



# Creating a World-Class Building Products Company Investor Presentation

**December 14, 2006**

## Forward Looking Statements

---

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements made in this presentation that relate to future events or the Company's expectations, projections, estimates, intentions, goals, targets and strategies are forward looking statements. You are cautioned that all forward-looking statements are based upon current expectations and estimates and the Company assumes no obligation to update this information. Because actual results may differ materially from those expressed or implied by the forward-looking statements, the Company cautions you not to place undue reliance on these statements. For a detailed discussion of the important factors that affect the Company and that could cause actual results to differ from those expressed or implied by the Company's forward-looking statements, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's current and future Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

# Adjusted EBITDA Statement

---

We refer to the term “Adjusted EBITDA” in various places throughout this presentation. Adjusted EBITDA, or earnings (adjusted as described below) before interest, taxes, depreciation and amortization calculated on a pro forma basis as provided herein, is a material component of the significant covenants contained in our senior secured revolving credit facility and the indenture governing the notes. Adjusted EBITDA is calculated similarly under both the credit facility and the indenture by adding consolidated net income, income taxes, interest expense, depreciation and amortization and other non-cash expenses, income or loss attributable to discontinued operations and amounts payable pursuant to the management agreement with AEA Investors. In addition, consolidated net income is adjusted to exclude certain items, including non-recurring charges with respect to the closing of the acquisition of Santana Holdings Corp. (the “Santana Acquisition”) and the related finance transactions, as well as certain other nonrecurring or unusual charges. Please see the Company’s September 30, 2006 Form 10-Q and December 31, 2005 10-K, which contain a detailed description of our covenants and a thorough description of our use of Adjusted EBITDA, and the calculation of Adjusted EBITDA pursuant to the covenants, under our credit agreement and indenture.

While the determination of appropriate adjustments in the calculation of Adjusted EBITDA is subject to interpretation under our debt agreements, management believes the adjustments are in accordance with the covenants in our credit agreement and indenture, as discussed above. Adjusted EBITDA should not be considered in isolation or construed as an alternative to our net income or other measures as determined in accordance with GAAP. In addition, other companies in our industry or across different industries may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure. In future SEC filings, we may be required to change our presentation of Adjusted EBITDA in order to comply with the SEC’s rules regarding the use of non-GAAP financial measures. In addition, you are cautioned not to place undue reliance on Adjusted EBITDA.



CPG INTERNATIONAL  
*Building Products. Better.*

## About CPG International

---

Headquartered in Scranton, Pennsylvania, CPG International is a leading manufacturer of market-leading brands of highly engineered building products for residential and commercial markets designed to replace wood, metal and other traditional materials in a variety of construction applications. The Company's products are marketed under several brands including AZEK® Trimboards, Santana Products, Comtec, Capitol, EverTuff™, TuffTec™, Hiny Hider® and Celtec®, as well as many other branded and non-branded products.

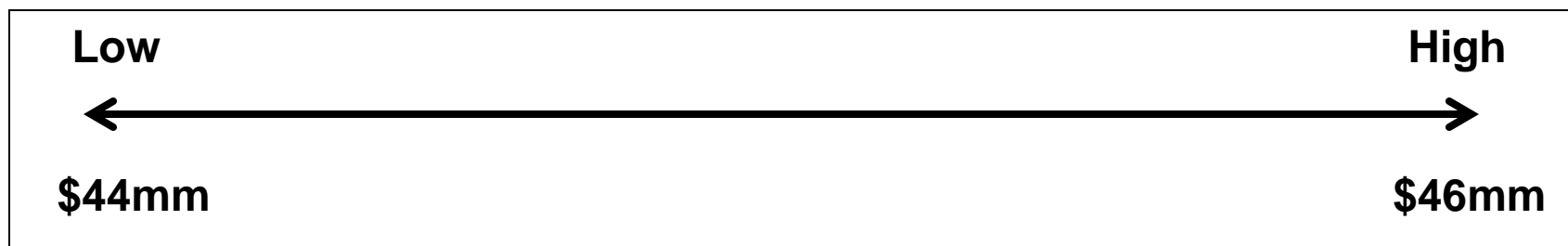
# Topics

---

- Update on 2006 Earnings Guidance Page 6
- Preliminary AZEK® Early-Buy Results Page 7
- Update On Santana Acquisition Page 8
- AZEK and Procell Join Forces Page 9
- Third Quarter Presentation Page 19
- Appendix Page 26

## 2006 Adjusted EBITDA Guidance <sup>(1)</sup>

- Earnings guidance lowered to reflect building market downturn
- Adjusted EBITDA growth ranges from 13% to 20%
  - \$0.01 change in composite resin yields roughly \$1 million of incremental Adjusted EBITDA
  - 1% change in composite volume yields roughly \$0.5 million of incremental Adjusted EBITDA



### Downside:

- Prolonged residential housing market decline
- Resin prices rise
- AZEK® penetration rate of new markets

### Upside:

- Higher AZEK® growth
- Resin declines further
- Incremental Santana synergies

(1) In preparation of our Adjusted EBITDA, we used a basis similar to actual interest, depreciation, amortization and taxes reported for the first nine months of 2006, subject to the timing of the Santana Acquisition.



CPG INTERNATIONAL  
*Building Products. Better.*

## Positive signs from 2007 AZEK Allegiance Dealer sign up

---

- Allegiance dealer yards commit to buy full or half truck loads of AZEK in January
- Over 570 dealer yards signed up for 2007 AZEK Allegiance
- Increase of 45% over 2006
- Results suggest we are on course to meet Q1 plan

# Successful Santana Products Acquisition

---

- Acquired Santana Products on April 28<sup>th</sup> 2006
  - Synergies achieved ahead of schedule
  - EBITDA YTD exceeds budget/merger case
  - Manufacturing and back office functions consolidated into one facility May 2006
  - Implemented SAP for combined business November 1st 2006
  - Discontinued overlapping product lines May 2006
- Santana Acquisition Exceeds Expectations





CPG INTERNATIONAL  
Building Products. Better.

## CPG Signs Purchase Agreement to Acquire Procell Decking Systems

- Leading manufacturer of cellular PVC Decking products
  - Located in Foley, Alabama
  - Manufactures decking and industrial products
  - Employs approximately 60 people
  - 110,000 square foot facility
  - Utilizes cellular PVC profile extrusion technology
- \$54 million enterprise value (excludes potential earnout consideration)
  - Funding with debt and equity; Pro forma leverage neutral
  - Closing expected January 2007
  - \$30 million revenue estimated in 2006
  - Revenues more than doubled in '05 and '06
  - CPG acquisition experience key to success
  - Closing subject to approval of HSR filing



## Sources and Uses

- Deal funded through debt and equity
- Procell management rolling over equity into CPG
- Contingent payout funded up-front
- \$5mm of growth capital expenditures funded

(\$MM)

**Total Enterprise Value: \$54 MM**

<b>Sources</b>		<b>Uses</b>	
Existing Cash	\$0.0	Payments to Equity Holders	\$46.2
		Procell Rollover Equity	\$3.0
Total Debt	\$30.0		
Acquired Debt	\$3.3	Payments to Debt Holders	\$1.7
Capital Leases	\$5.0	Acquired Debt	\$3.3
<u>Equity</u>		Expansion Capital	\$5.0
New Equity	\$30.1	CPG Cash	\$6.1
Procell Rollover Equity	\$3.0		
Total Equity	\$33.1	Total Fees & Expenses	\$6.0
<b>Total Sources</b>	<b>\$71.4</b>	<b>Total Uses</b>	<b>\$71.4</b>

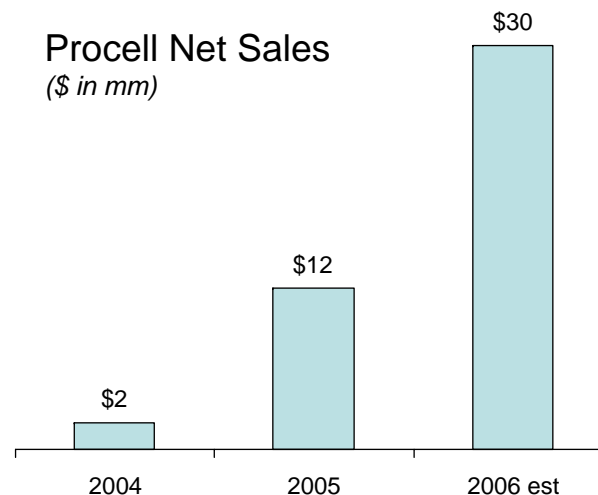
# Procell Acquisition Philosophy

---

- AZEK Building Products mission
  - Invest in low maintenance, branded building products for exterior home applications
  - Become the premium brand for low maintenance home exterior building products
  - Continue to drive to end use building products
- Solid financial footing
  - Leverage neutral transaction, debt and equity financing
  - Fair multiple paid – 7.5x EBITDA, enterprise value, including synergies
  - Significant raw material synergies exist
- Expand CPG's growth platform
  - Strong growth opportunities with good profitability
  - Combine into AZEK® sales network and branding effort
  - Next generation deck with strong conversion opportunity

## Rapid Growth with Significant Opportunities

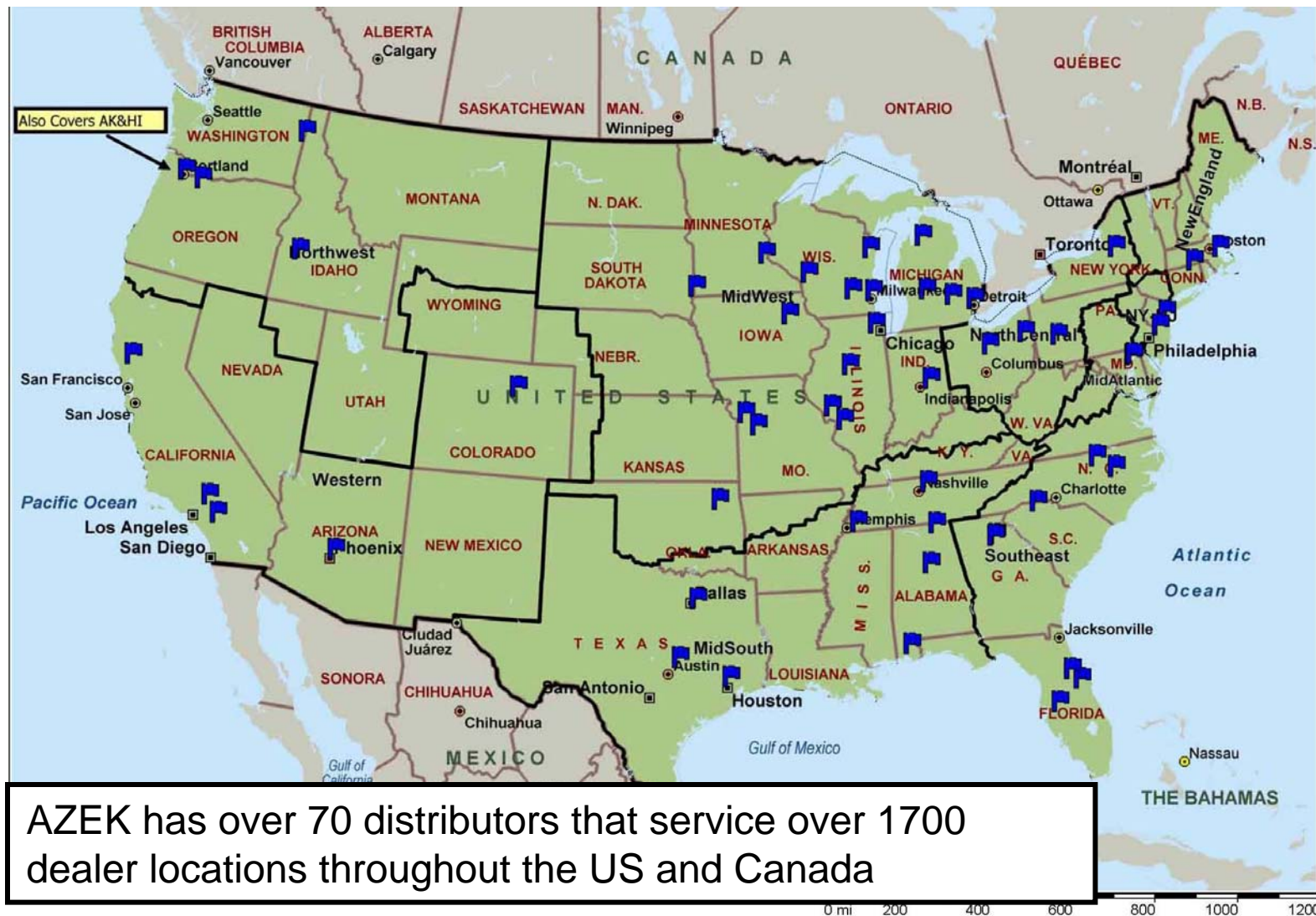
- Procell rapidly growing company in the \$3 billion decking market
  - Superior product attributes replacing current “composite” offerings
  - Potential to introduce new category of decking
- Enhance AZEK Building Products offerings
  - Adds decking to Trimboard offering
  - Diversifies product offering
  - Leverages existing distribution channel
- Leverage knowledge of similar cellular PVC manufacturing technology
- Contributes to solid financial footing
  - Strong growth (\$2mm sales in 2004 to \$30mm in 2006)
  - Increases CPG foundation with profitable growth
  - Opportunity for synergies





CPG INTERNATIONAL  
Building Products. Better.

## AZEK Distribution Overview – US



Copyright © 1988-2003 Microsoft Corp. and/or its suppliers. All rights reserved. <http://www.microsoft.com/mapoint>  
© Copyright 2002 by Geographic Data Technology, Inc. All rights reserved. © 2002 Navigation Technologies. All rights reserved. This data includes information taken with permission from Canadian authorities © 1991-2002 Government of Canada (Statistics Canada and/or Geomatics Canada), all rights reserved.





CPG INTERNATIONAL  
Building Products. Better.

## AZEK Distribution Overview – Canada



Copyright © 1988-2003 Microsoft Corp. and/or its suppliers. All rights reserved. <http://www.microsoft.com/mappoint>  
© Copyright 2002 by Geographic Data Technology, Inc. All rights reserved. © 2002 Navigation Technologies. All rights reserved. This data includes information taken with permission from Canadian authorities © 1991-2002 Government of Canada (Statistics Canada and/or Geomatics Canada), all rights reserved.

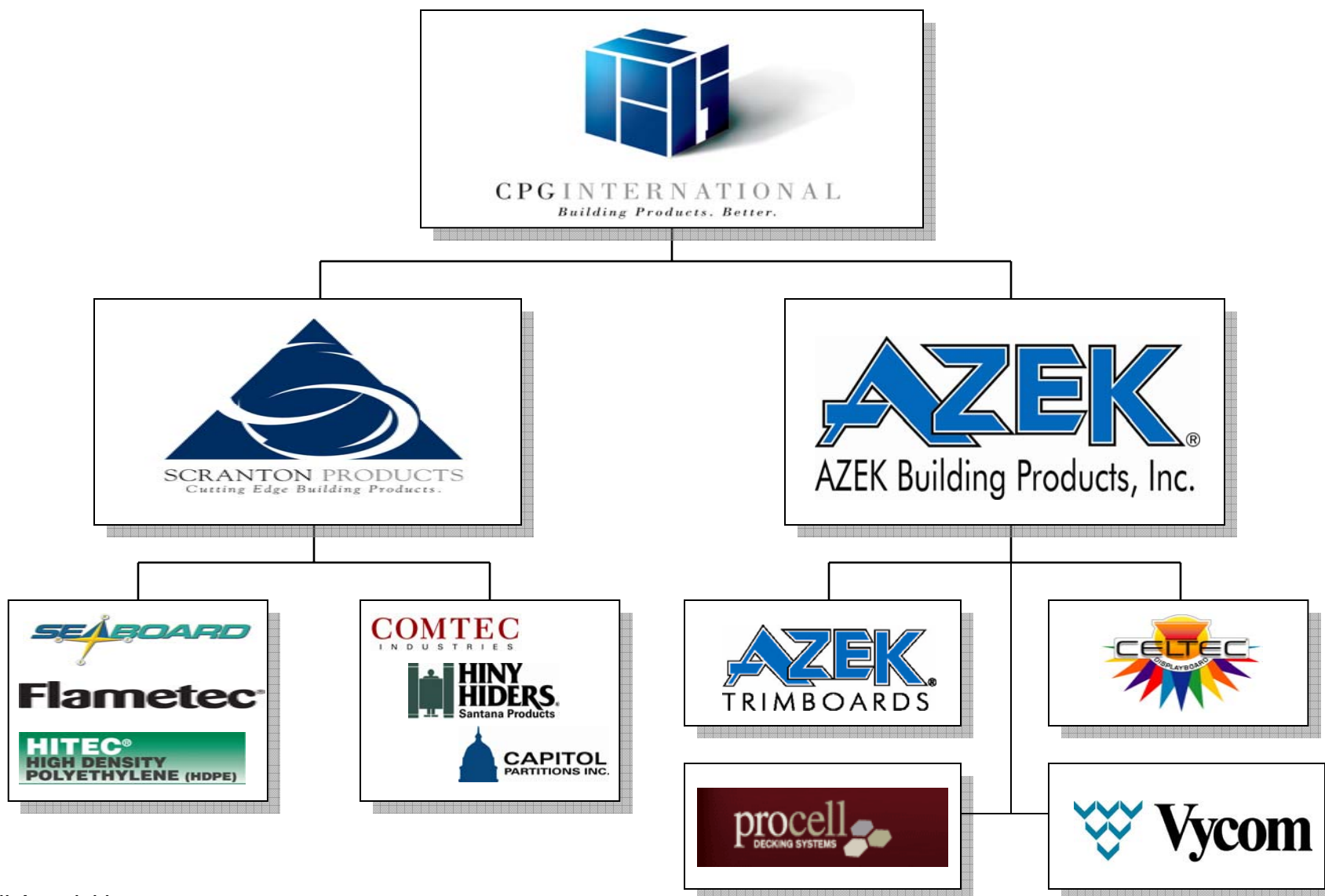
Procell has 5 major distributors covering less than 1/3 of the US

Copyright © 1988-2003 Microsoft Corp. and/or its suppliers. All rights reserved. <http://www.microsoft.com/mappoint>  
 © Copyright 2002 by Geographic Data Technology, Inc. All rights reserved. © 2002 Navigation Technologies. All rights reserved. This data includes information taken with permission from Canadian authorities © 1991-2002 Government of Canada (Statistics Canada and/or Geomatics Canada), all rights reserved.



CPG INTERNATIONAL  
*Building Products. Better.*

## Enhances AZEK Building Products





# Procell Decking Systems Product Overview

- Enhanced Performance: Engineered with solid-core, cellular vinyl with no wood fillers
- Minimized Expansion and Contraction: Due to exclusive formulation
- Long Lasting Color: Color retention in toughest environments
- Scratch Resistance: Strong, dense surface helps prevent grain loss or scratching, even in high-traffic areas
- Stain Protection: Surface resists tough stains and allows for easy soap and water clean up
- Mold Resistance: Unique formulation resistant to mold and mildew
- Easy Installation: No pre-drilling necessary; permits countersinking with no splitting or surface distortion
- Lightweight: 30-40% lighter than the average alternative decking
- Limited Lifetime Warranty: One of the strongest in the industry
- Insect and Termite Protection: Unique formulation resistant to insects and termites



# Topics

---

- Update on 2006 Earnings Guidance Page 6
- Preliminary AZEK® Early-Buy Results Page 7
- Update On Santana Acquisition Page 8
- AZEK and Procell Join Forces Page 9
- **Third Quarter Presentation** **Page 19**
- Appendix Page 26

## Business Highlights – 3<sup>rd</sup> Quarter

---

- Overall revenue growth of 11% during downturn in the housing sector
  - AZEK® Trimboard sales down 23% or \$7.6 million
    - Distributor inventory level down \$8 million in 3<sup>rd</sup> quarter
    - Channel inventory declined nearly 50% (\$12 million) from June to October
    - By year end, inventory levels in channel will be at a 3 year low
    - Sales decline largely caused by inventory rationalization in sales channel
  - AZEK® fundamentals still strong
    - Distribution sales to dealers flat year-over-year in the 3<sup>rd</sup> quarter despite building market decline
    - Dealer network expands 21% from 1,400 last year to 1,700
    - Canadian distribution announced in November 2006 – 13 locations
    - New distributor relationships in Texas
    - New millwork/molding line to be launched in second quarter of 2007 with same look and texture as AZEK® Trimboards
    - Branding effort resulted in 1.2 billion impressions and website hits increased 40% to 1.2 million per month
- Diversification of product lines drives sales growth beyond AZEK®, overall sales up 11% to \$65.8mm
  - Vycom Industrial Sales up 64% on strong Celtec® volumes and pricing
  - Santana/Comtec partition/locker sales up 88% year over year
    - Successful integration of Santana
    - Locker product sales up 40%
  - Scranton Product Industrial sales also increase



## Business Highlights – 3<sup>rd</sup> Quarter

---

- Drive towards “high value add end use building products” continues
  - Scranton Products mix of locker and bathroom products expands to 57% of sales vs. 44% last year
    - Santana acquisition
    - Locker business expansion
  - Residential building products (AZEK®) grows to 82% of Vycom business
- Adjusted EBITDA off \$0.6 million versus 3<sup>rd</sup> quarter 2005, at \$10.6 million, gross margin up 6.6%
  - 2005 resin spike occurred in October 2005
  - Average selling price offset raw material price increase
  - SG&A increases as a result of owner group management fee, increased professional fees (Sarbanes-Oxley work), branding and Santana acquisition
- Earnings guidance lowered to reflect building market downturn

## Third Quarter Financial Results

- Revenue increased 11.3% over prior year
  - Volumes off due to destocking in the distribution channel
  - Pricing actions largely offsetting increased resin prices
- Adjusted EBITDA of \$10.6mm

### THIRD QUARTER FINANCIAL RESULTS

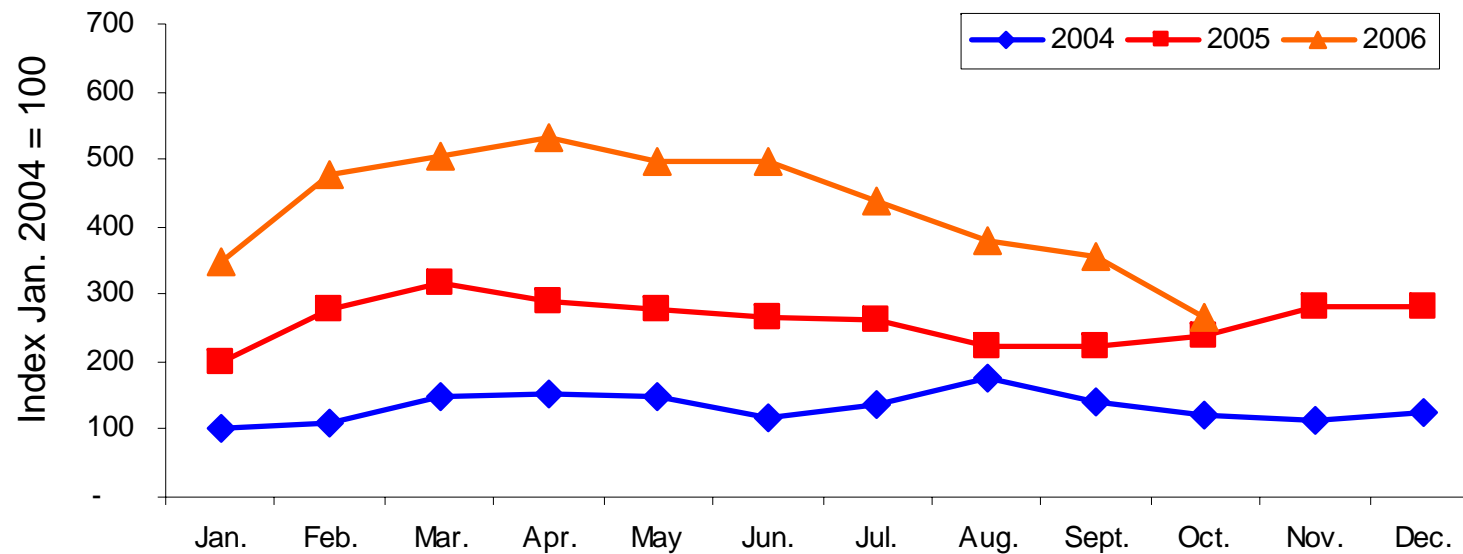
(\$ in MMs)	<u>2005</u>	<u>2006</u>	<u>% Change</u>
Volume (MM lbs.)	46.7	44.3	-5.3%
Revenue	\$59.1	\$65.8	11.3%
Adjusted EBITDA	\$11.2	\$10.6	-4.9%
<i>% of Revenue</i>	<i>18.9%</i>	<i>15.3%</i>	<i>-3.6% pts.</i>
Cap Ex	\$7.7	\$3.0	-60.5%



CPG INTERNATIONAL  
*Building Products. Better.*

# AZEK® Distributors Lowering Inventory Levels

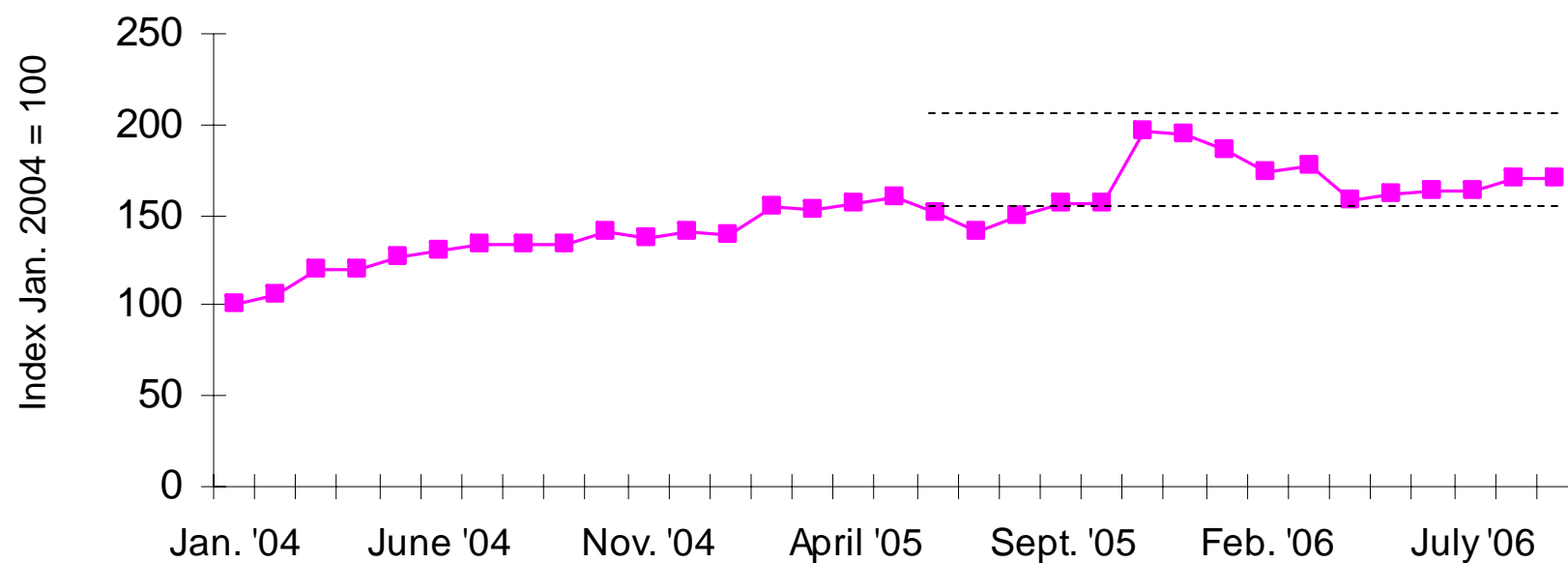
## AZEK® Distributor Inventory Levels





CPG INTERNATIONAL  
*Building Products. Better.*

## Resin Costs Remain Elevated



## Third Quarter Year to Date Financial Results

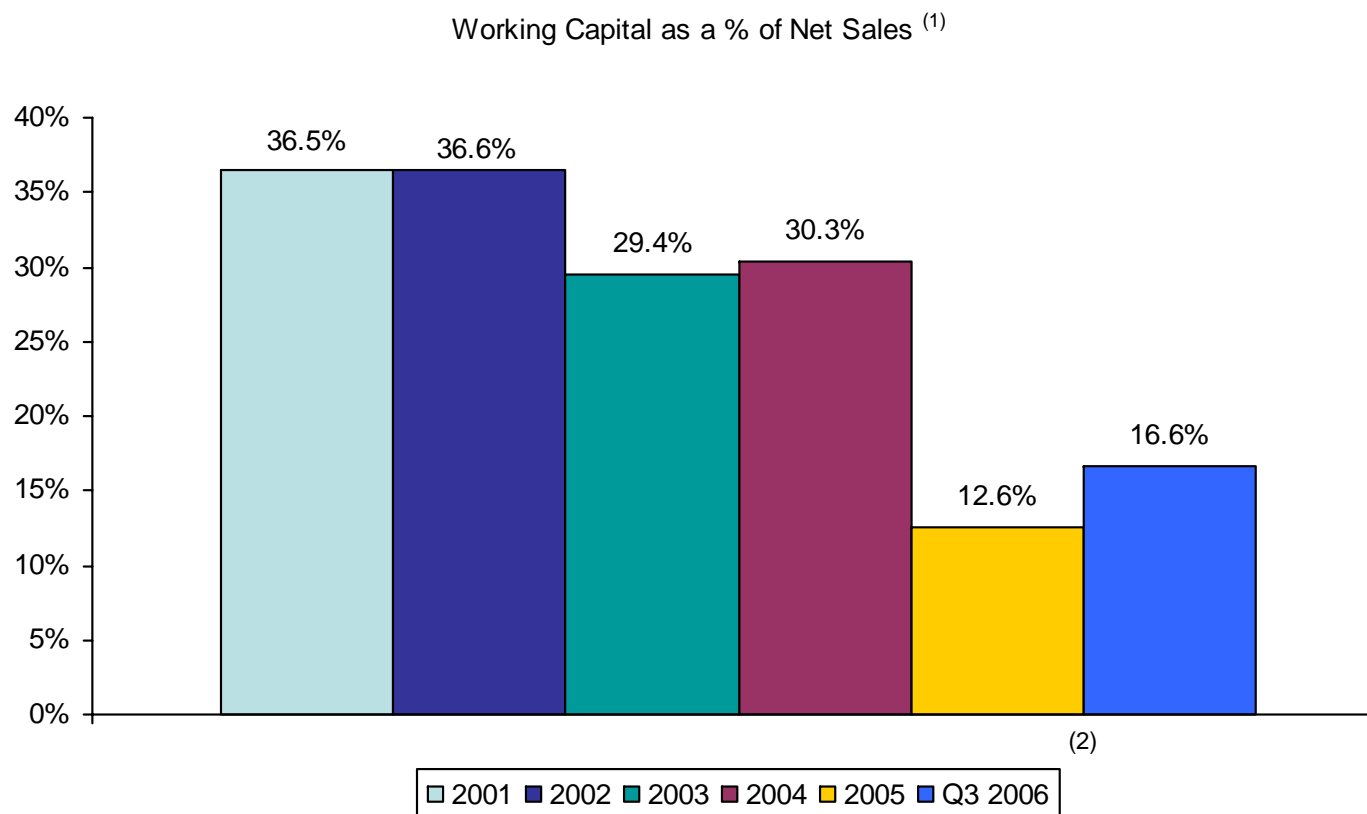
- Revenue increased 22.8% over prior year
  - Growth in AZEK® in first 6 months and Santana acquisition
  - Pricing actions largely offset higher resin increases
- Adjusted EBITDA of \$36.1mm

YEAR TO DATE FINANCIAL RESULTS			
(\$ in MMs)	2005	2006	% Change
Volume (MM lbs.)	140.8	149.2	6.0%
Revenue	\$171.4	\$210.5	22.8%
Adjusted EBITDA	\$31.3	\$36.1	15.2%
<i>% of Revenue</i>	<i>18.3%</i>	<i>17.1%</i>	<i>-1.1% pts.</i>
Cap Ex	\$13.8	\$14.1	2.2%



# Balance Sheet

- Working capital usage at peak in September
  - Comtec/Santana AR balances, inventory levels



(1) Working Capital defined as current assets minus current liabilities.

(2) Based on Trailing Twelve Month Sales.



CPG INTERNATIONAL  
*Building Products. Better.*

---

# APPENDIX



# Net Income to Adjusted EBITDA Reconciliation

CALCULATION OF ADJUSTED EBITDA						
	Year Ended December 31, 2005	Add: Nine Months Ended September 30, 2006	Less: Nine Months Ended September 30, 2005	Twelve Months Ended September 30, 2006	Pro Forma Adjustments Twelve Months Ended September 30, 2006 (1)	Pro Forma Twelve Months Ended September 30, 2006
<i>(Dollars in Thousands)</i>						
Net (loss) income	(\$11,741)	\$2,602	(\$5,944)	(\$3,195)	(\$4,147)	(\$7,342)
Interest expense, net	\$23,035	\$21,239	\$16,295	\$27,979	\$2,816	\$30,795
Income tax (benefit) expense	(\$1,622)	\$887	\$3,060	(\$3,795)	(\$113)	(\$3,908)
Depreciation and amortization	\$9,560	\$9,991	\$4,698	\$14,853	\$187	\$15,040
FAS 141 inventory adjustment	\$5,185	\$0	\$0	\$5,185	\$0	\$5,185
Relocation and hiring costs	\$496	\$81	\$0	\$577	\$0	\$577
Retiring executive costs	\$188	\$247	\$141	\$294	\$0	\$294
Management fee	\$217	\$589	\$217	\$589	\$0	\$589
Non-cash restricted stock unit charge	\$12,851	\$0	\$12,851	\$0	\$0	\$0
Santana Acquisition	\$0	\$423	\$0	\$423	\$0	\$423
Santana non-recurring charges	\$0	\$0	\$0	\$0	\$3,694	\$3,694
<b>Adjusted EBITDA</b>	<b>\$38,169</b>	<b>\$36,059</b>	<b>\$31,318</b>	<b>\$42,910</b>	<b>\$2,437</b>	<b>\$45,347</b>

**Footnote:**

<sup>(1)</sup> Reflects impact of Santana Products acquisition



# Net Income to Adjusted EBITDA Reconciliation- QTD

## CALCULATION OF ADJUSTED EBITDA

<i>(Dollars in Thousands)</i>	Three Months Ended September 30, 2006	Three Months Ended September 30, 2005
Net (loss) income	(\$756)	\$3,252
Interest expense, net	\$8,129	\$6,152
Income tax (benefit) expense	(\$1,145)	\$0
Depreciation and amortization	\$3,617	\$1,709
Relocation and hiring costs	\$41	\$0
Retiring executive costs	\$138	\$47
Management fee	\$375	\$0
Santana Acquisition transition costs	\$195	\$0
<b>Adjusted EBITDA</b>	<b>\$10,594</b>	<b>\$11,160</b>



CPG INTERNATIONAL  
*Building Products. Better.*

## Enhances AZEK Building Products

