

Dear Valued Customer:

September 28, 2016

In 2016, Ply Gem Windows and our customers experienced continued growth in the markets we serve. We truly appreciate your support, value our partnership and thank you for your business. As our industry continues to improve, we expect continued growth and demand for our product and services and anticipate a successful 2017 for Ply Gem and our customers.

Our focus continues to be on producing quality products at competitive prices, delivered on-time and complete. As the housing market continues to improve we, like most of our customers, are experiencing higher than anticipated inflationary costs. These inflationary costs are driven by an increase in our major material commodities led by a significant increase in glass and PVC. Within our industry, there is a labor shortage which is continuing to put upward pressure on our labor and benefit costs. These associated labor costs are beyond the normal expected rates of increase that historically we have been able to absorb through our continuous improvement efforts.

We have a strong focus on continuous improvement and are investing in automation in several of our factories. This will continue to reduce our overall cost position by improving our yield in material, driving efficiency gains and decreasing our direct dependency on labor. Although we continue to drive cost out of our business we cannot fully offset these increases.

Therefore, we will be implementing a 6–8% price increase effective with all orders received or released after the close of business on Friday, December 30, 2016. Certain option pricing may exceed 8%. Consistent with prior adjustments, this variable price increase will be based on product line, market and current pricing levels. Specific pricing adjustments by product, location and account will be available on AccuQuote by early October. This price increase is to cover the inflationary cost we are incurring that we cannot offset with our efficiency gains. It is not to enhance our overall margins.

The price increase will occur via a multiplier or “On-Factor” and select list price changes. This may result in small variations from the above percentage increases due to rounding of the multipliers.

We appreciate your ongoing commitment to Ply Gem Windows and we look forward to working with you to strengthen our collective position in the market.

If you have any questions, please contact your sales or customer service representative.

Sincerely,



Eric Spence
Sr. Vice President Sales & Marketing