GEORGIA GULF CORP /DE/
Form 10-Q
November 22, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

ý **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2010

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission File Number 1-9753

GEORGIA GULF CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**58-1563799**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
115 Perimeter Center Place, Suite 460, Atlanta, Georgia	**30346**
(Address of principal executive offices)	(Zip Code)

(770) 395-4500
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ý (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ý

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of November 17, 2010
Common Stock, $0.01 par value	33,962,291

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GEORGIA GULF CORPORATION FORM 10-Q

QUARTERLY PERIOD ENDED SEPTEMBER 30, 2010

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PART I. FINANCIAL INFORMATION.

Item 1. FINANCIAL STATEMENTS.

GEORGIA GULF CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except par value and share data)		September 30, 2010		December 31, 2009 (Restated)
ASSETS				
Cash and cash equivalents	$	38,650	$	38,797
Receivables, net of allowance for doubtful accounts of $14,749 in 2010 and $16,453 in 2009		330,081		208,941
Inventories		292,428		251,397
Prepaid expenses		25,160		24,002
Income tax receivables		24,539		30,306
Deferred income taxes		28,645		13,177
Total current assets		739,503		566,620
Property, plant and equipment, net		652,361		687,570
Goodwill		205,881		203,809
Intangible assets, net of accumulated amortization of $11,752 in 2010 and $10,996 in 2009		14,513		15,223
Deferred income taxes		1,556		
Other assets, net		92,213		116,494
Non-current assets held for sale		14,150		14,924
Total assets	$	1,720,177	$	1,604,640
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current portion of long-term debt	$	47,200	$	28,231
Accounts payable		163,587		124,829
Interest payable		13,631		2,844
Income taxes payable		4,404		1,161
Accrued compensation		30,978		16,069
Liability for unrecognized income tax benefits and other tax reserves		8,565		9,529
Other accrued liabilities		53,078		43,236
Total current liabilities		321,443		225,899
Long-term debt		685,002		710,774
Liability for unrecognized income tax benefits		40,448		48,471
Deferred income taxes		211,973		188,910
Other non-current liabilities		34,234		37,036
Total liabilities		1,293,100		1,211,090
Commitments and contingencies (Note 10)				
Stockholders' equity:				
Preferred stock $0.01 par value; 75,000,000 shares authorized; no shares issued				

	2010	2009
Common stock $0.01 par value; 100,000,000 shares authorized; shares issued and outstanding: 33,962,291 in 2010 and 33,718,367 in 2009	**340**	337
Additional paid-in capital	**475,413**	472,018
Accumulated deficit	**(46,876)**	(74,491)
Accumulated other comprehensive loss, net of tax	**(1,800)**	(4,314)
Total stockholders' equity	**427,077**	393,550
Total liabilities and stockholders' equity	**$ 1,720,177**	$ 1,604,640

See accompanying notes to unaudited condensed consolidated financial statements.

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)	**Three Months Ended September 30, 2010**	**Three Months Ended September 30, 2009 (Restated)**	**Nine Months Ended September 30, 2010**	**Nine Months Ended September 30, 2009 (Restated)**
Net sales	**$ 758,042**	$ 556,342	**$ 2,125,198**	$ 1,488,016
Operating costs and expenses:				
Cost of sales	**661,238**	472,643	**1,926,387**	1,313,924
Selling, general and administrative expenses	**43,442**	46,864	**117,894**	129,724
Long-lived asset impairment charges		4,167		20,357
Restructuring costs	**136**	(5,928)	**271**	5,927
Loss on sale of assets, net				62
Total operating costs and expenses	**704,816**	517,746	**2,044,552**	1,469,994
Operating income	**53,226**	38,596	**80,646**	18,022
Gain on substantial modification of debt				121,033
Gain on debt exchange		400,835		400,835
Interest expense, net	**(17,333)**	(30,709)	**(52,592)**	(107,229)
Foreign exchange gain (loss)	**116**	(48)	**(318)**	(981)
Income before income taxes	**36,009**	408,674	**27,736**	431,680
Provision for income taxes	**11,051**	204,018	**119**	175,877
Net income	**24,958**	$ 204,656	**$ 27,617**	$ 255,803
Earnings per share:				
Basic	**$ 0.72**	$ 8.19	**$ 0.79**	$ 27.38
Diluted	**$ 0.72**	$ 8.18	**$ 0.79**	$ 27.36
Weighted average common shares:				
Basic	**33,894**	23,355	**33,779**	8,788
Diluted	**33,894**	23,365	**33,779**	8,794

See accompanying notes to unaudited condensed consolidated financial statements.

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(In thousands)	**Nine Months Ended September 30, 2010**	**2009 (Restated)**
Cash flows from operating activities:		
Net income	**$ 27,617**	$ 255,803
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**75,521**	89,147
Loan cost write off		8,888
Gain on substantial modification of debt		(121,033)
Gain on debt exchange		(400,835)
Foreign exchange gain	**(431)**	(627)
Deferred income taxes	**6,049**	179,462
Excess tax benefits from share-based payment arrangements	**(4,001)**	
Long lived asset impairment charges and loss on sale of assets	**591**	20,419
Stock based compensation	**2,436**	10,212
Other non-cash items	**5,853**	(4,413)
Change in operating assets, liabilities and other	**(75,116)**	11,845
Net cash provided by operating activities	**38,519**	48,868
Cash flows from investing activities:		
Capital expenditures	**(31,799)**	(24,958)
Proceeds from sale of property, plant and equipment, and assets held-for sale	**1,603**	1,900
Proceeds from insurance recoveries related to property, plant and equipment		1,980
Net cash used in investing activities	**(30,196)**	(21,078)
Cash flows from financing activities:		
Repayments on revolving line of credit		(176,895)
Borrowings on revolving line of credit		147,484
Repayments on ABL revolver	**(481,209)**	
Borrowings on ABL revolver	**472,208**	
Repayment of long-term debt	**(33)**	(19,727)
Stock compensation plan activity	**(145)**	(25)
Fees paid to amend or issue debt facilities	**(3,185)**	(43,256)
Excess tax benefits from share-based payment arrangements	**4,001**	
Net cash used in financing activities	**(8,363)**	(92,419)
Effect of exchange rate changes on cash and cash equivalents	**(107)**	2,993
Net change in cash and cash equivalents	**(147)**	(61,636)
Cash and cash equivalents at beginning of period	**38,797**	89,975
Cash and cash equivalents at end of period	**$ 38,650**	$ 28,339

See accompanying notes to unaudited condensed consolidated financial statements.

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. The accompanying unaudited condensed consolidated financial statements do reflect all of the adjustments that, in the opinion of management, are necessary to present fairly the financial position, results of operations and cash flows for the interim periods reported. Such adjustments are of a normal, recurring nature. In our consolidated statement of cash flows certain items for the nine months ended September 30, 2009 are presented in a manner to conform to the presentation for the nine months ended September 30, 2010. Our operating results for the three and nine month periods ended September 30, 2010 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2010 or any other interim period.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes to audited consolidated financial statements included in Amendment No. 2 to our Annual Report on Form 10-K/A for the year ended December 31, 2009 (the "2009 Annual Report"). Our financial results as of and for the year ended December 31, 2009 have been restated, including the financial results for the three and nine months ended September 30, 2009. All information and disclosures contained herein have been updated to reflect the effect of such restatements. For a more detailed description of the restatements, see Note 19 of the Notes to these unaudited condensed consolidated financial statements. There have been no material changes in the significant accounting policies followed by us during the three and nine month periods ended September 30, 2010 from those disclosed in the 2009 Annual Report, other than effective January 1, 2010 we changed our segment reporting as described in Note 17.

2. NEW ACCOUNTING PRONOUNCEMENTS

In June 2009, the Financial Accounting Standards Board ("FASB"), issued Accounting Standards Codification ("ASC") topic 810, *Amendments to FASB Interpretation No. 46(R)*, which amends the consolidation guidance applicable to variable interest entities and the definition of a variable interest entity ("VIE"), and requires enhanced disclosures to provide more information about an enterprise's involvement in a VIE. In addition, it requires an enterprise to perform an analysis to determine whether the enterprise's variable interest gives it a controlling interest in a VIE. The analysis identifies the primary beneficiary of the VIE as the enterprise that has both (a) the power to direct the activities of the VIE and (b) the obligation to absorb losses of the VIE. This statement was effective for us on January 1, 2010. On December 23, 2009, the FASB issued Accounting Standard Update ("ASU") 2009-17. The amendments contained in ASU 2009-17 replace the quantitative-based risks-and-rewards calculation for determining which reporting entity, if any, has a controlling financial interest in a VIE with an approach focused on identifying which reporting entity has the power to direct the activities of a VIE that most significantly affect the entity's economic performance and the obligation to absorb losses of, or the right to receive benefits from, the entity. The ASU also requires additional disclosures about a reporting entity's involvement with VIEs and about any significant changes in risk exposure as a result of that involvement. On February 25, 2010, the FASB issued ASU 2010-10, which amends certain provisions of ASC topic 810. ASU 2010-10 defers the effective date of ASC topic 810 for a reporting enterprise's interest in certain entities and for certain money market mutual funds. In

GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. NEW ACCOUNTING PRONOUNCEMENTS (Continued)

addition, the ASU amends certain provisions of ASC topic 810 to change how a decision maker or service provider determines whether its fee is a variable interest. We adopted ASC topic 810 and the ASUs noted above as of January 1, 2010, and this guidance did not have a material impact on our consolidated financial statements.

In June 2009, the FASB issued ASC topic 860, *Accounting for Transfers of Financial Assets an amendment of FASB Statement No. 140*, which improves the relevance, representational faithfulness and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance and cash flows; and a transferor's continuing involvement, if any, in the transferred assets. This statement is effective for financial asset transfers occurring after the beginning of an entity's first fiscal year that begins after November 15, 2009. Early adoption is prohibited. The adoption of ASC topic 860 on January 1, 2010 did not have a material impact on our consolidated financial statements.

On January 21, 2010, the FASB issued ASU 2010-06, which amends ASC topic 820, *Fair Value Measurements and Disclosures*, to add new requirements for disclosures about transfers into and out of Levels 1 and 2 of the fair value hierarchy and separate disclosures about purchases, sales, issuances, and settlements relating to Level 3 measurements in the fair value hierarchy. This ASU also clarifies existing fair value disclosure requirements about the level of disaggregation and about inputs and valuation techniques used to measure fair value. Further, ASU 2010-06 amends guidance on employers' disclosures about postretirement benefit plan assets under ASC topic 715 to require that disclosures be provided by classes of assets instead of major categories of assets. ASU 2010-06 is effective for the first reporting period (including interim periods) beginning after December 15, 2009, except for the requirement to provide Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. Early adoption is permitted. The adoption of this ASU did not have a material impact on our consolidated financial statements. We are currently evaluating the Level 3 activity disclosures and do not expect this portion of ASU 2010-06, when effective, to have a material impact on our consolidated financial statements.

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act (the "Act"). The Act is a comprehensive health care reform bill that includes provisions for raising nearly $400 billion in revenue over ten years through tax increases on high-income individuals, excise taxes on high cost group health plans, and new fees on selected health-care-related industries. The Act eliminates the tax deduction for the portion of the prescription drug costs for which an employer receives a Medicare Part D federal subsidy (i.e., it reduces a company's tax deduction). As a result of this enacted legislation, a company may need to reduce its deferred tax asset associated with the deductible temporary differences related to its other postemployment benefit obligation. The Act is not expected to have a material impact on our consolidated financial statements.

3. RESTRUCTURING ACTIVITIES

In March 2008, our outdoor storage building business was sold for $13.0 million resulting in a loss of approximately $4.6 million recorded in the first quarter of 2008. As part of exiting this business, we initiated a restructuring plan (the "Outdoor Storage Plan"). In connection with the Outdoor Storage Plan, we incurred costs related to termination benefits, operating lease termination costs, asset impairment charges, relocation and other exit costs and have recognized these costs in accordance with

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. RESTRUCTURING ACTIVITIES (Continued)

ASC subtopic 420-10 *Exit or Disposal Cost Obligations* and related accounting standards. During the third quarter of 2009, we reached a favorable settlement on a legal claim which resulted in the reversal of a litigation accrual of $3.1 million and a credit of restructuring costs for the same amount for the three and nine months ended September 30, 2009. No significant costs related to the Outdoor Storage Plan were incurred in the three and nine months ended September 30, 2010, and we do not expect there to be any significant future costs associated with the Outdoor Storage Plan. These costs and recovery are included in restructuring costs in the accompanying unaudited condensed consolidated statement of operations.

In the fourth quarter of 2008, we initiated a restructuring plan (the "Fourth Quarter 2008 Restructuring Plan") that included the permanent shut down of our 450 million pound polyvinyl chloride ("PVC") manufacturing facility in Sarnia, Ontario, the exit of a recycled PVC compound manufacturing facility in Woodbridge, Ontario, the consolidation of various manufacturing facilities, and elimination of certain duplicative activities in our operations. In connection with the Fourth Quarter 2008 Restructuring Plan, we incurred costs related to termination benefits, including severance, pension and postretirement benefits, operating lease termination costs, asset impairment charges, relocation and other exit costs and have recognized these costs in accordance with ASC subtopic 420-10 and related accounting standards. For the three and nine months ended September 30, 2010, we incurred $0.1 million in restructuring expenses and a recovery of $0.2 million, respectively, related to the Fourth Quarter 2008 Restructuring Plan primarily due to additional termination benefits and exit costs of $1.0 million, offset by a reversal of remediation costs that did not have to be incurred or reimbursed by us. This amount is noted as a reduction in the additions column in the table below. In addition, for the three and nine months ended September 30, 2010, we incurred $nil and $0.1 million in long-lived asset impairment charges. We do not expect there to be any future costs associated with the Fourth Quarter 2008 Restructuring Plan. For the three and nine months ended September 30, 2009, we incurred a net recovery of $2.6 million and restructuring expenses of $3.1 million respectively, related to severance and exit costs. Total restructuring expenses incurred for the three and nine months ended September 30, 2009 include a $4.0 million credit adjustment for the wind up of the Canadian pension plan (see Note 12). The amount is noted as a reduction in the additions column in the table below. These costs and recovery are included in restructuring costs in the accompanying unaudited condensed consolidated statement of operations.

In May 2009, we initiated plans to further consolidate plants in our window and door profiles business (the "2009 Window and Door Consolidation Plan"). As a result we incurred restructuring costs, including impairment of the plants' fixed assets for the three and nine months ended September 30, 2009. For the three months ended September 30, 2009, we incurred $4.4 million of impairment charges for real estate associated with the further consolidation of these plants. For the three and nine months ended September 30, 2010, we incurred $nil and $0.4 million of additional restructuring expenses, respectively, which are noted in the table below. For the three months and nine months ended September 30, 2009, $0.2 million of restructuring recovery and $1.5 million in restructuring expenses were incurred, respectively, and are noted in the table below.

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. RESTRUCTURING ACTIVITIES (Continued)

A summary of our activities for the three and nine months ended September 30, 2010 and 2009 as it relates to the restructuring activities described above, is detailed by reportable segment as follows:

(In thousands)	Balance at June 30, 2010	Additions	Cash Payments	Foreign Exchange and Other Adjustments	Balance at September 30, 2010
Chlorovinyls					
Fourth Quarter 2008 Restructuring Plan:					
Involuntary termination benefits	**$ 248**	$	$ (163)	$ 4	**$ 89**
Exit costs	**167**	141	(158)	(7)	**143**
Building Products					
Fourth Quarter 2008 Restructuring Plan:					
Involuntary termination benefits	**1,524**		(275)	42	**1,291**
Exit costs					
2009 Window and Door Consolidation Plan:					
Involuntary termination benefits	**477**	(3)	(86)	12	**400**
Exit costs					
Outdoor Storage Plan:					
Involuntary termination benefits	**90**	(2)		2	**90**
Corporate					
Fourth Quarter 2008 Restructuring Plan:					
Involuntary termination benefits					
Total	**$ 2,506**	$ 136	$ (682)	$ 53	**$ 2,013**

(In thousands)	Balance at December 31, 2009	Additions	Cash Payments	Foreign Exchange and Other Adjustments	Balance at September 30, 2010
Chlorovinyls					
Fourth Quarter 2008 Restructuring Plan:					
Involuntary termination benefits	**$ 1,030**	$ 157	$ (1,154)	$ 56	**$ 89**
Exit costs	**1,976**	(615)	(1,080)	(138)	**143**
Building Products					
Fourth Quarter 2008 Restructuring Plan:					
Involuntary termination benefits	**2,418**	230	(1,402)	45	**1,291**
Exit costs		55	(55)		
2009 Window and Door Consolidation Plan:					
Involuntary termination benefits	**879**	(107)	(387)	15	**400**

Exit costs	**179**	460	(639)		
Outdoor Storage Plan:					
Involuntary termination benefits	**163**	(46)	(29)	2	**90**
Corporate					
Fourth Quarter 2008 Restructuring Plan:					
Involuntary termination benefits	**48**			(48)	
Total	**$ 6,693**	$ 134	$ (4,746)	$ (68)	**$ 2,013**

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. RESTRUCTURING ACTIVITIES (Continued)

A summary of our restructuring activities recognized as a result of the Fourth Quarter 2008 Restructuring Plan and the Outdoor Storage Plan by reportable segment for the three and nine months ended September 30, 2009 is as follows:

(In thousands)	Balance at June 30, 2009	Additions	Cash Payments	Foreign Exchange and Other Adjustments	Balance at September 30, 2009
Chlorovinyls					
Fourth Quarter 2008 Restructuring Plan:					
Involuntary termination benefits	$ 1,831	$ (3,817)	$ (868)	$ 4,135(a)	$ 1,281
Exit costs	4,093	271	(733)	(468)(b)	3,163
Building Products					
Fourth Quarter 2008 Restructuring Plan:					
Involuntary termination benefits	2,225	869	(629)	215	2,680
Exit costs	1	(1)			
2009 Window and Door Consolidation Plan:					
Involuntary termination benefits	1,595	(260)	(150)	29	1,214
Exit Costs		60	(60)		
Outdoor Storage Plan:					
Involuntary termination benefits	205	2	(27)	14	194
Exit costs	3,685	(3,130)	(1,826)	1,271	
Corporate					
Fourth Quarter 2008 Restructuring Plan:					
Involuntary termination benefits		78	(78)		
Total	$ 13,635	$ (5,928)	$ (4,371)	$ 5,196	$ 8,532

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. RESTRUCTURING ACTIVITIES (Continued)

(In thousands)	Balance at December 31, 2008	Additions	Cash Payments	Foreign Exchange and Other Adjustments	Balance at September 30, 2009
Chlorovinyls					
Fourth Quarter 2008 Restructuring Plan:					
Involuntary termination benefits	$ 3,246	$ (3,552)	$ (2,588)	$ 4,175(a)	$ 1,281
Exit costs	4,185	3,473	(4,229)	(266)(b)	3,163
Other	1,184			(1,184)	
Building Products					
Fourth Quarter 2008 Restructuring Plan:					
Involuntary termination benefits	2,755	3,018	(3,722)	629	2,680
Exit costs	1	(1)			
Other	1,967			(1,967)	
2009 Window and Door Consolidation Plan:					
Involuntary termination benefits		1,457	(261)	18	1,214
Exit costs		60	(60)		
Outdoor Storage Plan:					
Involuntary termination benefits	523	124	(265)	(188)	194
Exit costs	1,779	(1,244)	(1,943)	1,408	
Corporate					
Fourth Quarter 2008 Restructuring Plan:					
Involuntary termination benefits		123	(123)		
Total	$ 15,640	$ 3,458	$ (13,191)	$ 2,625	$ 8,532

(a) Includes a $4.0 million adjustment for the wind up of the Canadian post retirement health and welfare and pension plans that were previously reflected in accumulated other comprehensive income.

(b) Includes a reclassification of $0.8 million of Other Post Retirement Benefits from Exit Costs to Involuntary Termination Benefits for the Fourth Quarter 2008 Restructuring Plan in the Chlorovinyls segment.

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. RESTRUCTURING ACTIVITIES (Continued)

A summary of impairment of tangible long-lived assets incurred in connection with our restructuring activities, by reportable segment for the three and nine months ended September 30, 2009 is as follows. There were no similar changes in 2010.

(In thousands)	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2009
Chlorovinyls		
Fourth Quarter 2008 Restructuring Plan:		
Impairment of long-lived assets	$ (277)	$ 201
Building products		
2009 Window and Door Consolidation Plan:		
Impairment of long-lived assets	4,444	20,156
Total	$ 4,167	$ 20,357

In the first quarter of 2009, we engaged the services of several consultants to assist us in performance improvement, and transportation management and indirect sourcing cost reduction initiatives among other areas of the business with the ultimate goal to restructure our businesses and improve and sustain profitability for the long-term. For the three and nine months ended September 30, 2009, we incurred $2.5 million in restructuring costs related to fees paid to these consultants to advise us on the restructuring strategies noted above, which amounts are included in restructuring costs in the accompanying condensed consolidated statement of operations.

4. ACCOUNTS RECEIVABLE SECURITIZATION

On March 17, 2009, we entered into a new Asset Securitization agreement pursuant to which we sold an undivided percentage ownership interest in a certain defined pool of our U.S. and Canadian trade accounts receivable on a revolving basis through a wholly owned subsidiary to a third party (the "Securitization"). This wholly owned subsidiary was funded through advances on sold trade receivables and collections of those trade receivables and its activities were exclusively related to the Securitization. This Securitization replaced a previous agreement pursuant to which we sold an undivided percentage ownership interest in a certain defined pool of our U.S. trade receivables on a revolving basis through a wholly owned subsidiary to two third parties. Under the Securitization agreement we had the right to sell ownership interests in new receivables to bring the ownership interests sold up to a maximum of $175.0 million. As collections reduced our accounts receivable included in the pool, we had the right to sell ownership interests in new receivables to bring the ownership interests sold up to a maximum of $175.0 million, as permitted by the Securitization. However, as of December 22, 2009 the Securitization was replaced with a four-year term senior secured asset-based revolving credit facility that provides for a maximum of $300 million of revolving credit, subject to borrowing base availability and other terms and conditions (the "ABL Revolver") (see Note 9). As a result of the termination and replacement of our Securitization and the execution of the ABL Revolver, we repurchased $110.0 million of previously sold accounts receivable. The repurchase of these trade receivables did not result in any significant losses and, as of March 31, 2010 these repurchased receivables have been collected.

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. INVENTORIES

The major classes of inventories were as follows:

(In thousands)	September 30, 2010	December 31, 2009
Raw materials, work-in-progress, and supplies	**$ 127,619**	$ 97,351
Finished goods	**164,809**	154,046
Inventories	**$ 292,428**	$ 251,397

6. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment consisted of the following:

(In thousands)	September 30, 2010	December 31, 2009
Machinery and equipment	**$ 1,371,044**	$ 1,346,740
Land and land improvements	**87,051**	86,013
Buildings	**197,537**	195,602
Construction-in-progress	**26,584**	25,629
Property, plant and equipment, at cost	**1,682,216**	1,653,984
Accumulated depreciation	**1,029,855**	966,414
Property, plant and equipment, net	**$ 652,361**	$ 687,570

7. OTHER ASSETS, NET

Other assets, net of accumulated amortization, consisted of the following:

(In thousands)	September 30, 2010	December 31, 2009
Advances for long-term purchase contracts	**$ 53,717**	$ 67,257
Investment in joint ventures	**10,375**	12,804
Debt issuance costs, net	**22,862**	25,654
Long-term receivables	**96**	3,714
Other	**5,163**	7,065
Total other assets, net	**$ 92,213**	$ 116,494

The decrease in Advances for long-term purchase contracts is the result of amortizing the prepayments usage over the terms of the related contracts. The amortization of these costs is reflected as other non-cash items in the accompanying unaudited condensed consolidated statement of cash flows.

Assets Held-For-Sale. Assets held for sale includes real estate totaling $14.2 million and $14.9 million at September 30, 2010 and December 31, 2009, respectively.

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill. The following table provides the detail of the changes made to goodwill by reportable segment during the nine months ended September 30, 2010.

(In thousands)	Chlorovinyls	Building Products	Total
Gross goodwill at December 31, 2009	$ 239,444	$ 152,058	$ 391,502
Accumulated impairment losses at December 31, 2009	(55,487)	(132,206)	(187,693)
Goodwill at December 31, 2009	183,957	19,852	203,809
Gross goodwill at December 31, 2009	**239,444**	**152,058**	**391,502**
Foreign currency translation adjustment	**2,072**		**2,072**
Gross goodwill at September 30, 2010	**241,516**	**152,058**	**393,574**
Accumulated impairment losses at September 30, 2010	**(55,487)**	**(132,206)**	**(187,693)**
Goodwill at September 30, 2010	**$ 186,029**	**$ 19,852**	**$ 205,881**

Indefinite-lived intangible assets. At September 30, 2010 and December 31, 2009 we held trade names as indefinite-lived intangible assets. The following table provides the summary of indefinite-lived intangible assets by reportable segment as of September 30, 2010 and December 31, 2009.

Indefinite-lived intangible assets-trade names

(In thousands)	Chlorovinyls	Building Products	Total
Balance at December 31, 2009	$ 353	$ 4,137	$ 4,490
Foreign currency translation adjustment	7	39	46
Balance at September 30, 2010	$ 360	$ 4,176	$ 4,536

Finite-lived intangible assets. At September 30, 2010 and December 31, 2009, we also had customer relationship and technology intangibles. The following tables provide the summary of finite-lived intangible assets by reportable segment as of September 30, 2010 and December 31, 2009.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

Finite-lived intangible assets

(In thousands)	Chlorovinyls	Building Products	Total
Gross carrying amounts at September 30, 2010:			
Customer relationships	$ 199	$ 11,422	$ 11,621
Technology		11,867	11,867
Total	199	23,289	23,488
Accumulated amortization at September 30, 2010:			
Customer relationships	(124)	(5,121)	(5,245)
Technology		(6,507)	(6,507)
Total	(124)	(11,628)	(11,752)
Foreign currency translation adjustment and other at September 30, 2010:			
Customer relationships	(75)	(1,684)	(1,759)
Technology			
Total	(75)	(1,684)	(1,759)
Net carrying amounts at September 30, 2010:			
Customer relationships		4,617	4,617
Technology		5,360	5,360
Total	$	$ 9,977	$ 9,977

(In thousands)	Chlorovinyls	Building Products	Total
Gross carrying amounts at December 31, 2009:			
Customer relationships	$ 199	$ 11,422	$ 11,621
Technology		11,867	11,867
Total	199	23,289	23,488
Accumulated amortization at December 31, 2009:			
Customer relationships	(124)	(4,868)	(4,992)
Technology		(6,004)	(6,004)
Total	(124)	(10,872)	(10,996)
Foreign currency translation adjustment and other at December 31, 2009:			
Customer relationships	(75)	(1,684)	(1,759)

Technology			
Total	(75)	(1,684)	(1,759)
Net carrying amounts at December 31, 2009:			
Customer relationships		4,870	4,870
Technology		5,863	5,863
Total	$	$ 10,733	$ 10,733

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. GOODWILL AND OTHER INTANGIBLE ASSETS (Continued)

The average estimated useful life for the customer relationships and technology intangible assets are 18 years and 12 years, respectively. Amortization expense for the finite-lived intangible assets for the three and nine months ended September 30, 2010 and September 30, 2009 was as follows:

(In thousands)	September 30, 2010	September 30, 2009
For the three months ended	**$ 252**	$ 253
For the nine months ended	**756**	757

Total finite-lived intangible asset estimated annual amortization expense for the next five fiscal years is approximately $1.0 million per year.

9. LONG-TERM DEBT

Long-term debt consisted of the following:

(In thousands)	September 30, 2010	December 31, 2009
Senior secured ABL revolving credit facility due 2013	**$ 47,200**	$ 56,462
9.0% senior secured notes due 2017	**496,995**	496,739
7.125% senior notes due 2013	**8,965**	8,965
9.5% senior notes due 2014	**13,159**	13,151
10.75% senior subordinated notes due 2016	**41,398**	41,360
Lease financing obligation	**108,593**	106,436
Other	**15,892**	15,892
Total debt	**732,202**	739,005
Less current portion	**(47,200)**	(28,231)
Long-term debt	**$ 685,002**	$ 710,774

On December 22, 2009, we refinanced our then-existing senior secured credit facility and our Securitization. At the time of the refinancing, our senior secured credit facility was comprised of a $300 million revolving credit facility and a $347.7 million Term Loan B. We replaced the senior secured credit facility and the Securitization with a four-year term senior secured asset-based revolving credit agreement (the "ABL Revolver") and the issuance of $500.0 million in principal amount of our 9.0 percent senior secured notes.

The ABL Revolver provides for a maximum of $300 million of revolving credit through December 2013, subject to borrowing base availability, including sub-limits for letters of credit and swing line loans. The borrowing base is equal to specified percentages of our eligible accounts receivable and inventories, less a fixed $15 million availability reserve and other reserves reasonably determined by the co-collateral agents. The borrowings under the ABL Revolver are secured by substantially all of our assets.

The weighted average interest rate under the ABL Revolver was 5.1 percent and 6.0 percent as of September 30, 2010 and December 31, 2009, respectively. In addition to paying interest on outstanding principal under the ABL Revolver, we are required to pay a commitment fee in respect of the

GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. LONG-TERM DEBT (Continued)

unutilized commitments and we must also pay customary letter of credit fees equal to the applicable margin on London Interbank Offered Rate ("LIBOR") loans and agency fees.

The ABL Revolver requires that if excess availability (as defined) is less than $45 million, we maintain a minimum fixed charge coverage ratio (as defined) of 1.10 to 1.00. At September 30, 2010 and December 31, 2009 excess availability was $217.5 million and $134.5 million, respectively. In addition, the ABL Revolver includes affirmative and negative covenants that, subject to significant exceptions, limit our ability and the ability of our subsidiaries to, among other things: incur, assume or permit to exist additional indebtedness or guarantees; incur liens; make investments and loans; pay dividends, make payments or redeem or repurchase capital stock; engage in mergers, acquisitions and asset sales; prepay, redeem or purchase certain indebtedness, including the 9.0 percent senior secured notes; amend or otherwise alter terms of certain indebtedness, including the 9.0 percent senior secured notes; engage in certain transactions with affiliates; and alter the business that we conduct.

If at any time the aggregate amount of outstanding loans, unreimbursed letter of credit drawings and undrawn letters of credit under the ABL Revolver exceeds the lesser of (i) the commitment amount and (ii) the borrowing base, we will be required to repay outstanding loans and cash collateralize letters of credit in an aggregate amount equal to such excess, with no reduction of the commitment amount. If the amount available under the ABL Revolver is less than $60 million for a period of three consecutive business days or certain events of default have occurred, we will be required to deposit cash from our material deposit accounts (including all concentration accounts) daily in a collection account maintained with the administrative agent under the ABL Revolver, which will be used to repay outstanding loans and cash collateralize letters of credit.

At September 30, 2010 and December 31, 2009, we had $47.2 million and $56.5 million in outstanding principal borrowed under the ABL Revolver and had outstanding letters of credit totaling $20.3 million and $45.2 million, respectively. Over the next twelve months, we expect to repay $47.2 million of borrowings under our ABL Revolver. Therefore, we have classified this debt as current in our consolidated balance sheet as of September 30, 2010.

On December 22, 2009, we also issued $500.0 million principal amount of 9.0 percent senior secured notes due in 2017. Interest on these notes is payable January 15 and July 15 of each year. On or after January 15, 2014, we may redeem the notes in whole or in part, initially at 104.5 percent of their principal amount, and thereafter at prices declining annually to 100 percent on or after January 15, 2016. During any twelve-month period prior to January 15, 2014 we may make optional redemptions of up to 10 percent of the aggregate principal amount of the 9.0 percent notes at a redemption price of 103.0 percent of such principal amount plus any accrued and unpaid interest. In addition, prior to January 15, 2013, we may redeem up to 35 percent of the aggregate principal amount of the 9.0 percent notes at a redemption price equal to 109.0 percent of such principal amount, plus any accrued and unpaid interest. In addition, we may redeem some or all of the 9.0 percent notes at any time prior to January 15, 2014 at a price equal to the principal amount thereof plus a make-whole premium and any accrued and unpaid interest. The 9.0 percent senior secured notes are secured by substantially all of our assets, and contain certain restrictive covenants including restrictions on debt incurrence, granting of liens, dividends, acquisitions and investments.

On March 31, 2009, we commenced private exchange offers (the "exchange offers") for our outstanding 7.125 percent senior notes due 2013 (the "2013 notes"), 9.5 percent senior notes due 2014 (the "2014 notes"), and 10.75 percent senior subordinated notes due 2016 (the "2016 notes" and

GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. LONG-TERM DEBT (Continued)

collectively with the 2013 notes and 2014 notes, the "notes"). After numerous extensions and amendments, on July 29, 2009, we consummated our exchange offers for approximately $736.0 million (principal amount), or 92.0 percent, in aggregate principal amount of the notes. The $736.0 million was comprised of $91.0 million of the $100 million of 2013 notes, $486.8 million of the $500 million of 2014 notes, and $158.1 million of the $200 million of 2016 notes. An aggregate of approximately 30.2 million shares of convertible preferred stock and 1.3 million shares of common stock were issued in exchange for the tendered notes after giving effect to a 1-for-25 reverse stock split, which reduced the outstanding common shares, before the issuance of common shares in the exchange offers, to approximately 1.4 million shares. In exchange for each $1,000 in principal amount of the 2013 notes and 2014 notes, we issued 47.30 shares of convertible preferred stock and 2.11 shares of common stock, and in exchange for each $1,000 in principal amount of the 2016 notes, the company issued 18.36 shares of convertible preferred stock and 0.82 shares of common stock. In September 2009 the 30.2 million preferred shares converted to an equal number of common shares. As of September 30, 2010, we had outstanding $9.0 million of the 2013 notes, $13.2 million of the 2014 notes and $41.4 million of the 2016 notes.

In accordance with ASC subtopic 470-60, *Troubled Debt Restructuring by Debtors,* the exchange offers were a troubled debt restructuring and thus an extinguishment of the exchanged notes for which we recognized a net gain of $400.8 million. The $400.8 million net gain from the exchange offers represents diluted earnings per share of approximately $9.72 and $25.99 for the three and nine months ended September 30, 2009, respectively. This gain included $731.5 million of principal debt, net of original issuance discounts, $53.7 million accrued interest, $14.1 million deferred financing fees written off and $12.4 million of third party fees, which was exchanged for the $357.9 million fair value of the common and preferred shares. The $357.9 million fair value of the common and preferred shares was estimated using a combination of discounted future cash flows; market multiples for similar companies and recent comparable transactions. In addition, the resulting fair value of the equity approximates $11.36 per share that was also evaluated relative to the value of the underlying common stock in the public markets and determined to be reasonable. Due to the fact that the determination of the fair value of the equity issued was primarily derived by projected future cash flows, we evaluated the sensitivity of the major assumptions including discount rates and forecasted cash flows. A 100 basis points increase or decrease in the discount rate or a 10% increase or decrease in the annual forecasted cash flows results in an approximately $30.0 million increase or decrease in the estimated fair value of the equity exchanged.

Lease Financing Transaction. The lease financing obligation is the result of the sale and concurrent leaseback of certain land and buildings in Canada in 2007. In connection with this transaction, a collateralized letter of credit was issued in favor of the buyer lessor resulting in the transaction being recorded as a financing transaction rather than a sale, and the land and building and related accounts continue to be recognized in the condensed consolidated balance sheet. The future minimum lease payments under the terms of the related lease agreements at September 30, 2010 are $1.7 million in 2010, $7.2 million in 2011, $7.3 million in 2012, $7.5 million in 2013, $7.6 million in 2014, and $17.7 million thereafter. The change in the future minimum lease payments from the December 31, 2009 balance is due to monthly payments and the change in the Canadian dollar exchange rate during the nine months ended September 30, 2010.

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. COMMITMENTS AND CONTINGENCIES

Legal Proceedings. In August 2004 and January and February 2005, the United States Environmental Protection Agency ("the USEPA") conducted environmental investigations of our manufacturing facilities in Aberdeen, Mississippi and Plaquemine, Louisiana, respectively. The USEPA informed us that it identified several "areas of concern," and indicated that such areas of concern, may in its view, constitute violations of applicable requirements, thus warranting monetary penalties and possible injunctive relief. In lieu of pursuing such relief through its traditional enforcement process, the USEPA proposed that the parties enter into negotiations in an effort to reach a global settlement of the areas of concern and that such global settlement also cover our manufacturing facilities in Lake Charles, Louisiana and Oklahoma City, Oklahoma. During the second quarter of 2006, we were informed by the USEPA that its regional office responsible for Oklahoma and Louisiana desired to pursue resolution of these matters on a separate track from the regional office responsible for Mississippi, with which we reached a settlement agreement. We have not yet achieved a settlement with the USEPA regional office responsible for Oklahoma and Louisiana. However, on November 17, 2009, we received a unilateral administrative order ("UAO") from this USEPA regional office. The UAO, issued pursuant to Section 3013(a) of the Resource Conservation and Recovery Act ("RCRA"), requires us to take certain monitoring and assessment activities in and around several of our wastewater and storm water conveyance systems.

We have also recently received several compliance orders and notices of potential penalties from the Louisiana Department of Environmental Quality (LDEQ). On December 17, 2009, we received a Notice of Potential Penalty (NOPP) from LDEQ containing allegations of violations of Louisiana's hazardous waste management regulations. On October 7, 2010, we received a Consolidated Compliance Order (CCO) from LDEQ addressing the same allegations as were contained in the December 17, 2009 NOPP. On October 1, 2010, we received Consolidated Compliance Orders and Notices of Potential Penalties (CCONPPs) for both the Plaquemine, Louisiana and Lake Charles, Louisiana facilities. These CCONPPs allege violations of reporting, recordkeeping, and other requirements contained in Louisiana's air pollution control regulations.

Some of the allegations contained in these compliance orders and notices of potential penalties may potentially be similar to the "areas of concern" raised by USEPA that are discussed above. These compliance orders and notices of potential penalties do not identify specific penalty amounts. It is likely that any settlement, if achieved, will result in the imposition of monetary penalties, capital expenditures for installation of environmental controls and/or other relief. We are not able to forecast the total cost of any monetary penalties, environmental projects, or other relief that would be imposed in any settlement or order. While we expect that such costs will exceed $100,000, we do not expect that such costs will have a material effect on our financial position, results of operations, or cash flows.

In addition, we are currently, and may in the future become, subject to other claims and legal actions that arise in the ordinary course of business. We believe that the ultimate liability, if any, with respect to these other known claims and legal actions will not have a material effect on our financial position or on our results of operations.

Environmental Regulation. Our operations are subject to increasingly stringent federal, state and local laws and regulations relating to environmental quality. These regulations, which are enforced principally by the USEPA and comparable state agencies and Canadian federal and provincial agencies, govern the management of solid hazardous waste, emissions into the air and discharges into surface

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

and underground waters, and the manufacture of chemical substances. In addition to the matters involving environmental regulation above, we have the following potential environmental issues.

In the first quarter of 2007, the USEPA informed us of possible noncompliance at our Aberdeen, Mississippi facility with certain provisions of the Toxic Substances Control Act. Subsequently, we discovered possible non-compliance involving our Plaquemine, Louisiana and Pasadena, Texas facilities, which were then disclosed. We expect that all of these matters will be resolved in one settlement agreement with USEPA. While the penalties, if any, for such noncompliance may exceed $100,000, we do not expect that any penalties will have a material effect on our financial position, results of operations, or cash flows.

There are several serious environmental issues concerning the VCM facility at Lake Charles, Louisiana we acquired from CONDEA Vista Company ("CONDEA Vista" is now Sasol North America, Inc.) on November 12, 1999. Groundwater contamination was first identified in 1981 and substantial investigation of the groundwater at the site has been conducted. Groundwater remediation through the installation of groundwater recovery wells began in 1984. The site currently contains an extensive network of monitoring wells and recovery wells. Investigation to determine the full extent of the contamination is ongoing. It is possible that offsite groundwater recovery will be required, in addition to groundwater monitoring. Soil remediation could also be required.

Investigations are currently underway by federal environmental authorities concerning contamination of an estuary near the Lake Charles VCM facility, known as the Calcasieu Estuary. It is likely that this estuary will be listed as a Superfund site and will be the subject of a natural resource damage recovery claim. It is estimated that there are about 200 potentially responsible parties ("PRPs") associated with the estuary contamination. CONDEA Vista is included among these parties with respect to its Lake Charles facilities, including the VCM facility we acquired. The estimated cost for investigation and remediation of the estuary is unknown and could be significant. Also, Superfund statutes may impose joint and several liabilities for the cost of investigations and remedial actions on any company that generated the waste, arranged for disposal of the waste, transported the waste to the disposal site, selected the disposal site, or presently or formerly owned, leased or operated the disposal site or a site otherwise contaminated by hazardous substances. Any or all of the responsible parties may be required to bear all of the costs of cleanup regardless of fault, legality of the original disposal or ownership of the disposal site. Currently, we discharge our wastewater to CONDEA Vista, which has a permit to discharge treated wastewater into the estuary.

CONDEA Vista has agreed to be responsible for substantially all environmental liabilities and remediation activity relating to the vinyls business we acquired from it, including the Lake Charles VCM facility. For all matters of environmental contamination that were known at the time of acquisition (November 1999), we may make a claim for indemnification at any time. For environmental matters that were then unknown, we must generally have made such claims for indemnification before November 12, 2009.

At our Lake Charles VCM facility, CONDEA Vista continued to conduct the ongoing remediation at its expense until November 12, 2009. We are now responsible for remediation costs up to about $150,000 per year, as well as costs in any year in excess of this annual amount up to an aggregate one-time amount of about $2.3 million. As part of our ongoing assessment of our environmental contingencies, we determined these remediation costs to be probable and estimable and therefore have a $1.4 million accrual remaining in non-current liabilities at September 30, 2010.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

As for employee and independent contractor exposure claims, CONDEA Vista is responsible for exposures before November 12, 2009, and we are responsible for exposures after November 12, 2009, on a pro rata basis determined by years of employment or service before and after November 12, 1999, by any claimant.

In May 2008, our management was informed that further efforts to remediate a spill of styrene reducer at our Royal Mouldings facility in Atkins, Virginia would be necessary. The spill was the result of a supply line rupture from an external holding tank. As a result of this spill, the facility entered into a voluntary remediation agreement with the Virginia Department of Environmental Quality ("VDEQ") in August 2003 and began implementing the terms of the voluntary agreement shortly thereafter. In August 2007, the facility submitted a report on the progress of the remediation to the VDEQ. Subsequently, the VDEQ responded by indicating that continued remediation of the area impacted by the spill is required. While the additional remediation costs may exceed $100,000, we do not expect such costs will have a material effect on our financial position, results of operations or cash flows.

We believe that we are in material compliance with all current environmental laws and regulations. We estimate that any expenses incurred in maintaining compliance with these requirements will not materially affect earnings or cause us to materially exceed our level of anticipated capital expenditures. However, there can be no assurance that regulatory requirements will not change, and it is not possible to accurately predict the aggregate cost of compliance resulting from any such changes.

11. EARNINGS PER SHARE

We calculate earnings per share in accordance with ASC subtopic 260-10, *Earnings per Share,* using the two-class method. The two-class method requires that share-based awards with non-forfeitable dividends be classified as participating securities. In calculating basic earnings per share, this method requires net income to be reduced by the amount of dividends declared in the current period for each participating security and by the contractual amount of dividends or other participation payments that are paid or accumulated for the current period. Undistributed earnings for the period are allocated to participating securities based on the contractual participation rights of the security to share in those current earnings assuming all earnings for the period are distributed. Recipients of restricted stock awards have contractual participation rights that are equivalent to those of common stockholders. Therefore, we allocate undistributed earnings to restricted stock units and common stockholders based on their respective ownership percentage as of the end of the period.

Diluted earnings per share includes the additional share equivalents from the assumed conversion of stock options calculated using the treasury stock method, subject to the anti-dilution provisions of ASC subtopic 260-10.

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. EARNINGS PER SHARE (Continued)

The following table presents the computation of earnings per share:

Basic and Diluted Earnings Per Share Two-class Method

In thousands, except per share data	Three months ended September 30, 2010	Three months ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
Basic earnings per share				
Undistributed income	**$ 24,958**	$ 204,656	**$ 27,617**	$ 255,803
Restricted stock ownership interest in undistributed income	**3%**	7%	**3%**	6%
Restricted stock interest in undistributed income	**$ 699**	$ 13,435	**$ 876**	$ 15,193
Weighted average restricted shares Basic	**977**	1,641	**1,107**	555
Total restricted stockholders' basic earnings per share	**$ 0.72**	$ 8.19	**$ 0.79**	$ 27.38
Undistributed income	**$ 24,958**	$ 204,656	**$ 27,617**	$ 255,803
Common stock ownership interest in undistributed income	**97%**	93%	**97%**	94%
Common stockholders' interest in undistributed income	**$ 24,259**	$ 191,221	**$ 26,741**	$ 240,610
Weighted average common shares Basic	**33,894**	23,355	**33,779**	8,788
Total common stockholders' basic earnings per share	**$ 0.72**	$ 8.19	**$ 0.79**	$ 27.38
Diluted earnings per share				
Undistributed income	**$ 24,958**	$ 204,656	**$ 27,617**	$ 255,803
Deduct: Undistributed earnings Restricted stock	**699**	13,435	**876**	15,193
Common stockholders' interest in undistributed income used in diluted earnings per share	**$ 24,259**	$ 191,221	**$ 26,741**	$ 240,610
Weighted average common shares Basic	**33,894**	23,355	**33,779**	8,788
Stock options		10		6
Weighted average common shares Diluted	**33,894**	23,365	**33,779**	8,794
Total diluted earnings per share	**$ 0.72**	$ 8.18	**$ 0.79**	$ 27.36

On July 28, 2009 we affected a 1-for-25 reverse stock split of our common stock. This reverse stock split has been reflected in share data and earnings per share data contained herein for all periods presented. On July 29, 2009, in connection with the exchange offers we issued 1.3 million common shares and 30.2 million convertible preferred shares to our bond holders that tendered their notes. These newly issued common shares are included in the above three and nine months ended September 30, 2009 earnings per share on a weighted average basis from the date of issuance. On September 17, 2009, the preferred shares were converted to common shares on a one for one basis. These newly issued shares of preferred stock that converted to common shares are eligible to participate in any dividends that we issue and thus were treated as common share equivalents from the period issued until the date they formally converted to common shares in the calculations above. Common stock outstanding prior to the exchange offers, retroactively adjusted for the stock split, was approximately 1.4 million shares. As a result of the common stock issued and preferred stock issued and converted, in connection with the exchange offers, 32.9 million shares of common stock were

GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. EARNINGS PER SHARE (Continued)

outstanding at September 30, 2009. Since the newly issued common shares and preferred stock that converted to common shares were issued in July 2009, they are only included in the number of common shares outstanding for August and September 2009, resulting in a weighted average of 23.4 million common shares outstanding for the three months ended September 30, 2009. On September 17, 2009, the convertible preferred shares were converted to common shares.

In computing diluted loss per share for the three months ended September 30, 2010 and for the nine months ended September 30, 2010, options to purchase common stock totaling 0.2 million shares and 0.2 million shares, respectively, were not included as a result of their anti-dilutive effect. For the three months ended September 30, 2009 and for the nine months ended September 30, 2009, options to purchase common stock totaling 0.1 million shares and 0.2 million shares, respectively, were not included in the computation of diluted earnings per share as a result of their anti-dilutive effect.

12. EMPLOYEE RETIREMENT PLANS

The following table provides the components of the net periodic benefit (income) for all of our pension plans:

	Three months ended September 30,		Nine months ended September 30,	
In thousands	**2010**	**2009**	**2010**	**2009**
Components of net periodic benefit (income) cost:				
Service cost	**$**	$ (30)	**$**	$ 1,243
Interest cost	**1,882**	2,036	**5,809**	5,858
Expected return on assets	**(2,463)**	(1,900)	**(7,388)**	(6,123)
Amortization of:				
Prior service credit	**3**		**3**	(129)
Curtailment gain		(1,566)		(5,868)
Actuarial loss	**187**	337	**595**	1,263
Total net periodic benefit (income)	**$ (391)**	$ (1,123)	**$ (981)**	$ (3,756)

Our major assumptions used to determine the net periodic benefit (income) for our U.S. pension plans are presented as follows:

	Nine months ended September 30,	
	2010	**2009**
Discount rate	**6.00%**	6.50/6.75%(1)
Expected return on assets	**8.75%**	8.75%
Rate of compensation increase	**N/A(3)**	4.51%/NA(2)

(1) Fiscal 2009 retirement plan pension cost was based on costs as of the following two measurement dates, January 1 and March 31, 2009, due to the mid-year plan freeze.

(2)

Due to the mid-year plan freeze, the rate of compensation increase was no longer applicable as of the March 31, 2009 remeasurement date.

GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT PLANS (Continued)

(3) Due to the pension plans being frozen (see below), the rate of compensation increase is no longer applicable.

In connection with the closure of our Sarnia, Ontario PVC resin manufacturing facility in December 2008, we decided to wind up the Canadian Pension and Other Post-retirement Benefits Plans. For the Canadian Pension Plan, curtailment gains of $1.6 million were recognized as of September 30, 2009 when the remaining employees were released and the plant decommissioning was complete. We will recognize ongoing benefit costs for the Canadian Pension Plan until the wind up deficit is fully funded over the period through 2014. All future benefit obligations in the Canadian Other Post-retirement Benefits Plan were fully settled as of September 30, 2009. We recognized benefit income for this plan of $2.6 million for the nine months ended September 30, 2009, which included a curtailment gain of $0.9 million and a settlement gain of $1.7 million as of September 30, 2009.

In February 2009, upon approval by the Board of Directors, we announced to our U.S. employees that we were freezing the benefits for the Georgia Gulf Corporation Retirement Plan (the "Plan") as of March 31, 2009. No future benefits accrued under the Plan after March 31, 2009. As a result, we recognized a curtailment gain of $4.3 million during the nine months ended September 30, 2009 due to accelerated recognition of prior service credits. In addition, as a result of freezing the Plan on March 31, 2009, we changed the amortization method for gains and losses from the average expected future service period for active Plan participants to the average expected future lifetime for all Plan participants. This change in amortization method is reflected in net periodic benefit costs after March 31, 2009 including the three and nine months ended September 30, 2010 and 2009.

For the three and nine months ended September 30, 2010, we made no contributions to the U.S. pension plan trust and we made contributions of $nil and $0.5 million, respectively to the Canadian pension plan trust. We made contributions in the form of direct benefit payments for the U.S. pension plans in the three months and nine months ended September 30, 2010 of approximately $nil and $0.4 million, respectively.

13. STOCK-BASED COMPENSATION

On September 17, 2009, our stockholders approved the 2009 Equity and Performance Incentive Plan (the "2009 Plan"). The 2009 Plan provides for the issuance of up to 3,033,000 (post the 1-for-25 reverse split) shares of our common stock. On July 27, 2009, the 2009 Plan was adopted in connection with the completion of our exchange offers described in Note 9. Additionally, on July 27, 2009 restricted share units for 2,274,745 shares in the aggregate were granted under the 2009 Plan.

Under the 1998, 2002, and 2009 Equity and Performance Incentive Plans, we have been authorized by our stockholders to grant various awards for up to 3,313,000 shares of our common stock to employees and non-employee directors. As of September 30, 2010, we had entered into various types of share-based payment arrangements with our employees and non-employee directors, including restricted and deferred stock units, and employee stock options.

Stock Options. During the nine months ended September 30, 2010 we granted no options to purchase shares. We granted options to 52,108 shares to employees and non-employee directors during the first nine months of 2009. Option prices are equal to the closing price of our common stock on the date of grant. Options vest over a one or three-year period from the date of grant and expire no more than ten years after the date of grant.

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. STOCK-BASED COMPENSATION (Continued)

A summary of stock option activity under all plans for the nine months ended September 30, 2010 is as follows:

	Nine months ended September 30, 2010			
	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Terms (Years)	Aggregate Intrinsic Value (In thousands)
Outstanding on January 1, 2010	**159,114**	**$ 348.52**		
Granted				
Exercised				
Expired	**(60)**	**682.81**		
Forfeited	**(3,241)**	**735.27**		
Outstanding on September 30, 2010	**155,813**	**340.34**	**6.2**	**$ 11**
Vested or expected to vest at September 30, 2010	**155,451**	**341.02**	**6.2**	**10**
Exercisable on September 30, 2010	**109,960**	**460.02**	**5.4**	**4**
Shares available on September 30, 2010 for options that may be granted	**614,182**			

Stock-based Compensation Related to Stock Options. The fair value of stock options granted has been estimated as of the date of grant using the Black-Scholes option-pricing model. The use of a valuation model requires us to make certain assumptions with respect to selected model inputs. We use the historical volatility for our stock, as we believe that historical volatility is more representative than implied volatility. The expected life of the awards is based on historical and other economic data trended into the future. The risk-free interest rate assumption is based on observed interest rates appropriate for the terms of our awards. The dividend yield assumption is based on our history and expectation of dividend payouts. The use of a different model or different assumptions may result in a materially different valuation. There were no options granted during the nine months ended September 30, 2010. The weighted average fair value derived from the Black-Scholes model and the related weighted-average assumptions used in the model for the nine months ended September 30, 2009 are as follows:

	Stock Option Grants Nine months ended September 30, 2009
Grant date fair value	$16.77
Assumptions:	
Risk-free interest rate	2.13%
Expected life	6.0 years
Expected volatility	101%
Expected dividend yield	%

Compensation expense, net of tax, for the nine months ended September 30, 2010 and 2009 due to stock options was approximately $0.3 million and $0.8 million, respectively.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. STOCK-BASED COMPENSATION (Continued)

Restricted and Deferred Stock. During the nine months ended September 30, 2010 and 2009, we granted 154,048 and 2,274,745 restricted stock units, and shares of restricted stock and deferred stock units, respectively, to our key employees and non-employee directors. The restricted stock units granted in 2009 under the 2009 Plan vest 50 percent over a three-year period with the other 50 percent having vested based on the achievement of certain specific performance metrics in the fourth quarter 2009. The restricted stock units and shares of restricted stock granted other than under the 2009 Plan generally vest over a three-year period. The weighted average grant date fair value per share of restricted stock and deferred stock unit granted during the nine months ended September 30, 2010 and 2009 was $16.37 and $8.75, respectively, which grant date fair values are equal to the stock price as of the date of grant. Compensation expense, net of tax, for the nine months ended September 30, 2010 and 2009 from restricted stock units, restricted stock and deferred stock units was $1.2 million and $5.8 million, respectively. The compensation expense, net of tax, from the 2009 Plan grants on July 27, 2009 was $5.4 million and is included in the $5.8 million above. A summary of restricted stock and deferred stock units and related changes therein during the nine months ended September 30, 2010 is as follows:

	Nine months ended September 30, 2010			
	Shares	**Weighted Average Remaining Contractual Terms (Years)**	**Weighted Average Grant Date Fair Value**	**Aggregate Intrinsic Value**
				(In thousands)
Outstanding on January 1, 2010	**1,133,426**		**$ 10.82**	
Granted	**154,048**		**16.37**	
Vested	**(372,578)**		**13.21**	
Forfeited	**(5,524)**		**16.35**	
Outstanding on September 30, 2010	**909,372**	**2.16**	**10.75**	**$ 14,859**
Vested or expected to vest at September 30, 2010	**888,091**	**2.16**	**10.76**	**$ 14,511**

As of September 30, 2010 and 2009, we had approximately $5.8 million and $13.8 million of total unrecognized compensation cost related to nonvested share-based compensation, which we will record in our statements of operations over a weighted average recognition period of approximately two years. The unrecognized compensation cost from the 2009 Plan grants on July 27, 2009 was approximately $11.6 million as of September 30, 2009. The total fair value of shares vested during the nine months ended September 30, 2010 and 2009 was $7.0 million and $6.4 million, respectively. For additional information about our share-based payment awards, refer to Note 12 of the Notes to Consolidated Financial Statements in Amendment No. 2 to our 2009 Annual Report on Form 10-K/A.

GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. COMPREHENSIVE INCOME INFORMATION

Our comprehensive income includes foreign currency translation of assets and liabilities of foreign subsidiaries, effects of exchange rate changes on intercompany balances of a long-term nature, unrealized gains and losses on derivative financial instruments designated as cash flow hedges, and adjustments to pension liabilities as required by ASC subtopic 715-30, *Compensation Retirement Benefits Defined Benefit Plans Pensions*. The components of accumulated other comprehensive loss and total comprehensive income are shown as follows:

Accumulated other comprehensive loss net of tax

In thousands	September 30, 2010	December 31, 2009
Unrealized (loss) gain on derivative contracts	**$ (272)**	$ 160
Pension liability adjustment including effect of ASC topic 715	**(22,991)**	(23,377)
Currency translation adjustment	**21,463**	18,903
Total accumulated other comprehensive loss	**$ (1,800)**	$ (4,314)

The components of total comprehensive income are as follows:

Total comprehensive income

	Three months ended September 30,		Nine months ended September 30,	
In thousands	2010	2009	2010	2009
Net income	**$ 24,958**	$ 204,656	**$ 27,617**	$ 255,803
Unrealized (loss) gain on derivative contracts	**(787)**	730	**(432)**	1,359
Pension liability adjustment including effect of ASC topic 715	**133**	(3,762)	**386**	(3,048)
Currency translation adjustment	**4,234**	8,962	**2,560**	14,654
Total comprehensive income	**$ 28,538**	$ 210,586	**$ 30,131**	$ 268,768

15. INCOME TAXES

Our effective income tax rates for the three and nine months ended September 30, 2010 were 30.7 percent and 0.4 percent, respectively, as compared to 49.9 percent and 40.7 percent, as reported for the three and nine months ended September 30, 2009, respectively. The difference in the rate as compared to the U.S. statutory federal income tax rate in 2010 was primarily due to a benefit from the resolution of certain uncertain tax positions in Canada and the lapsing of the statute of limitations on certain other uncertain tax positions in Canada and the release of a valuation allowance against certain deferred tax assets in Canada. The difference in the rate as compared to the U.S. statutory federal income tax rate in 2009 was primarily due to federal and state income tax credits including credits earned from the timely repayment of the Mississippi Industrial Development Bond described below, and the valuation allowance in Canada. In 1994, we entered into an Industrial Revenue Bond agreement with the state of Mississippi. The terms of the bond provided that repayment of the bond principal and interest would create state income tax credits. The bond was fully repaid in May 2009 resulting in significant state income tax credits being generated in 2009. These credits do not expire.

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, long-term debt, and natural gas swap contracts. The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate their fair value because of the nature of such instruments. The fair values of our 9.0 percent senior secured notes and our natural gas forward purchase contracts are based on quoted market prices.

The FASB ASC 820-10, *Fair Value Measurements and Disclosures,* establishes a fair value hierarchy that prioritizes observable and unobservable inputs to valuation techniques used to measure fair value. These levels, in order of highest to lowest priority are described below:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.

Level 2 Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3 Prices that are unobservable for the asset or liability and are developed based on the best information available in the circumstances, which might include the company's own data.

The following is a summary of the carrying values and estimated fair values of our fixed-rate long-term debt and natural gas forward purchase contracts as of September 30, 2010 and December 31, 2009:

In thousands	September 30, 2010 Carrying Amount	September 30, 2010 Fair Value	December 31, 2009 Carrying Amount	December 31, 2009 Fair Value
Level 1				
Long-term debt:				
9.0% senior secured notes due 2017	**$ 496,995**	**$ 523,125**	$ 496,739	$ 506,250
10.75% senior subordinated notes due 2016			41,360	38,591
7.125% senior notes due 2013			8,965	8,293
9.5% senior notes due 2014			13,151	12,157
Level 2				
Long-term debt:				
10.75% senior subordinated notes due 2016	**41,398**	**42,513**		
7.125% senior notes due 2013	**8,965**	**8,830**		
9.5% senior notes due 2014	**13,159**	**13,229**		
ABL revolver expires 2013	**47,200**	**47,200**	56,462	56,462
Derivative instruments:				
Natural gas forward purchase contracts liability (asset)	**436**	**436**	(257)	(257)

17. SEGMENT INFORMATION

At December 31, 2009, we reported four reportable segments: (i) chlorovinyls; (ii) window and door profiles and mouldings products; (iii) outdoor building products; and (iv) aromatics. These four segments reflected the organization used by our management for purposes of allocating resources and assessing performance. Throughout 2009, we undertook various management changes, cost reductions and restructuring strategies to improve the operating results of our building products businesses. This

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. SEGMENT INFORMATION (Continued)

resulted in realigning and consolidating the previous window and door profiles and mouldings products segment and the previous outdoor building products segment in one segment, the building products segment. The building products segment is now overseen by one business manager and under one operating structure and further meets the aggregation criteria of ASC topic 280, *Segment Reporting.*

Accordingly, beginning January 1, 2010, we report the following three reportable segments: (i) chlorovinyls; (ii) aromatics; and (iii) building products. The information for the three and nine months ended September 30, 2009 has been adjusted to be presented on a comparable basis. The chlorovinyls segment is a highly integrated chain of products, which includes chlorine, caustic soda, vinyl chloride monomers and vinyl resins and compounds. The aromatics segment is also integrated and includes cumene and the co-products phenol and acetone. Our vinyl-based building and home improvement products, including window and door profiles, mouldings, siding, pipe and pipe fittings and deck, fence and rail products are marketed under the Royal Group brand names, and are managed within the building products segment.

Earnings of our segments exclude interest income and expense, unallocated corporate expenses and general plant services, provision for income taxes and, in the 2009 periods, the costs of our receivables securitization program. Transactions between operating segments are valued at market-based prices. The revenues generated by these transfers are provided in the following table.

The accounting polices of the reportable segments are the same as those described in Note 1 of the Notes to Consolidated Financial Statements in our 2009 Annual Report on Form 10-K/A.

In thousands	Chlorovinyls	Aromatics	Building Products	Eliminations, Unallocated and Other	Total
Three months ended September 30, 2010:					
Net sales	**$ 316,749**	**$ 218,386**	**$ 222,907**	**$**	**$ 758,042**
Intersegment revenues	**63,715**		**141**	**(63,856)**	
Restructuring costs	**141**		**(5)**		**136**
Operating income (loss)	**46,137**	**12,072**	**5,567**	**(10,550)**	**53,226**
Depreciation and amortization	**15,012**	**337**	**8,783**	**1,279**	**25,411**
Three months ended September 30, 2009:					
Net sales	$ 229,133	$ 100,521	$ 226,688	$	$ 556,342
Intersegment revenues	59,114			(59,114)	
Long-lived asset impairment charges	(277)		4,444		4,167
Restructuring costs	(3,538)		(2,390)		(5,928)
Operating income (loss)	30,573	9,347	16,658	(17,982)	38,596
Depreciation and amortization	14,861	1,084	9,897	3,853	29,695

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. SEGMENT INFORMATION (Continued)

In thousands	Chlorovinyls	Aromatics	Building Products	Eliminations, Unallocated and Other	Total
Nine months ended September 30, 2010:					
Net sales	**$ 905,271**	**$ 600,720**	**$ 619,207**	**$**	**$ 2,125,198**
Intersegment revenues	**199,972**		**141**	**(200,113)**	
Restructuring costs	**(322)**		**593**		**271**
Operating income (loss)	**73,681**	**13,935**	**20,632**	**(27,602)**	**80,646**
Depreciation and amortization	**44,715**	**1,067**	**25,963**	**3,776**	**75,521**
Nine months ended September 30, 2009:					
Net sales	$ 702,915	$ 227,979	$ 557,122	$	$ 1,488,016
Intersegment revenues	153,534			(153,534)	
Long-lived asset impairment charges	201		20,156		20,357
Restructuring costs	(63)		3,522	2,468	5,927
Loss on sale of assets, net			62		62
Operating income (loss)	75,466	17,709	(25,224)	(49,929)	18,022
Depreciation and amortization	45,532	3,343	29,102	11,170	89,147

Chlorovinyls previously reported intersegment revenues for the three months and nine months ended September 2009 of $69,616 and $180,795, respectively. These amounts included revenues to units within the chlorovinyls segment which have been corrected in the table above. Those intrasegment revenues have been eliminated in the restated amounts above.

18. SUPPLEMENTAL GUARANTOR INFORMATION

Our payment obligations under the indenture for our 9.0 percent senior secured notes are guaranteed by Georgia Gulf Lake Charles, LLC, Georgia Gulf Chemicals & Vinyls, LLC, Royal Mouldings Limited, Royal Plastics Group (USA) Limited, Rome Delaware Corporation, Plastic Trends, Inc., Royal Group Sales (USA) Limited, Royal Outdoor Products, Inc., Royal Window and Door Profiles Plant 13 Inc., and Royal Window and Door Profiles Plant 14 Inc. all of which are wholly owned subsidiaries (the "Guarantor Subsidiaries") of Georgia Gulf Corporation. The guarantees are full, unconditional and joint and several. Georgia Gulf is in essence a holding company for its wholly and majority owned subsidiaries. Investments in subsidiaries in the following tables reflect investments in wholly owned entities of Georgia Gulf Corporation. Investment in wholly owned subsidiaries with a stockholders' deficit have historically been erroneously presented in the investment in subsidiary line item and are now presented on the other non-current liabilities line item in the following tables. Historical information in the following tables have been restated to conform to this current presentation.

The following condensed consolidating balance sheet information, statements of operations information and statements of cash flows information present the combined financial statements of the parent company, and the combined financial statements of our Guarantor Subsidiaries and our remaining subsidiaries (the "Non-Guarantor Subsidiaries").

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GEORGIA GULF CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. SUPPLEMENTAL GUARANTOR INFORMATION (Continued)

Georgia Gulf Corporation and Subsidiaries

Supplemental Condensed Consolidating Balance Sheet Information

September 30, 2010

(Unaudited)

(In thousands)	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash and cash equivalents	$	$ 24,896	$ 13,754	$	$ 38,650
Receivables, net		570,549	108,696	(349,164)	330,081
Inventories		194,882	97,546		292,428
Prepaid expenses	36	20,140	4,984		25,160
Income tax receivables		24,226	313		24,539
Deferred income taxes		28,645			28,645
Total current assets	36	863,338	225,293	(349,164)	739,503
Property, plant and equipment, net	174	419,646	232,541		652,361
Long-term receivables affiliates	442,189			(442,189)	
Goodwill		97,572	108,309		205,881
Intangibles, net		12,125	2,388		14,513
Deferred income taxes			1,556		1,556
Other assets, net	19,346	62,550	10,317		92,213
Non-current assets held-for-sale		14,150			14,150
Investment in subsidiaries	1,036,016			(1,036,016)	
Total assets	$ 1,497,761	$ 1,469,381	$ 580,404	$ (1,827,369)	$ 1,720,177
Current portion of long-term debt	$ 35,200	$	$ 12,000	$	$ 47,200
Accounts payable	322,769	133,848	56,134	(349,164)	163,587
Interest payable	13,571		60		13,631
Income taxes payable		3,200	1,204		4,404
Accrued compensation	952	22,020	8,006		30,978
Liability for unrecognized income tax benefits and other tax reserves		2,909	5,656		8,565
Other accrued liabilities	419	25,285	27,374		53,078

Total current liabilities		**372,911**		**187,262**		**110,434**		**(349,164)**	**321,443**
Long-term debt		**576,409**		**9**		**108,584**			**685,002**
Long-term payables affiliates						**442,189**		**(442,189)**	
Liability for unrecognized income tax benefits				**8,354**		**32,094**			**40,448**
Deferred income taxes		**13,429**		**198,544**					**211,973**
Other non-current liabilities		**107,935**		**39,199**		**1,823**		**(114,723)**	**34,234**
Total liabilities		**1,070,684**		**433,368**		**695,124**		**(906,076)**	**1,293,100**
Total stockholders' equity (deficit)		**427,077**		**1,036,013**		**(114,720)**		**(921,293)**	**427,077**
Total liabilities and stockholders' equity	**$**	**1,497,761**	**$**	**1,469,381**	**$**	**580,404**	**$**	**(1,827,369) $**	**1,720,177**