. In addition, the public offering price does not include any discount for lack of marketability, but the November 30, 2005 valuation included a 10% marketability discount.

Stock options granted prior to this offering were valued under SFAS 123 using the minimum value method in the pro forma disclosures included in Note 2 to our audited consolidated financial statements included herein. The minimum value method excludes volatility in the calculation of fair value of stock-based compensation. In accordance with SFAS 123R, options granted that were valued using the minimum value method must be transitioned to SFAS 123R using the prospective method.

Results of Operations

First quarter ended April 1, 2006 compared with the first quarter ended April 2, 2005

Overview

In the first quarter ended April 1, 2006, our operating results were driven by increased demand for our WinGuard windows and doors, the realization of the net impact of year over year price increases across most of our product lines, and improvements in operating efficiencies. Net sales for the first quarter ended April 1, 2006, were $96.4 million, compared with first quarter 2005 net sales of $79.4 million. Gross margin for the first quarter ended April 1, 2006, increased $6.0 million, driven by a continuing shift in product mix to higher margin WinGuard windows and doors. Selling, general and administrative expenses for the first quarter ended April 1, 2006, increased $2.4 million from the first quarter of 2005, primarily to support our increase in net sales of 21.4%; however, as a percent of net sales, our selling, general and administrative expense improved to 22.7%, compared to 24.6% for the first quarter of 2005. Operating results were impacted by a $26.9 million stock compensation expense resulting from a payment made to stock option holders in lieu of adjusting the exercise prices, in connection with a dividend paid to shareholders in February 2006.

Net sales

Net sales for the first quarter ended April 1, 2006 were $96.4 million, a $17.0 million, or 21.4%, increase over net sales of $79.4 million for the first quarter ended April 2, 2005.

The following table shows net sales classified by major product category (in millions):

	First Quarter Ended				
	April 1, 2006		April 2, 2005		
	Sales	% of Sales	Sales	% of Sales	% Growth
WinGuard Windows and Doors	$ 60.0	62.3%	$ 39.4	49.6%	52.5%

Other Window and Door Products	36.4	37.7%	40.0	50.4%	(9.2)%
Total	$ 96.4	100.0%	$ 79.4	100.0%	21.4%

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Net sales of WinGuard Windows and Doors were $60.0 million for the first quarter ended April 1, 2006, an increase of $20.6 million, or 52.5%, from $39.4 million in net sales for the first quarter ended April 2, 2005. This growth was due to the partial effect of a 9% price increase implemented during the quarter, increased volume, and a change in our product mix resulting from increased sales of our WinGuard impact-resistant products. Demand for WinGuard products is driven by increased enforcement of strict building codes mandating the use of impact-resistant products, increased consumer and homebuilder awareness of the advantages provided by impact-resistant windows and doors over active forms of hurricane protection, and our successful marketing efforts, including a television advertising campaign which began running in March of 2006. As a result of the great number of different products we make and the wide variety of custom features offered (approximately 2,700 different products offered each day), as well as the fact that price increases are introduced at different times for different customers based on their order patterns, we are unable to separately quantify the impact of price and volume increases on our increased net sales. We track our sales volume based on our customer orders, which typically comprise multiple openings (with each opening representing an opening in the wall of a home into which one or more of our windows or doors are installed). We are currently unable to convert sales on a per-opening basis into sales on a per-product basis; however, we are currently in the process of developing internal reporting procedures to enable us to track sales on a per-product basis.

Net sales of Other Window and Door Products were $36.4 million for the first quarter ended April 1, 2006, a decrease of $3.6 million, or 9.2%, from $40.0 million in net sales for the first quarter ended April 2, 2005. This decrease was primarily driven by a discontinuation of certain products, including Naturescape, resulting in a reduction of net sales of $5.8 million when compared to the first quarter ended April 2, 2005. We discontinued these products because they generated lower margins and had less attractive growth prospects as compared to our other product lines. In addition, discontinuation of these products allowed us to increase manufacturing capacity for our higher margin WinGuard products in our North Carolina facility. The effect of these product line discontinuations was offset in part by growth in other product categories and the net impact of year over year price increases.

Gross margin

Gross margin was $35.7 million for the first quarter ended April 1, 2006, an increase of $6.0 million, or 20.2%, from $29.7 million for the first quarter ended April 2, 2005. This growth was largely due to higher sales volume of our WinGuard windows and doors, which increased as a percentage of our total net sales to 62.3%, compared to 49.6% in the first quarter of 2005, and increased prices across most of our product lines. However, the increase in gross margin was negatively impacted by higher material costs primarily relating to a temporary increase in the amount of laminated glass purchased from third parties as demand for our WinGuard products increased in the first quarter of 2006 relative to the first quarter of 2005. The gross margin percentage was 37.1% for the first quarter ended April 1, 2006, a decrease of 0.4% from 37.5% for the first quarter ended April 2, 2005.

Selling, general, and administrative expenses

Selling, general, and administrative expenses were $21.9 million for the first quarter ended April 1, 2006, an increase of $2.4 million, or 12.2%, from $19.5 million for the first quarter ended April 2, 2005. This increase was mainly due to additional sales and marketing expenses pertaining to WinGuard, including the launch of a television advertising campaign in March of 2006. As a percentage of sales, selling, general and administrative expenses decreased by 1.9% during the first quarter of 2006 to 22.7% compared to 24.6% for the first quarter ended April 2, 2005. This decrease was due to the fact that certain fixed expenses, such as support and administrative costs, grew at a slower rate relative to the increase in net sales.

Stock compensation expense

For the first quarter ended April 1, 2006, stock compensation expense amounted to $26.9 million, resulting from a payment to option holders in lieu of adjusting exercise prices in connection with the payment of a dividend to shareholders in February 2006. No such expense occurred in the first quarter ended April 2, 2005.

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Interest expense

Interest expense was $10.4 million for the first quarter ended April 1, 2006, an increase of $7.2 million from $3.1 million for the first quarter ended April 2, 2005. The increase was due to a $4.6 million write-off of previously deferred financing costs in connection with our debt refinancing on February 14, 2006, and the increase in our average debt levels to $251.8 million for the first quarter ended April 1, 2006, compared to $164.4 million for the first quarter ended April 2, 2005, as well as higher LIBOR rates.

Income tax expense

Our effective combined federal and state tax rate was 38.8% for the first quarter ended April 1, 2006 and 33.2% for the first quarter ended April 2, 2005. The increase in the effective tax rate was due to a reduction in the amount of North Carolina tax credits expected to be earned in 2006 compared to 2005.

2005 compared with 2004

Overview

Our 2005 operating results were primarily driven by strong sales growth largely resulting from increased demand for our WinGuard windows and doors and price increases across most of our product lines. Our operating results were negatively impacted by a $7.2 million write-off of our NatureScape trademark and a $7.1 million stock compensation expense resulting mainly from amounts payable to stock option holders in lieu of adjusting exercise prices in connection with the dividend paid to shareholders in September 2005.

Net sales

Net sales for 2005 were $332.8 million, a $95.5 million, or 40.2%, increase over sales of $237.4 million for the period January 30, 2004 to January 1, 2005. Net sales for the period January 30, 2004 to January 1, 2005 exclude net sales of $19.0 million for the one-month period of January 2004.

The following table shows net sales classified by major product category (in millions):

	Year Ended 2005		January 30, 2004 to January 1, 2005		
	Net Sales	% of Net Sales	Net Sales	% of Net Sales	% Growth
WinGuard Windows and Doors	$ 186.2	55.9%	$ 101.5	42.8%	83.4%
Other Window and Door Products	146.6	44.1%	135.9	57.2%	7.9%
Total	$ 332.8	100.0%	$ 237.4	100.0%	40.2%

Net sales of WinGuard Windows and Doors were $186.2 million in 2005, an increase of $84.7 million, or 83.4%, from $101.5 million in net sales for the period January 30, 2004 to January 1, 2005. This growth was largely due to a volume increase resulting from increased enforcement of strict building codes mandating the use of impact-resistant products, increased consumer and homebuilder awareness of the advantages provided by impact-resistant windows and doors over active forms of hurricane protection, and our successful marketing efforts, including a television advertising campaign. A price increase on WinGuard Windows and Doors implemented in the first half of 2005 also had a favorable impact on WinGuard net sales. In addition, net sales of WinGuard for the period January 30, 2004 to January 1, 2005 exclude net sales of $7.6 million for the one-month period of January 2004.

Net sales of Other Window and Door Products were $146.6 million in 2005, an increase of $10.7 million, or 7.9%, from $135.9 million for the period January 30, 2004 to January 1, 2005. This increase was partly driven by a price increase implemented in the first half of 2005 and a favorable product mix shift to higher margin products. In addition, net sales of Other Window and Door Products for the period January 30, 2004 to January 1, 2005 exclude net sales of $11.4 million for the one-month period of January 2004. However, the increase in net sales was negatively impacted

by the discontinuation of certain window and door products, resulting in net sales of

$14.7 million. We discontinued these products because they generated lower margins and had less attractive growth prospects as compared to our other product lines. In addition, discontinuation of these products allowed us to increase manufacturing capacity for our WinGuard products.

Gross margin

Gross margin was $123.3 million in 2005, an increase of $38.3 million, or 45.0%, from $85.0 million in the period January 30, 2004 to January 1, 2005. The gross margin percentage was 37.1% in 2005, an increase of 1.3% from 35.8% in the period January 30, 2004 to January 1, 2005. This growth was largely attributable to higher sales volume, increased price across most of our product lines, and a shift in product mix as WinGuard sales increased as a percentage of our total net sales. Although we had recovered from the hurricanes in 2004, our gross margin was partially offset by increased production costs such as labor and material costs due, in part, to costs involved in adapting our operations to meet increased demand for our WinGuard products. Our WinGuard products generate a higher gross margin than our other product lines. In addition, gross profit for the period January 30, 2004 to January 1, 2005 excludes gross profit of $5.0 million for the one-month period of January 2004.

Selling, general, and administrative expenses

Selling, general, and administrative expenses were $83.6 million in 2005, an increase of $20.1 million, or 31.7%, from $63.5 million in the period January 30, 2004 to January 1, 2005. This increase was mainly driven by a $5.1 million increase in salaries and benefits and a $5.4 million increase in bad debt and warranty expense due to higher sales volume. In addition, selling, general and administrative expenses for the period January 30, 2004 to January 1, 2005 exclude expenses of $6.0 million for the one-month period of January 2004. As a percentage of sales, selling, general and administrative expenses were 25.1% in 2005, a decrease of 1.7% from 26.8% for the period January 30, 2004 to January 1, 2005. This decrease was due to the fact that certain fixed expenses, such as support and administrative costs, grew at a slower rate relative to sales.

Stock compensation expense

In 2005, stock compensation expense amounted to $7.1 million due primarily to amounts payable to option holders in lieu of adjusting exercise prices in connection with the payment of a dividend to shareholders in September 2005. No such expense occurred in the period January 30, 2004 to January 1, 2005.

Write-off of trademark

In 2005, we wrote off our trademark in the amount of $7.2 million related to our NatureScape business that we sold on February 20, 2006. No such write-off occurred in the period January 30, 2004 to January 1, 2005.

Interest expense

Interest expense was $13.9 million in 2005, an increase of $4.0 million from $9.9 million in the period January 30, 2004 to January 1, 2005. This was due to the increase in LIBOR rates during 2005 as well as higher debt levels resulting from the debt refinancing that occurred in September 2005. In addition, the interest expense for the period January 30, 2004 to January 1, 2005 does not include interest expense of $0.5 million for the one-month period of January 2004.

Income tax expense

Our effective combined federal and state tax rate was 33.2% for the year ended 2005 and 39.3% for the period January 30, 2004 to January 1, 2005. The decrease in the effective tax rate was primarily due to increased state tax credits in North Carolina resulting from capital and labor investments at our North Carolina facility, as well as a manufacturing deduction under Internal Revenue Code Section 199. The North Carolina tax credits will continue in any year that expansion or other material investment is made in North Carolina, including 2006. The manufacturing deduction, which is limited to income generated by domestic production, will also continue in future years.

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2004 compared with 2003

Overview

During 2004, we were impacted by four major hurricanes that hit Southeast Florida, which disrupted our operations, our customer and supplier base, and our employees. Consequently, we experienced inconsistent order patterns by our customers, higher raw material costs and surcharges, increased overhead expenses, and increased shipping and storage costs. In addition, one of the hurricanes hit the immediate area where most of our employee base resides, causing increased labor costs as many of our employees had their homes either damaged or destroyed, which resulted in increased absentee rates and scheduling issues. However, we continued to experience strong demand for our products, especially WinGuard, net sales for which grew 12.8% from the full year 2003 as compared to the period January 30, 2004 to January 1, 2005.

Net sales

Net sales for the period January 30, 2004 to January 1, 2005 were $237.4 million, a $14.8 million, or 6.6%, increase over sales of $222.6 million for the year ended 2003. Net sales for the period January 30, 2004 to January 1, 2005 exclude net sales of $19.0 million for the one-month period of January 2004.

The following table shows sales classified by major product category (in millions):

	January 30, 2004 to January 1, 2005		Year Ended 2003		
	Net Sales	% of Net Sales	Net Sales	% of Net Sales	% Growth
WinGuard Windows and Doors	$ 101.5	42.8%	$ 90.0	40.4%	12.8%
Other Window and Door Products	135.9	57.2%	132.6	59.6%	2.5%
Total	$ 237.4	100.0%	$ 222.6	100.0%	6.6%

Net sales of WinGuard Windows and Doors for the period January 30, 2004 to January 1, 2005 were $101.5 million, an increase of $11.5 million, or 12.8%, from $90.0 million for the year ended 2003. This growth was due to increased demand resulting from greater consumer and homebuilder awareness of the advantages provided by impact-resistant windows and doors over active forms of hurricane protection, as well as a favorable shift in product mix. However, the increase in net sales of WinGuard Windows and Doors was reduced by the fact that the period January 30, 2004 to January 1, 2005 does not include net sales of $7.6 million for the one-month period of January 2004.

Net sales of Other Window and Door Products for the period January 30, 2004 to January 1, 2005 were $135.9 million, an increase of $3.3 million, or 2.5%, from $132.6 million for the year ended 2003. This growth was largely due to increased sales of our aluminum products of $10.7 million from national homebuilders who were buying large tracts of land and expanding their presence to new geographic markets, an increase in Vinyl window sales of $1.8 million, and an increase in Multi-Story sales of $1.2 million. However, the increase in net sales was reduced by the fact that the period January 30, 2004 to January 1, 2005 does not include net sales of approximately $11.4 million for the one-month period of January 2004.

Gross margin

Gross profit in the period January 30, 2004 to January 1, 2005 was $85.0 million, a decrease of $2.3 million, or 2.6%, from $87.3 million in the year ended 2003. The gross margin percentage was 35.8% in the period January 30, 2004 to January 1, 2005, a decrease of 3.4% from 39.2% in the year ended 2003. This decrease in gross margin was largely due to severe disruptions to our operations caused by four major hurricanes that hit Southeast Florida. One of the hurricanes hit the immediate area where most of our employee base resides, causing increased overhead expenses

and higher labor costs as many of our employees had their homes either damaged or destroyed, which resulted in increased absentee rates and scheduling issues. The other three hurricanes disrupted our customer base and supply chain, resulting in inconsistent order patterns by our customers, higher raw material costs, surcharges, and increased shipping and storage costs. In addition, gross profit for the period January 30, 2004 to January 1, 2005 excludes results from the one-month period of January 2004 of $5.0 million. There was no material impact on gross margin in 2004 as a result of purchase accounting in connection with the acquisition.

Selling, general, and administrative expenses

Selling, general, and administrative expenses in the period January 30, 2004 to January 1, 2005 were $63.5 million, an increase of $7.8 million, or 14.1%, from $55.7 million in the year ended 2003. This increase was caused mainly by an $8.8 million increase in amortization expense resulting from purchase accounting in connection with our acquisition by an affiliate of JLL Partners, a $3.9 million increase in salaries and other labor costs due to an increase in volume, and a $1.6 million increase in marketing expenses. However, this increase was reduced by the fact that selling, general, and administrative expenses for the period January 30, 2004 to January 1, 2005 do not include selling, general, and administrative expenses of $6.0 million for the one-month period of January 2004. As a percentage of sales, selling, general and administrative expenses were 26.8% for the period January 30, 2004 to January 1, 2005, an increase of 1.8% from 25.0% for the year ended 2003.

Interest expense

Interest expense in the period January 30, 2004 to January 1, 2005 was $9.9 million, an increase of $2.6 million from $7.3 million in the year ended 2003. This is due to the increase in outstanding debt related to our acquisition by an affiliate of JLL Partners in January 2004 and does not reflect interest expense of $0.5 million for the one-month period of January 2004.

Income tax expense

Our effective combined federal and state tax rate was 39.3% for the period January 30, 2004 to January 1, 2005 and 38.6% for the year 2003.

Liquidity and Capital Resources

Our primary capital requirements are to fund working capital needs, meet required debt payments, including debt service payments on our credit facilities, to fund capital expenditures, and to pay dividends, if any, on our common stock. Capital resources have primarily consisted of cash flows from operations and borrowings under our credit facilities.

Consolidated Cash Flows

Operating activities. Cash flows used in operating activities were $20.7 million for the first quarter ended April 1, 2006, compared to cash flows provided by operating activities of $10.6 million for the first quarter ended April 2, 2005. This decrease in cash flows from operating activities of $31.3 million was primarily due to payments totaling $33.5 million made to option holders in lieu of adjusting exercise prices in connection with the payment of dividends to shareholders in February 2006 and September 2005 in the amount of $26.9 million and $6.6 million, respectively.

Cash flows provided by operating activities were $21.7 million for the year ended 2005, compared to $14.2 million for the period January 30, 2004 to January 1, 2005. This increase in cash flows from operating activities was primarily due to an increase in net income and net changes in working capital of $7.0 million. The increase in accounts payable and accruals was primarily due to the amounts payable to option holders in lieu of adjusting exercise prices in connection with the dividends paid to shareholders in 2005. The increase in accounts receivable was largely due to increased sales activity and an increase in days sales outstanding from 37 at the end of 2004 to 50 at the end of 2005, resulting in part from temporary disruption to our customers in Southeast Florida caused by a hurricane at the end of 2005. The affected customers began to reduce past due amounts in the first quarter of 2006, lowering days sales outstanding to 47 at the end of the quarter.

Cash flows provided by operating activities were $14.2 million for the period January 30, 2004 to January 1, 2005, compared to $18.0 million for the year ended 2003. This decrease in cash flows from operating activities was primarily due to net increases in inventories and other current assets necessary to support the higher sales activity of $4.0 million.

Investing activities. Cash flows used in investing activities were $10.4 million for the first quarter ended April 1, 2006, compared to $2.8 million for the first quarter ended April 2, 2005. The increase in cash flows used

in investing activities was due to a $7.3 million purchase of a 393,000 square foot facility in Salisbury, North Carolina in February 2006. We plan to move our current North Carolina operations in Lexington into our new facility and sell the Lexington facility upon completion of this move.

Cash flows used in investing activities were $15.6 million for the year ended 2005, compared to $299.2 million for the period January 30, 2004 to January 1, 2005. This decrease in cash flows used in investing activities was due to our acquisition by an affiliate of JLL Partners in 2004. This was offset by higher capital spending in 2005 of $3.2 million.

Cash flows used in investing activities were $299.2 million for the period January 30, 2004 to January 1, 2005, compared to $13.3 million for the year ended 2003. This increase in cash flows used in investing activities was due to our acquisition by an affiliate of JLL Partners in 2004 and higher capital spending of $5.1 million.

Financing activities. Cash flows provided by financing activities were $48.5 million for the first quarter ended April 1, 2006, compared to cash flows used in financing activities of $8.0 million for the first quarter ended April 2, 2005. This increase in cash flows of $56.5 million was due to the proceeds from the refinancing completed in February 2006 of $320 million, offset by the repayment of debt totaling $183.5 million, a dividend to shareholders in February 2006 of $83.5 million, and the payment of financing costs related to the refinancing of $4.5 million. During the first quarter ended April 2, 2005, $8.0 million of cash was used to pay down the outstanding balance on debt.

Cash flows used in financing activities was $5.4 million for the year ended 2005, compared to cash flows provided by financing activities of $287.6 million for the period January 30, 2004 to January 1, 2005. Cash flows provided by financing activities in the period January 30, 2004 to January 1, 2005 included the proceeds from the issuance of debt and common stock in connection with our acquisition by an affiliate of JLL Partners in 2004 in the amount of $295.9 million. Cash flow used in financing activities in 2005 included a dividend payment of $20.0 million, offset by a net change in long term debt of $17.2 million.

Cash flows provided by financing activities was $287.6 million for the period January 30, 2004 to January 1, 2005, compared to cash flows used in financing activities of $5.6 million for the year ended 2003. The increase in cash provided by financing activities is largely a result of the proceeds from the issuance of debt and common stock in connection with our acquisition by an affiliate of JLL Partners in 2004 in the amount of $295.9 million.

Capital Resources. On February 14, 2006, our company entered into a second amended and restated $235 million senior secured credit facility and a $115 million second lien term loan due August 14, 2012, with a syndicate of banks. The senior secured credit facility is composed of a $30 million revolving credit facility and a $205 million first lien term loan due in quarterly installments of $0.5 million beginning May 14, 2006 and ending November 14, 2011 and a final payment of $193.2 million on February 14, 2012.

The term loans under the first lien term loan facility bear interest, at our option, at a rate equal to an adjusted LIBOR rate plus 3.0% per annum or a base rate plus 2.0% per annum. The loans under the revolving credit facility bear interest initially, at our option (provided, that all swingline loans shall be base rate loans), at a rate equal to an adjusted LIBOR rate plus 2.75% per annum or a base rate plus 1.75% per annum, and the margins above LIBOR and base rate may decline to 2.00% for LIBOR loans and 1.00% for base rate loans if certain leverage ratios are met. A commitment fee equal to 0.50% per annum accrues on the average daily unused amount of the commitment of each lender under the revolving credit facility and such fee is payable quarterly in arrears. We are also required to pay certain other fees with respect to the senior secured credit facility including (i) letter of credit fees on the aggregate undrawn amount of outstanding letters of credit plus the aggregate principal amount of all letter of credit reimbursement obligations, (ii) a fronting fee to the letter of credit issuing bank and (iii) administrative fees. The second lien secured credit facility bears interest, at our option, at a rate equal to an adjusted LIBOR rate plus 7.0% per annum or a base rate plus 6.0% per annum. We are required to pay certain administrative fees under the second lien secured credit facility.

The first lien secured credit facility is secured by a perfected first priority pledge of all of the equity interests of our subsidiary and perfected first priority security interests in and mortgages on substantially all of our tangible and intangible assets and those of the guarantors, except, in the case of the stock of a foreign subsidiary, to the extent such pledge would be prohibited by applicable law or would result in materially adverse tax

consequences, and subject to such other exceptions as are agreed. The senior secured credit facility contains a number of covenants that, among other things, restrict our ability and the ability of our subsidiaries to (i) dispose of assets; (ii) change our business; (iii) engage in mergers or consolidations; (iv) make certain acquisitions; (v) pay dividends or repurchase or redeem stock; (vi) incur indebtedness or guarantee obligations and issue preferred and other disqualified stock; (vii) make investments and loans; (viii) incur liens; (ix) engage in certain transactions with affiliates; (x) enter into sale and leaseback transactions; (xi) issue stock or stock options of our subsidiary; (xii) amend or prepay subordinated indebtedness and loans under the second lien secured credit facility; (xiii) modify or waive material documents; or (xiv) change our fiscal year. In addition, under the first lien secured credit facility, we are required to comply with specified financial ratios and tests, including a minimum interest coverage ratio, a maximum leverage ratio, and maximum capital expenditures.

The second lien secured credit facility is secured by a perfected second priority pledge of all of the equity interests of our subsidiary and perfected second priority security interests in and mortgages on substantially all of our tangible and intangible assets and those of the guarantors, except, in the case of the stock of a foreign subsidiary, to the extent such pledge would be prohibited by applicable law or would result in materially adverse tax consequences, and subject to such other exceptions as are agreed. The second lien secured credit facility contains a number of covenants that, among other things, restrict our ability and the ability of our subsidiaries to (i) dispose of assets; (ii) change our business; (iii) engage in mergers or consolidations; (iv) make certain acquisitions; (v) pay dividends or repurchase or redeem stock; (vi) incur indebtedness or guarantee obligations and issue preferred and other disqualified stock; (vii) make investments and loans; (viii) incur liens; (ix) engage in certain transactions with affiliates; (x) enter into sale and leaseback transactions; (xi) issue stock or stock options; (xii) amend or prepay subordinated indebtedness; (xiii) modify or waive material documents; or (xiv) change our fiscal year. In addition, under the second lien secured credit facility, we are required to comply with specified financial ratios and tests, including a minimum interest coverage ratio, a maximum leverage ratio, and maximum capital expenditures.

Borrowings under the new senior secured credit facility and second lien secured credit facility on February 14, 2006, were used to refinance our company s existing debt facility, pay a cash dividend to stockholders of $83.5 million, and make a cash payment of approximately $26.9 million (including applicable payroll taxes of $0.5 million) to stock option holders in lieu of adjusting exercise prices in connection with such dividend. In connection with the refinancing, our company incurred estimated fees and expenses aggregating $4.5 million that will be included as a component of other assets, net and amortized over the terms of the new senior secured credit facilities. In the first quarter of 2006, the total cash payment to option holders and the termination penalty related to the prepayment of the existing debt were expensed and recorded as stock compensation expense and a component of interest expense, respectively. Also, our company expensed approximately $4.6 million of the unamortized deferred financing costs related to the prior credit facility recorded as interest expense.

Based on our ability to generate cash flows from operations and our borrowing capacity under the revolver under the senior secured credit facility, we believe we will have sufficient capital to meet our short-term and long-term needs, including our capital expenditures and our debt obligations in 2006. Upon completion of this offering and use of the net proceeds as set forth herein, we expect to repay $138.0 of borrowings under our senior secured credit facilities, resulting in total long-term debt of $182.0 million.

Capital Expenditures. Capital expenditures vary depending on prevailing business factors, including current and anticipated market conditions. For the first quarters ended April 1, 2006 and April 2, 2005, capital expenditures were $10.7 million and $2.8 million, respectively. For the year ended 2005, capital expenditures were $15.9 million, which was an increase of $3.1 million from the $12.8 million in capital expenditures in the combined year 2004. We anticipate that cash flows from operations and liquidity from the revolving credit facility will be sufficient to execute our business plans. We anticipate our capital expenditures to be $30.0 million in 2006, which includes expenditures of $18.0 million in connection with our facility expansion in North Carolina.

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Disclosures of Contractual Obligations and Commercial Commitments

The following summarizes our contractual obligations as of December 31, 2005 (in thousands):

	Payments Due by Period					
Contractual Obligations	**Total**	**Less Than 1 Year**	**1-3 Years**	**4 Years**	**5 Years**	**After 5 Years**
Long-Term Debt	$ 183,525	$	$ 1,877	$ 136,353	$ 45,295	$
Operating Leases	6,021	2,374	3,012	439	196	
Interest on Long-Term Debt(1)	51,776	13,991	27,906	9,556	323	
Purchase Obligations(2)	59,973	59,473	500			
Total Contractual Cash Obligations	$ 301,295	$ 75,838	$ 33,295	$ 146,348	$ 45,814	

(1) Interest based on LIBOR rate of 4.54% at December 31, 2005. Actual interest may vary based on LIBOR fluctuations.

(2) Purchase obligations are commitments to purchase raw materials used in production under contracts that expire in 2006 and 2007.

The following summarizes our contractual obligations as of December 31, 2005, as adjusted to reflect the recapitalization transactions and this offering (in thousands):

	Payments Due by Period					
Contractual Obligations	**Total**	**Less Than 1 Year**	**1-3 Years**	**4 Years**	**5 Years**	**After 5 Years**
Long-Term Debt	$ 182,000	$	$ 3,677	$ 1,838	$ 1,838	$ 174,647
Operating Leases	6,021	2,374	3,012	439	196	
Interest on Long-Term Debt(1)	89,772	15,260	30,292	14,894	14,740	14,586
Purchase Obligations(2)	59,973	59,473	500			
Total Contractual Cash Obligations	$ 337,766	$ 77,107	$ 37,481	$ 17,171	$ 16,774	$ 189,233

(1) Interest based on LIBOR rate of 5.27% at June 1, 2006. Actual interest may vary based on LIBOR fluctuations.

(2) Purchase obligations are commitments to purchase raw materials used in production under contracts that expire in 2006 and 2007.

Purchase orders entered into in the ordinary course of business are excluded from each of the above tables. Amounts for which we are liable under purchase orders are reflected on our consolidated balance sheet as accounts payable and accrued liabilities.

Other cash obligations not reflected in the balance sheet

The amounts reflected in the table above for operating leases represent future minimum lease payments under non-cancelable operating leases with an initial or remaining term in excess of one year at December 31, 2005.

In accordance with GAAP, our operating leases are not recorded on our balance sheet. Under these leases we have the option of (a) purchasing the equipment at the end of the lease term at its then fair market value, (b) arranging for the sale of the equipment to a third party, or (c) returning the equipment to the lessor to sell the equipment. If the sales proceeds in either case are less than the residual value, then we are required to reimburse the lessor for the deficiency up to a specified level as stated in each lease agreement.

Based upon the expectation that none of these leased assets will have a residual value at the end of the lease term that is materially less than the value specified in the related operating lease agreement, we do not believe it

is probable that we will be required to fund any amounts under the terms of these guarantee arrangements. Accordingly, no accruals have been recognized for these guarantees.

Disclosures of Certain Market Risks

We experience changes in interest expense when market interest rates change. Changes in our debt could also increase these risks. Based on debt outstanding at April 1, 2006, a 25 basis point increase in interest rates would result in approximately $0.8 million of additional interest costs annually. As adjusted for the application of proceeds from the offering, a 25 basis point increase in interest rates would result in approximately $0.5 million of additional interest costs annually.

We utilize derivative financial instruments to hedge price movements of our aluminum materials. As of December 31, 2005, we covered 70% of our anticipated needs for 2006. Short term changes in the cost of aluminum, which can be significant, are sometimes passed on to our customers through price increases, however there can be no guarantee that we will be able to continue to pass such price increases to our customers or that price increases will not negatively impact sales volume, thereby adversely impacting operating income.

Recently Issued Accounting Pronouncements

Jobs creation act

In October 2004, the American Jobs Creation Act of 2004 (the Jobs Creation Act) was signed into law. In December 2004, the FASB issued Staff Position 109-1 (FSP 109-1), Application of FASB Statement No. 109 (SFAS No. 109), Accounting for Income Taxes , to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004. FSP 109-1 clarifies guidance that applies to the new deduction for qualified domestic production activities. When fully phased-in, the deduction will be up to 9% of the lesser of qualified production activities income or taxable income. FSP 109-1 clarifies that the deduction should be accounted for as a special deduction under SFAS No. 109 and will reduce tax expense in the period or periods that the amounts are deductible on the tax return. The tax benefits resulting from the new deduction were included in our fiscal year ending December 31, 2005, and were not material.

Inventory costs

In November 2004, the FASB issued SFAS No. 151, Inventory Costs, an amendment of Accounting Research Bulletin No. 43, Chapter 4 (SFAS No. 151). SFAS No. 151 requires that abnormal amounts of idle facility expense, freight, handling costs and wasted materials (spoilage) be recorded as current period charges and that the allocation of fixed production overheads to inventory be based on the normal capacity of the production facilities. SFAS No. 151 became effective for us on January 1, 2006. We do not believe that the adoption of SFAS No. 151 will have a material impact on our consolidated financial statements.

Share-based payment

In December 2004, the FASB issued SFAS No. 123(R) (Revised 2004) *Share Based Payment*. SFAS No. 123(R) supersedes Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, and amends SFAS No. 95, Statement of Cash Flows. Generally, the approach in SFAS No. 123(R) is similar to the approach described in SFAS No. 123 Accounting for Stock-Based Compensation. This statement requires that the cost resulting from all share-based payment transactions be recognized in the financial statements. This statement establishes fair value as the measurement objective in accounting for share-based payment arrangements and requires all entities to apply a fair value based measurement method in accounting for share-based payment transactions with employees except for equity instruments held by employee share ownership plans.

In March 2005, the Securities and Exchange Commission released SEC Staff Accounting Bulletin No. 107, Share-Based Payment (SAB No. 107). SAB No. 107 provides the SEC staff position regarding the application of SFAS No. 123(R). SAB No. 107 contains interpretive guidance related to the interaction between SFAS No. 123(R) and certain SEC rules and regulations, as well as provides the staff s views regarding the

valuation of share-based payment arrangements for public companies. SAB No. 107 also highlights the importance of disclosures made related to the accounting for share-based payment transactions. We are currently reviewing the effect of SAB No. 107 on our consolidated financial statements.

Our Company adopted SFAS No. 123(R), using the modified prospective method, beginning January 1, 2006. We will be evaluating option valuation models, including the Black-Scholes-Merton formula, to determine which model we will utilize under SFAS No. 123(R). We previously used the minimum value method under SFAS No. 123 to calculate the fair value of our options and will apply the prospective transition method as of the required effective date. We will continue to account for the currently outstanding options under APB 25 and will apply the provisions of SFAS No. 123(R) prospectively to new awards and awards repurchased or cancelled after adoption of this statement. We also do not expect the adoption of SFAS No. 123(R) to have a material impact on our Company s future stock-based compensation expense.

Exchanges of nonmonetary assets

In December 2004, the FASB issued SFAS No. 153, Exchanges of Nonmonetary Assets, an amendment of APB Opinion No. 29 (SFAS No. 153). SFAS No. 153 is based on the principle that exchanges of non-monetary assets should be measured based on the fair value of the assets exchanged. APB Opinion No. 29, Accounting for Nonmonetary Transactions (APB 29), provided an exception to its basic measurement principle (fair value) for exchanges of similar productive assets. Under APB 29, an exchange of a productive asset for a similar productive asset was based on the recorded amount of the asset relinquished. SFAS No. 153 eliminates this exception and replaces it with an exception for exchanges of non-monetary assets that do not have commercial substance. SFAS No. 153 became effective for us as of July 1, 2005. We will apply the requirements of SFAS No. 153 on any future non-monetary exchange transactions. The adoption of this new statement did not have a material impact on our financial condition or results of operations.

Accounting changes and error corrections

In May 2005, the FASB issued SFAS No. 154, Accounting Changes and Error Corrections, a replacement of APB No. 20 and FASB Statement No. 3 (SFAS No. 154). SFAS No. 154 requires retrospective application to prior periods financial statements of a voluntary change in accounting principle unless it is impracticable. APB Opinion No. 20 Accounting Changes, previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle. This statement became effective for us on January 1, 2006. We do not believe that the adoption of SFAS No. 154 will have a material impact on our consolidated financial statements.

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INDUSTRY OVERVIEW AND TRENDS

National window and door market

We compete in the U.S. residential window and door market, which, according to a 2005 study by The Freedonia Group, generated sales of $27.1 billion in 2004. The Freedonia Group estimates that domestic demand for windows and doors grew at a compound annual growth rate of 5.1% between 1999 and 2004. This industry is composed of numerous small, regional producers, as well as a smaller number of national producers. Many of these manufacturers, both small and large, are privately held firms. The window and door industry remains highly fragmented, with the top ten manufacturers accounting for approximately 34% of 2004 U.S. total industry sales according to The Freedonia Group. The majority of window and door producers focus almost exclusively on one primary product category or material, with clear leaders in certain segments. Although several diversified building products companies have recently increased their presence in the window and door market, most industry participants focus exclusively on window and door manufacturing.

The residential window and door market can be divided into two end-markets: new construction and repair and remodeling. New construction includes windows and doors purchased for original installation in new homes that are often assembled according to architect and homebuilder specifications. The repair and remodeling market includes new windows and doors used to replace older, worn-out units or used as part of a house expansion. Since building products used in repair and remodeling projects often need to fit into the pre-existing openings of a house, window producers must have significant manufacturing flexibility to produce a wide variety of custom sizes and shapes.

Windows and doors are distributed through three primary channels: wholesale distributors, retail outlets, and direct sales to large contractors and homebuilders. According to a 2004 study by Ducker Research Company, the wholesale distributor and retail channels are the two largest distribution channels and account for approximately 87% of total industry sales.

Impact-resistant window and door market

Impact-resistant windows and doors combine heavy-duty frames with laminated glass to provide protection from hurricane-force winds and wind-borne debris. Impact-resistant windows and doors are considered a passive form of hurricane protection because they are permanently in place as part of the building structure. Active forms of hurricane protection, such as shutters and plywood, which require installation and removal before and after each storm, are the primary alternatives to impact-resistant windows and doors. The overall impact-resistant market is benefiting from the increased adoption and enforcement of stricter building codes that mandate the use of impact-resistant products. In addition, consumers and homebuilders are increasingly demanding impact-resistant windows and doors over active hurricane protection because of (i) increased product awareness, (ii) ease of use, (iii) superior product performance, (iv) improved aesthetics, (v) higher security features, (vi) full egress, (vii) visibility, (viii) UV protection, and (ix) noise reduction.

The U.S. impact-resistant window and door market originated in Florida in the aftermath of Hurricane Andrew. In 1994, Dade County became the first county to require hurricane protection with the implementation of the South Florida Building Code. In 1999, Florida began developing a Statewide Building Code incorporating the hurricane protection requirements of the South Florida Building Code. The Florida Building Code went into effect on March 1, 2002, and extended hurricane protection requirements to virtually all coastal areas in Florida. The International Code Council was established in 1994 to develop a unified national building code. After six years of development, the International Code Council published the International Building Code and International Residential Code. Florida adopted the International codes as its base code in 2004. The International Building Code and International Residential Code require that impact-resistant products be installed or buildings be designed as partially enclosed whenever wind zone maps published by the American Society of Civil Engineers indicate the potential for hurricane force winds (as defined by the American Society of Civil Engineers, wind speeds over 120 mph or 110+ mph within 1 mile of the coastline). In the next edition of the International Residential Code, the partially enclosed option will be removed, requiring all windows and doors to have wind-borne debris protection in these regions. Florida has adopted this edition and plans to implement it in January

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2009. A number of other states, including New Jersey, Delaware, Maryland, Georgia, Alabama, Louisiana, and Mississippi, have also adopted the International Building Code and International Residential Code.

Residential new construction

New housing starts have grown rapidly over the past ten years according to the U.S. Census Bureau and other sources, primarily as a result of the following factors:

- Historically attractive mortgage rates and increased financing options for buyers;
- Relatively high housing affordability;
- New household formations and increasing home ownership rates;
- Immigration trends;
- Aging U.S. housing stock;
- Aging U.S. population with higher accumulated household savings (the number of people between the ages of 45 to 64 is expected to have reached 70.7 million in 2004, an increase from 52.8 million in 1995); and
- Favorable capital gains tax treatment since 1997 that enhances home values.

US housing starts

Source: U.S. Census Bureau

Repair and remodeling end market

According to the U.S. Census Bureau, U.S. repair and remodeling expenditures have grown in 36 of the past 40 years and totaled $215.0 billion in 2005. According to the U.S. Census Bureau, the Joint Center for Housing Studies of Harvard University, and other sources this steady growth is largely the result of the following factors:

- Aging U.S. housing stock;
- Increasing homeownership rates;
- Increasing average size of U.S. homes;
- Older homeowners electing to upgrade their existing residences rather than moving to new homes; and
- New homeowners electing to customize recently purchased homes.

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National residential repair and remodeling expenditures

Material descriptions and trends in material substitution

In the United States, virtually all windows and doors are manufactured from one or a combination of three broad categories of material: aluminum, vinyl, or wood. Each material offers a different combination of aesthetic attributes, performance characteristics, and cost, all of which affect the relative demand for the end products.

Framing material comparison

	United States %(1)	Florida %(2)
Aluminum	10%	48%
Wood	41%	23%
Vinyl	47%	28%

NOTES:

(1) 2004 data, prime window unit demand, The Freedonia Group, Inc.

(2) 2003 data, prime window shipments, Ducker Research Company Inc.

Aluminum products

Aluminum windows benefit from low maintenance requirements, high durability, and a high strength-to-weight ratio. According to The Freedonia Group, the market share of aluminum windows is lower in northern regions because of the superior insulating qualities provided by vinyl and wood in cooler climates. However, the market share of aluminum windows remains relatively high in the South. Aluminum resists corrosion and fire and can be extruded into complex shapes that allow much stronger product designs with specialty features, including impact-resistant products. The use of aluminum in windows has also been supported by the availability of factory-baked enamel finishes or vinyl coatings to improve the aesthetics of the material. According to The Freedonia Group, aluminum s U.S. market share in 2004 was 10.1% and was considerably higher in warmer climates and coastal regions, such as Florida, where aluminum s market share was 48% according to Ducker Research Company.

Vinyl and other PVC-based products

Vinyl windows generally represent the middle price point of window products, typically less expensive than wood and wood-clad windows and more expensive than aluminum windows. According to The Freedonia Group, vinyl windows have experienced strong growth over the last decade due to their thermal efficiency characteristics that approach those of wood windows and significantly reduced maintenance requirements. Vinyl windows also are benefitting from increasing acceptance in higher-end applications. According to The Freedonia Group, vinyl window market share in 2004 was 47.0%.

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Wood and wood-clad products

Wood is generally the most thermally efficient window material and is valued for its aesthetics. However, wood windows are also among the most expensive and require the greatest amount of maintenance. According to The Freedonia Group, wood windows (including wood-clad windows) accounted for approximately 41.0% of the U.S. window market in 2004. Although the market share of solid wood units has declined modestly in recent years, unit sales of vinyl-clad wood windows have grown so that overall, the wood window market share has been stable for the last several years. In wood-clad windows, various non-wood materials (such as aluminum, vinyl, cellular PVC, fiberglass, or industrial coatings) are applied to the exterior of the window frame so that the exterior frame has the desired durability or insulating characteristics while the frame inside the home has the desired aesthetics.

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BUILDING CODES

In 1999, Florida began developing a Statewide Building Code incorporating the hurricane protection requirements of the South Florida Building Code. The Florida Building Code went into effect on March 1, 2002, and extended hurricane protection requirements to virtually all coastal areas in Florida. The International Code Council was established in 1994 to develop a unified national building code. After six years of development, the International Code Council published the International Building Code and International Residential Code. Florida adopted the International codes as its base code in 2004. The International Building Code and International Residential Code require that impact-resistant products be installed or buildings be designed as partially enclosed whenever wind zone maps published by the American Society of Civil Engineers indicate the potential for hurricane force winds (as defined by the American Society of Civil Engineers, wind speeds over 120 mph or over 110 mph within 1 mile of the coastline). In the next edition of the International Residential Code, the partially enclosed option will be removed, requiring all windows and doors to have wind-borne debris protection in these regions. Florida has adopted this edition and plans to implement it in January 2009. To date, forty-seven states, including New York, New Jersey, Delaware, Maryland, North Carolina, South Carolina, Georgia, Alabama, Louisiana, and Mississippi, have also adopted the International Building Code and International Residential Code.

In a High Velocity Hurricane Zone, which the Florida Building Code delineates as Miami-Dade and Broward counties, opening protection is required for all new construction and has been since 1994. Since 2001, repair and remodeling projects in a High Velocity Hurricane Zone that replace more than 25% of the openings also require protection. Additionally, more stringent testing is required for both new construction and repair and remodeling projects in this zone, and windows and doors must pass heightened air, water, structural, and impact testing. In Miami-Dade County, opening protection must be designed to withstand wind speeds of 146 mph, and in Broward County, opening protection must be designed to withstand winds of 140 mph.

Codes applied outside the High Velocity Hurricane Zone, consisting of the Florida Building Code, Florida Residential Code, International Building Code, and International Residential Code, require testing that is considered less stringent than that mandated by Miami-Dade and Broward Counties. For this reason, Miami-Dade and Broward Counties will not accept the lesser standards required by the rest of the State or by the International Building Code and International Residential Code. However, the testing methodology for impact testing required in Miami-Dade and Broward Counties is acceptable statewide in Florida.

PGT WinGuard with aluminum frames meets or exceeds requirements throughout Florida, including in the High Velocity Hurricane Zone, and PGT WinGuard with vinyl frames meets or exceeds requirements throughout Florida and the balance of the U.S., except in the High Velocity Hurricane Zone.

Because code compliance is an integral part of the Company s sales and marketing efforts, Company employees consistently provide information to regulatory agencies and actively participate in the consideration and drafting of code amendments inside and outside the State of Florida. On January 26, 2005, for example, one of the Company s employees was appointed to the Hurricane Research Advisory Committee of the Florida Building Commission to represent window and door manufacturers generally. The Hurricane Research Advisory Committee consists of eleven Florida Building Commissioners and representatives of various industries and service providers and was originally charged with identifying what research is needed related to building failure issues resulting from the hurricanes in 2004 and 2005, identifying any research gaps on key issues, and ensuring that the Florida Building Commission is provided with all relevant research findings on major issues before it considers code enhancements. The Hurricane Research Advisory Committee continues to advise the Florida Building Commission about recent research into building failure issues resulting from the hurricanes in 2005. The Florida Building Commission is responsible for developing and revising the Florida Building Code.

BUSINESS

Our Company

We are the leading U.S. manufacturer and supplier of residential impact-resistant windows and doors and pioneered the U.S. impact-resistant window and door industry in the aftermath of Hurricane Andrew in 1992. Our impact-resistant products, which are marketed under the WinGuard brand name, combine heavy-duty aluminum or vinyl frames with laminated glass to provide protection from hurricane-force winds and wind-borne debris by maintaining their structural integrity and preventing penetration by impacting objects. Impact-resistant windows and doors satisfy increasingly stringent building codes in hurricane-prone coastal states and provide an attractive alternative to shutters and other active forms of hurricane protection that require installation and removal before and after each storm. Our current market share in Florida, which is the largest U.S. impact-resistant window and door market, is significantly greater than that of any of our competitors. WinGuard sales have increased at a compound annual growth rate of 51% since 1999 and represented 56% of our 2005 net sales, as compared to 17% of our 1999 net sales. We expect WinGuard sales to continue to represent an increasingly greater percentage of our net sales. In addition to our core WinGuard product line, we offer a complete range of premium, made-to-order and fully customizable aluminum and vinyl windows and doors that represented 44% of our 2005 net sales. We manufacture these products in a wide variety of styles, including single hung, horizontal roller, casement, and sliding glass doors and we also manufacture sliding panels used for enclosing screened-in porches. Our products are sold to both the residential new construction and home repair and remodeling end markets. For the year ended December 31, 2005, we generated net sales of $332.8 million, resulting in a compound annual growth rate of 23.7% since 1999. In the first quarter of 2006, we generated net sales of $96.4 million, a 21.4% increase over net sales generated in the first quarter of 2005.

The impact-resistant window and door market is growing faster than any major segment of the overall window and door industry. This growth has been driven primarily by increased adoption and more active enforcement of stringent building codes that mandate the use of impact-resistant products and increased penetration of impact-resistant windows and doors relative to active forms of hurricane protection. According to Ducker Research Company, an estimated 80% of the U.S. impact-resistant market uses active forms of hurricane protection. However, homeowners are increasingly choosing impact-resistant windows and doors due to ease of use, superior product performance, improved aesthetics, higher security features, and resulting lower insurance premiums for homeowners relative to standard windows. While offering all of these benefits, our WinGuard products are comparably priced to the combination of traditional windows and shutters. In addition, awareness of the benefits provided by impact-resistant windows and doors has increased dramatically due to media coverage of recent hurricanes and the experience of coastal homeowners and building contractors with these products. We have over one million installed WinGuard units and, following the devastating 2004 and 2005 hurricane seasons, there were no reported impact failures. According to the National Hurricane Center, we are currently in a period of heightened hurricane activity that could last another 10 to 20 years, which we expect to further drive awareness of impact-resistant windows and doors.

The geographic regions in which we currently operate include the Southeastern U.S., the Gulf Coast and the Caribbean. According to The Freedonia Group, the Southeastern U.S. and the Gulf Coast comprise 41% of the total U.S. window and door market and are benefiting from population growth rates above the national average and from growing second home ownership. Additionally, we expect increased demand along the Atlantic coast, from Georgia to New York, as recently adopted building codes are enforced and awareness of the PGT brand continues to grow. We distribute our products through multiple channels, including over 1,300 window distributors, building supply distributors, window replacement dealers and enclosure contractors. This broad distribution network provides us with the flexibility to meet demand as it shifts between the residential new construction and repair and remodeling end markets. We offer a compelling value proposition to our customers centered on our high quality and fully customizable products, industry-leading lead times with 99% on-time delivery, and superior after-sale support. We believe our reputation for outstanding service and quality, strong brand awareness, leading market position and building code expertise provide us with sustainable competitive advantages.

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We operate strategically located manufacturing facilities in North Venice, Florida and Lexington, North Carolina, both capable of producing fully-customizable windows and doors. Our North Venice plant is vertically integrated with a glass tempering and laminating facility, which provides us with a consistent source of impact-resistant laminated glass, shorter lead times, and substantially lower costs relative to third-party sourcing. Because of increased demand for our products, we are moving our Lexington operations to a larger facility in Salisbury, North Carolina that we acquired in February 2006. This facility will increase our manufacturing capacity by over 160,000 square feet, include glass laminating and tempering capabilities, and support the expansion of our geographic footprint as the impact-resistant market continues to grow.

Our Competitive Strengths

We believe our sales, earnings, and cash flow will be driven by our competitive strengths.

Leading Position in the Rapidly Growing U.S. Impact-Resistant Market with Superior Products and Strong Brand Awareness. We are the leading U.S. manufacturer of impact-resistant windows and doors, offering a complete line of high quality WinGuard products. Our current market share in Florida, which is the largest U.S. impact-resistant market, is significantly greater than that of any of our competitors. In addition, we sell our products throughout the Southeastern U.S., the Gulf Coast, and the Caribbean. As the market for impact-resistant windows and doors continues to expand, we are well positioned to capture this growth given our manufacturing expertise, in-house glass tempering and laminating capabilities, outstanding customer service, and building code expertise. Since we first introduced our WinGuard product line in the aftermath of Hurricane Andrew, we have continually focused on developing and manufacturing innovative products having the highest quality. Our aluminum WinGuard products meet or exceed the most stringent building code requirements, those of the High Velocity Hurricane Zone provisions of the Florida Building Code, and all of our products meet or exceed the requirements of the International Building Code. PGT has over one million installed WinGuard units and following the devastating 2004 and 2005 hurricane seasons, there were no reported impact failures. Our market leading position, combined with our marketing efforts including television and print advertisements, has greatly increased consumers and homebuilders awareness of our brand. Brand awareness of our impact-resistant windows and doors among contractors and homeowners is significantly higher than that of any of our competitors according to a third-party 2004 Florida brand awareness survey funded by us. In that survey, contractor recognition of PGT was 100%, and homeowner recognition had more than doubled to 37% since 2001.

Since initially developing our WinGuard products in the early 1990s, we have invested substantial resources and capital to design and manufacture a complete line of impact-resistant windows and doors that meet the certification requirements of the most stringent building codes, including the High Velocity Hurricane Zone Provisions of the Florida Building Codes and the International Building Codes. In order to receive and maintain these certifications, our products are tested to ensure that they perform to the highest quality standards and do not breach upon impact during a hurricane. Our products are tested for air and water infiltration, structural loads, impact-resistance, and cyclic wind loading. The impact test, for example, consists of a 9 pound 2 x 4 being repeatedly fired directly at a window at 50 feet per second. Without any adjustments or repairs, the window is then subjected to cyclic wind loads that consist of 4,500 positive and 4,500 negative load cycles that mirror conditions that exist during a hurricane.

Our ability to manufacture products that comply with stringent building code requirements is further complemented by our in-depth knowledge of the various building codes. Our understanding of building codes dates back to the early 1990s when we were actively involved in helping government officials craft the testing standards following Hurricane Andrew. Since then, we have been working with local governments and building officials to make sure that the codes are continuously updated. We believe that we are viewed as a leading expert of building codes and have recently been selected to represent all of the window and door manufacturers on the Hurricane Research Advisory Committee for the Florida Building Commission.

Diversified and Loyal Customer Base across Multiple Distribution Channels and End Markets. We distribute our products through multiple distribution channels, including over 1,300 window distributors, building supply distributors, window replacement dealers and enclosure contractors. Our broad distribution network enables us to effectively serve both the residential new construction and repair and remodeling end markets and

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provides us with the flexibility to meet demand as it shifts between these markets. Over the past five years, the new construction and repair and remodeling end markets have represented approximately 61% and 39% of our sales, respectively. Our customer base is widely distributed, as evidenced by the fact that our largest customer represents only 2.8% of our sales and our top ten customers represent only 16.8% of our sales. Additionally, we have longstanding relationships with many of our customers, a majority of whom have purchased our products for over 10 years.

Flexible and Vertically Integrated Manufacturing Capabilities. Our manufacturing facilities are strategically located to maximize efficiency and customer responsiveness, minimize lead times, and cost-effectively serve several of the nation s fastest growing window and door markets. The facilities are integrated using an enterprise-wide information technology system that captures customers orders, schedules production, sorts products for distribution, and tracks deliveries. We utilize cross-functional manufacturing teams that can be repositioned during shifts to further enhance productivity. Our in-house glass tempering and laminating facility provides us with a significant competitive advantage due to consistent material sourcing, shorter lead times, lower costs, and greater custom production capabilities. We also have low inventory requirements since all of our products are made-to-order and our finished products are shipped within an average of 48 hours of completion.

Superior Customer Service Before, During, and After the Sale. In addition to manufacturing high quality products, our value proposition to our customers is centered on industry-leading lead times, on-time delivery, and superior after-sale support. Through the coordinated efforts of our sales team, customer service representatives, product specialists, and field service teams, we deliver high quality service to our customers, from the time the initial order is placed through the warranty period. Our well trained sales team is also focused on ensuring that our products meet building code specifications and are appropriately installed.

By providing an efficient flow of product from order through delivery, our manufacturing process allows us to deliver impact-resistant products in an average of three weeks, which we believe is below the industry average. Our cross-functional workforce and company-owned truck fleet ensure timely fulfillment and delivery of customer orders, as evidenced by our on-time delivery rate of 99%. Web Weaver, our web-based order entry program, allows customers to place orders 24 hours a day and track the status and lead time of their orders on-line.

Through PGT University, we offer in-house training and product education to our customers to ensure that our products are marketed effectively to end-users and installation meets building code specifications. We believe this education effort minimizes installation problems, field service requests, and delivery times by providing our customers with expert knowledge of our products and local and international building code requirements. We have provided training to over 15,000 customers, installers, architects, and building code officials through PGT University, increasing customer loyalty and strengthening our brand awareness.

Experienced Management Team and Continuous Improvement Culture. We have a dedicated management team with extensive experience in manufacturing and marketing building products. Our senior management team has demonstrated the ability to grow our business by introducing new product lines, expanding into new geographic markets, and continuously improving product and service quality. Our senior management team, including our President, Chief Executive Officer and co-founder, Rodney Hershberger, has an average of 20 years of experience in the manufacturing industry. Much of our senior management team s prior experience was acquired at leading global companies, including General Motors Corporation, Lucent Technologies Inc., Western Electric, Ahlstrom Engine Filtration & Air Media, L.L.C., Reynolds Metals Company, The Hershey Company, and Flowers Foods, Inc. Additionally, our employee base reflects a proud culture focused on personal growth and reinforced by our skill-based compensation system that rewards employees for continuous improvement in output and manufacturing efficiency.

Our Strategy

Our strategy is to leverage our competitive strengths to grow sales, earnings and cash flow and to expand our market positions in the window and door industry.

Increase penetration of existing impact-resistant markets. An estimated 80% of the U.S. impact-resistant market, including Florida, still use shutters and other forms of active hurricane protection, providing us with a

significant growth opportunity as demand continues to shift toward impact-resistant windows and doors. We will continue to drive WinGuard sales by capitalizing on the performance benefits provided by our impact-resistant windows and doors, including ease of use, improved aesthetics, higher security features, full egress, visibility, UV protection, and noise reduction. As a market leader, we influence consumer and builder demand through our marketing and advertising campaigns, which further increase brand awareness of our WinGuard products. Additionally, we continue to build strong relationships with large national homebuilders who are increasingly offering WinGuard products as part of their standard package in an effort to differentiate themselves from their competitors.

Continue to expand into new geographical markets. The entire impact-resistant market spans the coastline from Mexico to New York and includes the Caribbean Islands and the Yucatan Peninsula, and the market opportunity will continue to grow as increasingly stringent building codes requiring impact-resistant products are adopted and enforced. Our strategy is to capitalize on this growth of the impact-resistant market by leveraging our market leadership position to grow sales in new geographic regions. Additionally, many of our existing WinGuard dealers and distributors currently serve both the inland and coastal markets. We are leveraging our relationships with these customers to increase penetration of inland markets with our premium non-impact-resistant windows and doors.

Continue to improve and develop new products. We are focused on developing innovative new products, as well as improving existing product lines to meet the changing demands of our customers and capitalize on high growth opportunities. In order to further strengthen our impact-resistant product line, we have recently introduced a number of new WinGuard products: an aluminum casement window for the high-end custom home market; a series of French doors that meet higher design pressure specifications; and a 90 degree sliding glass door. We have also enhanced our WinGuard offering to address the demand for impact-resistant windows and doors in cooler climates where vinyl is the material of choice. In addition, we have recently introduced a Multi-Story product line to capitalize on the rapid growth of mid- and high-rise condominiums in high density coastal areas. To further bolster our premium product offering, we now offer a full range of customizable product features and colors. We are preparing to expand into new markets, such as noise abatement and bomb blast protection, by leveraging our laminated glass technology and manufacturing expertise. We believe the breadth and depth of our product offering, combined with our continuous improvement culture, helps us maintain our market leadership.

Continue to focus on productivity improvements and working capital utilization. We continue to drive increased output and manufacturing efficiencies through investments in automation, workforce training and development, process control, quality activities, and re-engineering of assembly-line layouts. As a result of these efforts, we have successfully increased our sales per manufacturing square foot from $210 in 1997 to $510 in 2005 and reduced our inventory as a percent of sales from 8.5% in 1997 to 4.2% in 2005. In addition, we continually evaluate our product lines based on profitability and growth potential in order to ensure the most productive deployment of capital.

Our Products

We manufacture complete lines of premium, fully customizable aluminum and vinyl windows and doors and porch enclosure products targeting both the residential new construction and repair and remodeling end markets. All of our products carry the PGT brand, and our consumer-oriented products carry an additional, trademarked product name, including WinGuard and Eze-Breeze.

Window and door products

WinGuard. WinGuard is our impact-resistant product line and combines heavy-duty aluminum or vinyl frames with laminated glass to provide constant protection from hurricane-force winds and wind-borne debris. Over the past five years, WinGuard has been our fastest growing product line, with sales increasing at a compound annual growth rate of 51% since 1999, and represented 56% of our 2005 sales. WinGuard products satisfy increasingly stringent building codes and primarily target hurricane-prone coastal states in the U.S., as well as the Caribbean and Mexico. In addition to their impact-resistant characteristics, WinGuard products are fully customizable and offer excellent aesthetics, year-round security, enhanced energy efficiency, noise reduction, and protection from ultra-violet light.

Aluminum. We offer a complete line of fully customizable, non-impact-resistant aluminum frame windows and doors. These products primarily target regions with warmer climates, where aluminum is often preferred due to its ability to withstand higher temperatures and humidity. We offer a comprehensive selection of options and upgrades to meet the evolving demands of homeowners. Our aluminum product lines include single hung, horizontal roller, casement, fixed lite, and architectural windows and sliding glass, French, corner meet, prime, and cabana doors. We are also developing new and innovative versions of these products.

Vinyl. We offer a complete line of fully customizable, non-impact-resistant vinyl frame windows and doors primarily targeting regions with colder climates, where the energy-efficient characteristics of vinyl frames are critical. Our vinyl products include single hung, horizontal roller, casement, fixed lite, and architectural windows and sliding glass doors.

Multi-Story. Leveraging our technical and manufacturing expertise gained in developing WinGuard products, we introduced our Multi-Story products in 2002. Similar to WinGuard, Multi-Story products are impact-resistant, offering protection from hurricane-force winds and wind-borne debris. However, this product line is installed in mid- and high-rise buildings rather than single family homes. Our Multi-Story products include single hung, horizontal roller, and fixed lite windows and sliding glass doors.

Porch-enclosure products

Eze-Breeze. Our Eze-Breeze sliding panels for porch enclosures are vinyl-glazed, aluminum-framed products used for enclosing screened-in porches. They are available in three styles: vertical four-track, side slider, and screened garage door. The most popular style, the vertical four-track, allows nearly 75% ventilation when fully opened. The cost-effective Eze-Breeze product is ideal for enclosing screen porches because it provides protection from inclement weather while still creating a screened-porch feel. The product is sold in Florida and throughout the eastern US, Canada and Australia.

Sales, Marketing and Customer Service

Sales and marketing. Our sales strategy primarily focuses on attracting and retaining distributors and dealers by consistently providing exceptional customer service, leading product quality, and competitive pricing. Our customers also value our shorter lead times, knowledge of building code requirements, and technical expertise, which collectively generate significant customer loyalty. We have a dedicated sales force that operates regionally and is comprised of four teams: Florida, Mid-Atlantic, Eze-Breeze, and International. Our sales representatives, who average 8 years with us, receive performance-based compensation based on sales and profitability metrics. Dealers utilize our on-line order management system, Web Weaver, a complete quote and order management system that allows dealers and distributors to configure, price, create quotes, and place orders, which arrive on the manufacturing floor within minutes.

Our marketing strategy focuses on television and print advertising in coastal markets. Our advertising campaigns reinforce the high quality of our products and educate consumers and homebuilders on the advantages of using impact-resistant products. Our slogan for the WinGuard brand summarizes our marketing message: Effortless Hurricane Protection. In supporting the sales effort of our dealers and distributors, we publish product brochures that summarize the various technical and aesthetic features of our products. We also set up product displays that showcase our products at various industry trade-shows and distributor showrooms. In addition, we take advantage of opportunities to have our products featured on various home improvement television programs, such as ABC s Extreme Home Makeover. We primarily market our products based on product quality, building code compliance, outstanding service, shorter lead times, and on-time delivery.

Customer Service. We believe that our ability to provide customers outstanding service quality serves as a strong competitive differentiator. Our relationship with our customers is established and maintained through the coordinated efforts of our sales, customer service, production, and transportation teams. Our customer service teams are structured by product line and are responsible for fielding in-bound inquiries from dealers and distributors. We devote a team of highly seasoned professionals to address service and product return support with the goal of resolving any issue in a timely manner. Field service calls are processed through our FieldPro system, which allows timely dispatch of our field service representatives and provides repair history. Field sales

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and service representatives are closely aligned to ensure proper resource allocation. Our production scheduling team coordinates rush orders with manufacturing and transportation to assist customers requiring products prior to our published lead time.

We own a truck fleet of 78 tractors and 140 trailers. Our drivers usually cover dedicated routes, which allows them to build strong relationships directly with our customers, accommodate our customers specific preferences in taking delivery of our products, and gather real-time customer feedback regarding our service quality.

In order to promote customer loyalty and employee development, we developed PGT University in early 1999 with the primary objectives of creating a strong partnership with our distribution network and providing our employees with the necessary knowledge base and skill-set to help optimize their performance. All of our current employees have taken at least one class at PGT University. We have created an on-site training facility that includes a computer lab to help implement the goals of PGT University.

Our Customers

We have a highly diversified customer base that is comprised of over 1,300 window distributors, window replacement dealers, aluminum contractors, and Eze-Breeze dealers. Our largest customer accounts for approximately 2.8% of sales, and our top ten customers account for approximately 16.8% of sales. We enjoy strong customer loyalty and stability, as evidenced by our longstanding relationships with most of our customers. The majority of our dealers and distributors have purchased our products for over 10 years and our top ten customers have purchased our products for an average of 10 years. Although we do not supply our products directly to homebuilders, we have strong relationships with a number of national homebuilders, which we believe helps drive demand for our products.

Our sales are balanced between the residential new construction and home repair and remodeling end markets, which have represented approximately 61% and 39% of our sales, respectively, over the past five years. Given our broad distribution network, we have the flexibility to effectively meet demand as it shifts between these end markets. In fiscal years 2005, 2004, and 2003, our net sales from customers in the United States were $318.5 million, $245.3 million, and $213.1 million, respectively, and our net sales from foreign countries, including the Caribbean, Mexico, South America and Australia, in those same periods were $14.3 million, $11.1 million, and $9.5 million, respectively.

Materials and Supplier Relationships

Our primary manufacturing materials include aluminum extrusions, glass, and polyvinyl butyral. Although in many instances we have agreements with our suppliers, these agreements are generally terminable by either party on limited notice. Moreover, other than with our suppliers of polyvinyl butyral and aluminum, we do not have long-term contracts with the majority of suppliers of our raw materials. In addition, our current forward contracts for aluminum run through October 2006. All of our materials are readily available from other sources.

It is our philosophy to leverage our scale to identify premier suppliers who can reliably deliver high quality materials at attractive prices. We believe that our current base of suppliers will continue to provide us with a stable supply of materials as our business continues to grow. In order to lower our inventory levels and minimize lead times, we have implemented electronic pull systems with our key suppliers to coordinate the flow of materials across our supply chain.

Aluminum extrusions accounted for approximately 44% of our material purchases in the fourth quarter of 2005. While aluminum prices have been increasing over the past three years, we hedge our exposure to these rising costs through forward purchase commitments. We currently utilize a rolling nine-month hedge for the purchase of approximately 70% of our aluminum.

Sheet glass, which is sourced from three major national suppliers, accounted for approximately 24% of our material purchases in the fourth quarter of 2005. Sheet glass that we purchase comes in various sizes, tints, and thermal properties. We have a vertically integrated glass tempering and laminating facility that provides us with a consistent source of impact-resistant laminated glass, shorter lead times, and substantially lower costs relative to third-party sourcing. Our glass plant works in tandem with our window manufacturing facilities and provides

just-in-time delivered and custom-sized material that matches the master manufacturing production sequence. We produce approximately 75% of our laminated glass needs in-house and purchase the remaining amounts from third-party suppliers. Our systems allow us to make the most economical make/buy decision on laminated glass so that we can plan our glass capacity to maximize plant throughput.

Polyvinyl butyral, which is used as the inner layer in laminated glass, accounted for approximately 9% of our material purchases in the fourth quarter of 2005. We have negotiated an agreement with our polyvinyl butyral supplier that provides us with favorable pricing through the end of 2008.

Manufacturing

Our manufacturing facilities, located in Florida and North Carolina, are capable of producing fully-customizable products. The manufacturing process typically begins in our glass plant where we cut standard-sized sheet glass to meet specific requirements of our customers orders. We also temper and laminate glass for our impact-resistant products. Our in-house tempering and laminating capabilities allow us to deliver products to our customers in shorter lead times than our competitors who source laminated glass from third parties.

After the tempering and laminating process has been completed, glass is transported to our window and door assembly lines in a make-to-order sequence where it is combined with an aluminum or vinyl frame. These frames are also fabricated to order, as we start with a piece of extruded material that we cut and shape into a frame that fits our customers specifications. After an order has been completed, it is immediately staged for delivery on one of our trucks and shipped within an average of 48 hours of completion.

We utilize cross-functional manufacturing teams that can be repositioned during shifts to enhance efficiency, productivity, and customer responsiveness. We continually inspect our manufacturing lines and finished products to make sure that we maintain the highest quality standards. Our manufacturing employees are trained in quality control and can take appropriate measures to react to quality control issues in real time.

Competition

The window and door industry is highly fragmented and is served predominantly by local and regional competitors with relatively limited product lines and overall market share. In general, we divide the competitive landscape of our industry based on geographic scope, with competitors falling within one of two categories: local and regional competitors and national window and door manufacturers.

Local and Regional Window and Door Manufacturers: This group of competitors consists of numerous local job shops and small manufacturing facilities that tend to focus on selling branded products to local or regional dealers and wholesalers and that typically lack the service levels and quality controls demanded by larger distributors. Further, the significant emphasis on stringent building codes requires windows and doors with increasing design, testing, and manufacturing complexity. As a result, these smaller local manufacturers would need to invest significant capital for their products to become or remain compliant with building codes. While a number of these firms are stand-alone entities, some are regional divisions of larger companies. Competitors include Kinco, a division of Atrium Companies, Inc., Lawson Industries Inc., CGI® (Construction Glass Industries), and Florida Extruders International, Inc. (manufacturer of the Milestone® brand of windows).

National Window and Door Manufacturers: This group of competitors tends to focus on selling branded products nationally to dealers and wholesalers and have multiple locations. Competitors include Simonton® Windows, Jeld-Wen® Windows and Doors, and Silver Line® Windows.

The principal methods of competition in the window and door industry are the development of long-term relationships with window and door dealers and distributors and professional homebuilders and the retention of customers by delivering a full range of high-quality products on time while offering competitive pricing and flexibility in transaction processing. Although some of our competitors may have greater geographic scope and access to greater resources and economies of scale than do we, our leading position in the U.S. impact-resistant window and door market and the high quality of our products position us well to meet the needs of our customers and retain an advantage over our competitors.

Employees

At December 31, 2005, we had approximately 2,400 employees, none of whom was represented by a union. We believe that we have good relations with our employees.

History

Our subsidiary, PGT Industries, Inc., was founded in 1980 as Vinyl Technology, Inc. by Paul Hostetler and our current President and Chief Executive Officer, Rodney Hershberger. The PGT brand was established in 1987, and we introduced our WinGuard product line in the aftermath of Hurricane Andrew in 1992.

PGT, Inc. is a Delaware corporation formed on December 16, 2003, as JLL Window Holdings, Inc. by an affiliate of JLL Partners in connection with its acquisition of PGT Industries. In connection with the acquisition, PGT Holding Company (the then-parent corporation of PGT Industries) was merged with and into JLL Window Holdings, Inc. For more information about such acquisition, see Note 4 to our audited consolidated financial statements included herein. On February 15, 2006, we changed our name to PGT, Inc.

Information Technology Systems

We believe that an appropriate information technology infrastructure is critical to maintain and strengthen our market leadership. Through our Enterprise IT alignment, we apply technology across the entire value chain.

The key to our application software is our Expert Configuration Order Fulfillment System, which allows us to accurately enter, price, configure valid product in a made-to-order, demand-driven manufacturing environment. Expert Configuration assistance is critical, given that our products can be built in millions of combinations of options and sizes. This software enables us to synchronize the scheduling of the manufacturing process of multiple assembly operations to serve our make-to-order needs and ship in geography sequence. Our exception processing and reporting enables timely identification and the scheduling of on-time delivery.

Our Web Weaver web-based order entry system extends the Expert Configuration technology to the dealer, allowing dealers to configure, price and order our products 24 hours a day. Web Weaver is seamlessly integrated with our manufacturing system to allow orders to flow directly from dealers to our manufacturing plants. Dealers can pre-load preferences and generate templates for re-use and consistency when ordering repetitive house packages (common in new construction). The system helps dealers to comply with building codes, as well, since required wind performance information can be entered, and the system can then validate the performance of the configured order to the requirement. Our dealers currently enter 33% of our sales dollars directly into Web Weaver.

Facilities and Properties

We own facilities in two strategic locations. We own a 363,000 square foot facility in North Venice, Florida that contains our corporate headquarters and main manufacturing plant. We also own an adjacent 80,000 square foot facility used for glass tempering and laminating and a 42,000 square foot facility for producing Multi-Story and simulated wood-finished products. In addition, we own a 225,000 square foot facility in Lexington, North Carolina. The plant in Lexington manufactures WinGuard products, vinyl windows and doors, and porch enclosure windows. It provides easy distribution access to the Mid-Atlantic and the developing impact-resistant market along the Eastern seaboard and Gulf coasts. Because of increased demand for our products, we are moving our Lexington operations to a larger facility in Salisbury, North Carolina that we acquired in February 2006 and that, at approximately 393,000 square feet, will significantly increase our manufacturing capacity and include glass tempering and laminating capabilities. Upon completion of the move to this larger facility, we plan to sell the Lexington facility. Our facilities in both Florida and North Carolina are capable of producing our fully customizable product lines.

The Company leases three properties in North Venice, Florida and one property in Lexington, North Carolina. The leases for the training facility, fleet maintenance building, and fleet parking lot in North Venice, Florida expire in November 2008, September 2008, and September 2013, respectively. The lease for the fleet

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maintenance building in North Carolina expires in October 2006 and is renewable for additional one-year terms. Each of the leases provides for a fixed annual rent. The leases require us to pay taxes, insurance, and common area maintenance expenses associated with the properties.

Our principal manufacturing plants and distribution facilities are listed below.

Facility Location	Address	General Character	Leased or Owned
North Venice, Florida	1070 Technology Drive	Manufacturing plant and distribution center	Own
North Venice, Florida	3419 Technology Drive	Manufacturing and finishing plant	Own
North Venice, Florida	3429 Technology Drive	Glass tempering and laminating plant	Own
North Venice, Florida	3439 Technology Drive	PGT-University training facility	Lease
North Venice, Florida	1044 Endeavor Court	Fleet maintenance bldg	Lease
North Venice, Florida	Precision Drive	Fleet parking lot	Lease
Salisbury, North Carolina	2121 Heilig Road	Manufacturing plant and distribution center	Own
Lexington, North Carolina	210 Walser Road	Manufacturing plant and distribution center	Own
Lexington, North Carolina	1607 Leonard Road	Fleet maintenance bldg	Lease

Backlog

The dollar amount of our backlog at December 31, 2005 and January 1, 2005 was approximately $57.5 million and $16.5 million, respectively. Our backlog consists of orders that we have received from customers that have not yet shipped. The increase in our backlog in 2005 largely resulted from the increase in our sales in 2005 and a shift in our product mix to higher value products. We expect that substantially all of our December 31, 2005 backlog will be recognized as sales during the next twelve months.

Trademarks and Patents

Among the trademarks owned and registered by us in the United States are the following: PGT, WinGuard, Eze-Breeze, Progressive Glass Technology, PGT Industries and Visibly Better. In addition, we own several patents and patent applications concerning various aspects of window assembly and related processes. We are not aware of any circumstances that would have a material adverse effect on our ability to use our trademarks and patents. As long as we continue to renew our trademarks when necessary, the trademark protection provided by them is perpetual. Our patents will expire at various times over the next 20 years.

Legal Proceedings

We are involved in various claims and lawsuits incidental to the conduct of our business in the ordinary course. We carry insurance coverage in such amounts in excess of our self-insured retention as we believe to be reasonable under the circumstances and that may or may not cover any or all of our liabilities in respect of claims and lawsuits. We do not believe that the ultimate resolution of these matters will have a material adverse impact on our financial position or operating results.

Although our business and facilities are subject to federal, state, and local environmental regulation, environmental regulation does not have a material impact on our operations. We believe that our facilities are in material compliance with such laws and regulations.

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MANAGEMENT

Directors and Executive Officers

Information with respect to our directors and executive officers, as of the date hereof, is set forth below:

Name	Age	Position
Rodney Hershberger	49	President, Chief Executive Officer, and Director
Herman Moore(1)	53	Executive Vice President
Jeffrey T. Jackson(2)	40	Chief Financial Officer and Treasurer
Mario Ferrucci III(3)	43	Vice President and Corporate Counsel
Deborah L. LaPinska	44	Vice President Sales & Marketing
B. Wayne Varnadore	44	Vice President Information Technology and Supply Chain
David McCutcheon	40	Vice President Engineering
Ken Hilliard	60	Vice President Manufacturing
Linda Gavit	48	Vice President Human Resources
Alexander R. Castaldi(4)	56	Director
Richard D. Feintuch(5)	53	Director
Ramsey A. Frank(4)	45	Director
Paul S. Levy(4)	58	Director
Brett N. Milgrim(4)	37	Director
Floyd F. Sherman	66	Director
Randy L. White(6)	60	Director and Former Chief Executive Officer

(1) Mr. Moore began his employment with us in November 2005.

(2) Mr. Jackson began his employment with us in November 2005.

(3) Mr. Ferrucci began his employment with us in April 2006.

(4) Messrs. Castaldi, Frank, Levy, and Milgrim are affiliates of JLL Partners.

(5) Mr. Feintuch has agreed to become a member of our board of directors prior to the completion of this offering and has consented to being named in this prospectus.

(6) Mr. White resigned as our Chief Executive Officer on February 3, 2005. Mr. White continues to serve as a director.

Our board of directors consists of seven members elected annually by our stockholders. Immediately prior to the completion of this offering, we will adopt our amended and restated certificate of incorporation and our amended and restated by-laws, which will provide that our board of directors be divided into three classes, each of whose members will serve for a staggered three-year term. All executive officers are chosen by the board of directors and serve at its pleasure. There are no family relationships among any of the directors or executive officers, and there is no arrangement or understanding between any of the directors or executive officers and any other person pursuant to which he was selected as a director or officer. Unless otherwise indicated, each director and officer is a citizen of the United States and the business address of each individual is: 1070 Technology Drive, North Venice, Florida 34275.

Set forth below is a brief description of the business experience of each of our directors and executive officers.

Rodney Hershberger, President, Chief Executive Officer, and Director. Mr. Hershberger, a co-founder of PGT Industries, Inc., has served the Company for 25 years. Mr. Hershberger was named President and Director in 2004 and became our Chief Executive Officer in March 2005. Mr. Hershberger also became President of PGT Industries, Inc. in 2004 and was named Chief Executive Officer of PGT Industries, Inc. in 2005. In 2003 Mr. Hershberger became

executive vice president and chief operating officer and oversaw the Company s Florida and North Carolina operations, sales, marketing, and engineering groups. Previously, Mr. Hershberger led the manufacturing, transportation, and logistics operations in Florida and served as vice president of customer service.

Herman Moore, Executive Vice President. Mr. Moore joined the Company in November 2005 as Executive Vice President. Mr. Moore is responsible for the Company s operations, including manufacturing, business logistic processes, and engineering. From 1999 to 2005, Mr. Moore was vice president of operations at Ahlstrom Engine Filtration & Air Media, L.L.C. Previously, he worked for Reynolds Metals Company for 25 years and held management positions in several departments from financial planning, to materials management, to operations. Mr. Moore has over 30 years of management experience in various businesses, with responsibilities ranging from operations to financial and materials planning. Mr. Moore holds a B.S. in engineering from the University of Dayton and an M.B.A. from the University of Richmond and is a Registered Professional Engineer.

Jeffrey T. Jackson, Chief Financial Officer and Treasurer. Mr. Jackson joined the Company as Chief Financial Officer and Treasurer in November 2005, and his current responsibilities include all aspects of financial reporting, accounting and general ledger, internal controls, cash management, and the business planning process. Before joining the Company, Mr. Jackson spent two years as Vice President, Corporate Controller for The Hershey Company. From 1999 to 2004 Mr. Jackson was Senior Vice President, Chief Financial Officer for Mrs. Smith s Bakeries, LLC, a division of Flowers Foods, Inc. Mr. Jackson has over sixteen years of increasing responsibility in various executive management roles with various companies, including Division Chief Financial Officer, Vice President Corporate Controller, and Senior Vice President of Operations. Mr. Jackson holds a B.B.A. from the University of West Georgia and is a Certified Public Accountant in the State of Georgia and the State of California.

Mario Ferrucci III, Vice President and Corporate Counsel. Mr. Ferrucci joined the Company in April 2006 as Vice President and Corporate Counsel. Mr. Ferrucci is responsible for the Company s legal affairs. From 2001 to 2006, Mr. Ferrucci practiced law with the law firm of Skadden, Arps, Slate, Meagher & Flom LLP.

Deborah L. LaPinska, Vice President Sales & Marketing. Ms. LaPinska joined the Company in 1991. Ms. LaPinska has been responsible for customer service, sales, and marketing, as well as incorporating new tools and resources to improve order processing cycle times and sales forecasting. Before she was appointed Vice President in 2003, Ms. LaPinska held the position of Director, National and International Sales. Ms. LaPinska holds a B.A. in business management from Eckerd College.

B. Wayne Varnadore, Vice President Information Technology and Supply Chain. Mr. Varnadore joined the Company in 1993. Mr. Varnadore is responsible for customer service, quality, field service, information technology, materials management, transportation, and production scheduling. Mr. Varnadore holds a B.S. in finance from the University of Florida and an M.B.A. from the University of South Florida.

David McCutcheon, Vice President Engineering. Mr. McCutcheon joined the Company in 1997, and his current responsibilities include all aspects of code compliance, product development, manufacturing process and equipment development, and facilities planning and maintenance. Previously, Mr. McCutcheon worked for ten years for General Motors in management positions in manufacturing operations and manufacturing engineering. Mr. McCutcheon holds a B.S.E.E. from Purdue University and an M.B.A. from The Ohio State University.

Ken Hilliard, Vice President Manufacturing. Mr. Hilliard joined the Company in 2001 as Plant Superintendent of the North Venice facility and is responsible for manufacturing at the North Venice, Florida facility. From 1996 to 2001, Mr. Hilliard was the manufacturing manager at Via Systems. Mr. Hilliard has over 36 years of experience in engineering and leadership positions in manufacturing operations. Mr. Hilliard holds a B.S. from North Carolina State University.

Linda Gavit, Vice President Human Resources. Ms. Gavit joined the Company in 1999 and is heavily involved in the Company s strategic initiatives directed toward employee development, compensation and benefits, communications, and safety. Ms. Gavit has over 16 years of management experience and 18 years of combined experience in human resources and employment law. Ms. Gavit holds a J.D. and an M.B.A. from the University of Denver.

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Alexander R. Castaldi, Director. Mr. Castaldi has been a director since 2004. Mr. Castaldi, a C.P.A., is a Senior Managing Director of JLL Partners, Inc., which he joined in 2003, and was previously a chief financial officer of three management buyouts. He was most recently Executive Vice President, Chief Financial Officer and Administration Officer of Remington Products Company. Previously, Mr. Castaldi was Vice President and Chief Financial Officer at Uniroyal Chemical Company. From 1990 until 1995, he was Senior Vice President and Chief Financial Officer at Kendall International, Inc. During the 1980s, Mr. Castaldi was also Vice President, Controller of Duracell, Inc. and Uniroyal, Inc. Mr. Castaldi serves as a director of several companies, including Medical Card System, Inc., J. G. Wentworth, LLC, Motor Coach Industries International, Inc., Education Affiliates, Inc., Mosaic Sales Solutions, Corp., and C.H.I. Overhead Doors, Inc.

Richard D. Feintuch, Director. Mr. Feintuch has been nominated to become a director prior to the consummation of this offering. Mr. Feintuch was a partner of the law firm Wachtell, Lipton, Rosen & Katz from 1984 until his retirement in 2004, specializing in mergers and acquisitions, corporate finance, and the representation of creditors and debtors in large restructurings. Mr. Feintuch received a B.S. in Economics from the Wharton School of the University of Pennsylvania and a J.D. from New York University School of Law.

Ramsey A. Frank, Director. Mr. Frank has been a director since 2003. Mr. Frank is a Senior Managing Director of JLL Partners, Inc., which he joined in 1999. From January 1993 to July 1999, Mr. Frank was a Managing Director at Donaldson, Lufkin & Jenrette, Inc., where he headed the restructuring group and was a senior member of the leveraged finance group. Mr. Frank serves as a director of several companies, including Motor Coach Industries International, Inc., Education Affiliates, Inc., C.H.I. Overhead Doors, Inc., Builders FirstSource, Inc., and Medical Card System, Inc.

Paul S. Levy, Director. Mr. Levy has been a director since 2004. Mr. Levy is a Senior Managing Director of JLL Partners, Inc., which he founded in 1988. Mr. Levy serves as a director of several companies, including Iasis Healthcare, LLC, J. G. Wentworth, LLC, Motor Coach Industries International, Inc., Education Affiliates, Inc., Mosaic Sales Solutions, Corp., and Builders FirstSource, Inc.

Brett N. Milgrim, Director. Mr. Milgrim has been a director since 2003. Mr. Milgrim is a director of both Builders FirstSource, Inc. and C.H.I. Overhead Doors, Inc. and is a Managing Director of JLL Partners, Inc., which he joined in 1997.

Floyd F. Sherman, Director. Mr. Sherman has been a director since 2005. Mr. Sherman is President, Chief Executive Officer, and a director of Builders FirstSource, Inc., a leading supplier and manufacturer of structural and related building products for residential new construction. Before joining Builders FirstSource, Mr. Sherman spent 28 years at Triangle Pacific/ Armstrong Flooring, the last nine of which he served as Chairman and Chief Executive Officer. Mr. Sherman has over 40 years of experience in the building products industry. A native of Kerhonkson, New York, and a veteran of the U.S. Army, Mr. Sherman is a graduate of the New York State College of Forestry at Syracuse University. He also holds an M.B.A. degree from Georgia State University.

Randy L. White, Director and Former Chief Executive Officer. Mr. White has been a director since 2004. Mr. White has served on the board of directors of our subsidiary since 1996 and became president in 1997. Mr. White resigned as president in 2005. Before joining the Company, Mr. White spent almost 30 years with Reynolds Metals Company in a variety of manufacturing positions, including director of manufacturing for the aluminum can division. Mr. White holds an M.S. in business from the University of Richmond.

Board composition

Upon completion of this offering, our board will consist of Messrs. Castaldi, Feintuch, Frank, Hershberger, Levy, Milgrim, Sherman, and White. We will have appointed one independent member to the board of directors before the consummation of this offering, and we intend to appoint one additional independent member to the board of directors within 90 days of the consummation of this offering and one additional independent director within one year of the consummation of this offering. We currently intend that a majority of the members of our board of directors will continue to be associated with JLL Partners for so long as affiliates of JLL Partners own more than 50% of our outstanding shares. Immediately prior to the consummation of this offering, we will adopt our amended and restated certificate of incorporation and our amended and restated by-laws, which will provide

that our board of directors be divided into three classes, each of whose members will serve for a staggered three-year term. The term of the initial Class I directors will terminate on the date of the 2007 annual meeting, while the terms of the Class II and Class III directors will terminate on the dates of the 2008 and 2009 annual meetings, respectively.

Corporate governance

Although we intend to satisfy all applicable Nasdaq corporate governance rules, for so long as an affiliate of JLL Partners continues to own more than 50% of our outstanding shares after the consummation of the offering we intend to avail ourselves of the Nasdaq Rule 4350(c) controlled company exemption that applies to companies in which more than 50% of the stockholder voting power is held by an individual, a group, or another company. This rule will grant us an exemption from the requirements that we have a majority of independent directors on our board of directors and that we have independent directors determine the compensation of executive officers and the selection of nominees to the board of directors. However, we intend to comply with such requirements in the event that such affiliate of JLL Partners ownership falls to or below 50%.

Board committees

Our board of directors has the authority to appoint committees to perform certain management and administration functions. Our board of directors currently has an audit committee, the composition of which, upon completion of this offering, will comply with the requirements of The Nasdaq National Market and the Sarbanes-Oxley Act of 2002. Our board of directors also intends to appoint such other committees as may be required by the rules of The Nasdaq National Market.

The audit committee selects, on behalf of our board of directors, an independent public accounting firm to be engaged to audit our financial statements, discusses with the independent auditors their independence, and reviews and discusses the audited financial statements with the independent auditors and management. Upon completion of this offering, the audit committee will also recommend to our board of directors whether the audited financial statements should be included in our Annual Reports on Form 10-K to be filed with the SEC. Mr. Castaldi and Mr. Milgrim are the members of our audit committee. Our board of directors intends to adopt a formal written audit committee charter, appoint three independent members to the audit committee, determine which member qualifies as an audit committee financial expert under applicable SEC rules, and otherwise comply with the requirements of The Nasdaq National Market and the Sarbanes-Oxley Act of 2002.

Compensation Interlocks and Insider Participation

We do not have a compensation committee of the board of directors, and the full board decides executive compensation. Mr. Randy L. White, a member of the board of directors, served as our Chief Executive Officer until he resigned from such position on February 3, 2005, and his son, Mr. Randy L. White, Jr., is employed by the company as one of our area leaders. Additionally, Mr. Rodney Hershberger, our current President and Chief Executive Officer, also serves as a member of the board. Board members do not make employee compensation decisions with respect to themselves or their relatives. In addition, we do not have any compensation interlocks, or executive officers who are also serving on the compensation committee of, or serving in a similar function for, or on the board of, another company that has an executive officer who is on our board of directors.

Compensation of directors

For the year ended December 31, 2005, the individuals serving on the board of directors did not receive any compensation for their service as directors. We intend to set the compensation for all directors, other than employees of the Company and designees of our majority stockholder, at an annual cash retainer of $40,000; an annual grant under our 2006 Equity Incentive Plan of restricted stock with a fair market value at the time of issuance of approximately $40,000; a fee of $1,000 per day for each meeting of the board of directors or committee thereof attended; and an annual cash retainer of $5,000 for each committee on which they serve.

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EXECUTIVE COMPENSATION

Summary of Compensation

The following summary compensation table sets forth information concerning compensation earned in the fiscal year ended December 31, 2005, by Mr. White, who served as our chief executive officer until February 3, 2005, Mr. Hershberger, and each of our next five most highly compensated executive officers serving at the end of the last fiscal year. We refer to these executives as our named executive officers elsewhere in this prospectus.

Summary compensation table

	Annual Compensation				Long-Term Compensation	
					Securities	
	Year	Salary	Bonus	Other Annual Compensation(1)	Underlying Options (#)	All Other Compensation
Rodney Hershberger	2005	$261,250		$ 17,544	66,207	
Randy L. White	2005	$154,947		$ 12,111	12,579	
Deborah L. LaPinska	2005	$167,000		$ 15,483	26,483	
B. Wayne Varnadore	2005	$167,000		$ 17,178	26,483	
David McCutcheon	2005	$167,000		$ 16,254	26,483	
Ken Hilliard	2005	$162,082	$9,558	$ 12,167	38,400	
Linda Gavit	2005	$167,000		$ 10,100	26,483	

(1) All other annual compensation in the table includes, for Messrs. Hershberger and White, Ms. LaPinska, Messrs. Varnadore, McCutcheon, and Hilliard, and Ms. Gavit, the following: (a) 401(k) $6,300, $4,648, $4,239, $5,010, $5,010, $4,767, and $5,010, respectively; (b) business interruption insurance $208, $208, $208, $208, $208, $208, and $208, respectively; (c) medical insurance $10,147, $6,842, $10,147, $11,383, $10,147, $6,370, and $4,005, respectively; (d) life insurance $43, $43, $43, $43, $43, $43, and $43, respectively; (e) long-term disability insurance $534, $370, $534, $534, $534, $529, and $534, respectively; (f) membership in YMCA-Venice $312, $0, $312, $0, $312, $125, and $0, respectively; and (g) membership in Southside Gym $0, $0, $0, $0, $0, $125, and $300, respectively.

NOTE: Messrs. Moore and Jackson joined the Company as Executive Vice President and Chief Financial Officer and Treasurer, respectively, in November 2005, and neither received total annual salary and bonus exceeding $100,000 at the end of the last completed fiscal year. We expect information regarding compensation received by Messrs. Moore and Jackson to be required to be disclosed in this table at the end of the current fiscal year. We likewise expect to disclose information regarding compensation received by Mr. Ferrucci, who joined the Company in April 2006, in this table at the end of the current fiscal year.

The following table sets forth information concerning the grant of stock options to each of our named executive officers during the last fiscal year.

Option grants in last fiscal year

	Individual Grants				
Name	**Number of Securities Underlying Options Granted(1)**	**Percent of Total Options Granted to Employees in Fiscal Year**	**Exercise or Base Price ($/Sh)**	**Expiration Date**	**Grant Date Present Value ($)(2)**
Rodney Hershberger	66,207	10.1%	$ 8.64	July 12, 2015	$ 61,954
Randy L. White	12,579	1.9%	$ 8.64	July 14, 2015	$ 11,771
Herman Moore	68,194	10.4%	$ 12.84	November 30, 2015	$ 108,493
Jeffrey T. Jackson	115,863	17.6%	$ 12.84	November 30, 2015	$ 184,332
Deborah L. LaPinska	26,483	4.0%	$ 8.64	July 6, 2015	$ 24,782
B. Wayne Varnadore	26,483	4.0%	$ 8.64	July 6, 2015	$ 24,782
David McCutcheon	26,483	4.0%	$ 8.64	July 12, 2015	$ 24,782
Ken Hilliard	38,400	5.8%	$ 8.64	July 12, 2015	$ 35,933
Linda Gavit	26,483	4.0%	$ 8.64	July 6, 2015	$ 24,782