

# PLY GEM BUYS ALCOA UNIT

BY CHRISTINE IDZELIS AND DONNA BLOCK

Aluminum giant Alcoa Inc. will sell its Alcoa Home Exteriors Inc. business to Ply Gem Industries Inc. in a deal valued at \$305 million, the buyer said.

Kearney, Mo.-based Ply Gem is a portfolio company of New York buy-out firm Caxton-Iseman Capital Inc.

Alcoa Home Exteriors makes vinyl and aluminum siding, injection-molded shutters, and vinyl, aluminum and injection-molded accessories.

Ply Gem, a supplier of windows and doors, plans to finance the deal with "cash off the balance sheet" plus debt from an amended credit facility provided by UBS, Deutsche Bank

AG and J.P. Morgan Chase & Co., said Fred Iseman, chairman and managing partner at Caxton-Iseman.

After the deal closes, Ply Gem will carry about \$1 billion of debt, he added.

All told, the sponsor invested just under \$200 million of equity in the company, Iseman said.

Including the latest acquisition, Ply Gem will generate total revenue of roughly \$1.7 billion. Its vinyl siding business represents \$1 billion of its sales, he added, while door and window products account for the remaining \$700 million.

Alcoa said in April it would divest the home exteriors business to focus on core activities. The unit has annual revenue of about \$600 million.

After the deal closes in the fourth quarter, Ply Gem will be the largest maker of vinyl siding in the U.S., according to Iseman.

When Caxton-Iseman bought Ply Gem in 2004 for \$570 million, the company was logging \$550 to \$600 million of revenue, he said.

Caxton-Iseman took legal counsel from Paul, Weiss, Rifkind, Wharton & Garrison LLP.



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