

**GEORGIA GULF CORPORATION  
FOURTH QUARTER EARNINGS  
SUPPLEMENTAL INFORMATION**

Thursday, February 2, 2006

Private Securities Litigation Reform Act of 1995

This supplemental information contains statements concerning trends and other forward-looking information affecting or relating to the Company and its industry that are intended to qualify for the protections afforded “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from such statements due to a variety of factors including, but not limited to: (1) changes in demand for the Company’s products or increases in overall industry capacity that could affect production volumes and/or pricing; (2) changes and/or cyclicalities in the industries to which the Company’s products are sold; (3) availability and pricing of raw materials; (4) difficulty in plant operations and product transportation; and (5) other factors discussed in the Company’s annual report on Form 10-K for the year ended December 31, 2004 and in its other periodic filings with the Securities and Exchange Commission.

NOTE: Industry data is based on published estimates, which are subject to change.

**CHLOROVINYLS PRODUCTS**

**CAUSTIC SODA**

The caustic/chlorine industry average operating rate increased during the fourth quarter compared to the third quarter as plants resumed full production following downtime resulting from Hurricane Rita. The industry announced contract price increases of \$75 per ton followed by another price increase announcement of \$60 per ton, although the \$60 was ultimately rescinded before the end of the quarter. The industry attained most of the \$75 per ton announced price increase. The industry average spot price increased in the fourth quarter compared to the third quarter as spot prices spiked above contract prices during the beginning of the quarter due to hurricane outages. Spot prices fell below contract prices later in the quarter, particularly in December.

A \$20 per ton change in caustic soda price affects earnings per share by about \$.05 on a quarterly basis operating at full capacity (125,000 tons quarterly capacity).

		Quarterly Average		
		Q4 05	Q3 05	Q4 04
Operating Rate	Industry <sup>†</sup>	~87%	~84%	~99%
Industry price per ton	Contract	~\$390-\$405	~\$340-\$355	~\$240-\$255
	Spot	~\$465	~\$325	\$310
Georgia Gulf Sales	% Sold	~93%	~93%	~95%

<sup>†</sup>Based on Chlorine Institute effective capacity

## VINYL RESINS

The industry average vinyl resins operating rate was about flat in the fourth quarter compared to the third quarter as plants returned to production to meet demand following outages from Hurricane Rita. The fourth quarter industry average contract price increased about \$.13 per pound compared to the third quarter industry average contract price. During the quarter, prices increased \$.12 per pound in October, remained flat in November and decreased \$.02 per pound in December. Industry export prices were harder to determine as sales were minimal due to lack of product to export.

A \$.01 per pound change in vinyl resins affects earnings per share by about \$.10 on a quarterly basis of outside sales (525 million pounds quarterly at capacity).

		Quarterly Average		
<b>Vinyl Resins</b>		Q4 05	Q3 05	Q4 04
Operating Rate	Industry <sup>1</sup>	~88%	~88% <sup>4</sup>	~96% <sup>4</sup>
Industry Price per pound <sup>2</sup>	General Purpose	~\$.70-\$.75	~\$.57-\$.62	~\$.54-\$.59
	Pipe	~\$.66-\$.71	~\$.53-\$.58	~\$.50-\$.55
	Offshore Exports <sup>3</sup>	~\$.33-\$.37	~\$.33-\$.37	~\$.39-\$.41
Georgia Gulf Sales	% Sold	79%	83%	82%

<sup>1</sup>Excludes idled facilities <sup>2</sup>Delivered price before discounts <sup>3</sup>USGC <sup>4</sup>Revised from previous supplemental

## CHLOROVINYLS RAW MATERIALS

### CHLORINE

Industry chlorine contract prices increased about \$25 per ton in the fourth quarter compared to the third quarter. Operating rates also increased as production resumed following downtime due to Hurricane Rita.

Georgia Gulf's chlorine production is consumed internally to produce VCM. In addition, Georgia Gulf purchases 500 thousand tons annually at capacity. A \$20 per ton change in price affects earnings per share by about \$.05 per quarter operating at capacity (125 thousand tons purchased quarterly at capacity).

		Quarterly Average		
		Q4 05	Q3 05	Q4 04
Operating Rate	Industry <sup>1</sup>	~87%	~84%	~99%
Industry Price per ton	Contract	~\$380-\$395	~\$355-\$370	~\$315-\$330
	Spot	~\$310-\$350	~\$310-\$350 <sup>1</sup>	~\$355-\$370
Georgia Gulf Usage	% purchased	44%	39%	56%

<sup>1</sup>Based on Chlorine Institute effective capacity

## **ETHYLENE**

The fourth quarter industry average contract ethylene price increased approximately \$.15 per pound compared to the third quarter industry average contract price. The industry average spot ethylene price increased roughly \$.23 per pound compared to the third quarter industry average price. Industry operating rates increased slightly as production slowly resumed following significant downtime by several producers as a result of Hurricane Rita.

A \$.01 per pound change in the price of ethylene affects earnings per share by about \$.07 per quarter at capacity (370 million pounds purchased quarterly at capacity).

		Quarterly Average		
		Q4 05	Q3 05	Q4 04
Operating Rate	Industry	~81%	~79% <sup>1</sup>	~93%
Industry Price per pound	Contract	~\$.56-\$.57	~\$.41-\$.42	~\$.39-\$.40
	Spot	~\$.61-\$.65	~\$.38-\$.42	~\$.39-\$.43
Georgia Gulf Usage	% Purchased	100%	100%	100%

<sup>1</sup>Revised from previous supplemental

## **NATURAL GAS**

Natural gas costs increased in the fourth quarter of this year compared to the third quarter of 2005 by about \$4.48 per MMBTU and increased by about \$5.86 per MMBTU compared to the fourth quarter of 2004.

Our single largest consumption of natural gas is to produce electricity as a feedstock to the caustic/chlorine plant at Plaquemine, Louisiana. The 250-megawatt co-generation facility also supplies all of the electricity and steam required by that location. A \$1.00 per MMBTU change in the price of natural gas affects earnings per share by about \$.15 per quarter at capacity (8 million MMBTU's purchased quarterly at capacity).

		Quarterly Average		
		Q4 05	Q3 05	Q4 04
U.S. Working Gas in storage at quarter end	Trillion cubic feet	2.6	2.9	2.7
	% Full	80%	89%	81%
NYMEX settlement price	Price per MMBTU	\$12.97	\$8.49	\$7.11
Georgia Gulf Usage	% Purchased	100%	100%	100%

## AROMATIC PRODUCTS

### CUMENE

The industry average cumene formula contract price increased approximately \$.02 per pound in the fourth quarter compared to the third quarter as cumene contract prices spiked up earlier in the quarter in conjunction with crude oil and benzene prices.

		Quarterly Average		
		Q4 05	Q3 05	Q4 04
Operating Rate	Industry	~74%	~80% <sup>1</sup>	~89%
Industry price per pound	Contract	~\$.44-\$.45	~\$.42-\$.43	~\$.50-\$.51
Georgia Gulf Sales	% Sold	48%	69%	54%

<sup>1</sup>Revised from previous supplemental

### PHENOL

Fourth quarter phenol industry average contract prices decreased about \$.03 per pound compared to the third quarter due to softened demand in polycarbonates and unattractive export opportunities. Industry operating rates were about flat with the third quarter of 2005.

A \$.01 per pound change in the price of phenol affects earnings per share by about \$.02 per quarter at capacity (125 million pounds quarterly phenol capacity which excludes 40 million pounds per quarter of our idled Pasadena plant).

		Quarterly Average		
		Q4 05	Q3 05	Q4 04
Operating Rate	Industry	~78%	~79% <sup>1</sup>	~96%
Industry price per pound	Contract	~\$.63-\$.65	~\$.66-\$.68	~\$.75-\$.77
Georgia Gulf Sales	% Sold	100%	100%	100%

<sup>1</sup>Revised from previous supplemental

## ACETONE

The fourth quarter industry average contract acetone price increased approximately \$.055 per pound compared to the third quarter as a result of tight supply due to lower phenol production. Fourth quarter industry operating rates were about flat compared to the third quarter.

A \$.01 per pound change in the price of acetone affects earnings per share by about \$.015 per quarter at capacity (77 million pounds quarterly acetone capacity which excludes 25 million pounds per quarter of our idled Pasadena plant).

		Quarterly Average		
		Q4 05	Q3 05	Q4 04
Operating Rate	Industry	~78%	~79% <sup>1</sup>	~96%
Industry price per pound	Contract Barge	~\$.385	~\$.33	~\$.42
Georgia Gulf Sales	% Sold	100%	100%	100%

<sup>1</sup>Revised from previous supplemental

## AROMATIC RAW MATERIALS

### BENZENE

Fourth quarter industry average benzene prices decreased about \$.29 per gallon compared to the third quarter as demand for aromatics products slowed and benzene inventories increased.

A change of \$.10 per gallon in the price of benzene affects earnings per share by about \$.06 per quarter at capacity (33 million gallons purchased quarterly at capacity).

		Quarterly Average		
		Q4 05	Q3 05	Q4 04
Operating Rate	Industry	~65%	~62% <sup>1</sup>	~82%
Industry price	Benzene/ gallon	~2.54	~\$2.83	~\$3.59
Georgia Gulf Usage	% Purchased	100%	100%	100%

<sup>1</sup>Revised from previous supplemental

## **PROPYLENE**

The industry average refinery grade propylene contract price increased \$.13 per pound compared to the third quarter as supply tightened during the earlier part of the fourth quarter as a result of the downtime due to the hurricanes. Prices declined throughout the remainder of the quarter as supply and demand came back into balance.

A change of \$.01 per pound in the price of propylene impacts earnings per share by about \$.02 per quarter at capacity (135 million pounds purchased quarterly at capacity).

		Quarterly Average		
		Q4 05	Q3 05	Q4 04
Operating Rate	Industry	~72%	~71% <sup>1</sup>	~77%
Industry price per pound	Contract	~\$.46-\$.47	~\$.33-\$.34	~\$.35-\$.36
Georgia Gulf Usage	% Purchased	100%	100%	100%

<sup>1</sup>Revised from previous supplemental

## **FIFO Impact**

Georgia Gulf uses the first-in, first-out (“FIFO”) cost assumption for valuing inventory. Using FIFO results in a portion of the cost of the prior period’s feedstock purchases being reflected in the income statement in the current quarter. The FIFO impact for the current quarter, prior quarter and the fourth quarter of 2004 is shown below:

	<u>Q4 05</u>	<u>Q3 05</u>	<u>Q4 04</u>
FIFO Impact ( <i>in millions</i> )	\$2.1	\$20.6	\$6.2

The FIFO impact is calculated by comparing the end-of-quarter cost of inventory with the beginning-of-quarter cost of inventory for finished goods times the quantity on hand at the end of the quarter.

The traditionally used term “FIFO adjustment” is somewhat of a misnomer. This calculation is not an adjustment to earnings, but rather an estimate of what is already imbedded in earnings as a result of assuming a FIFO cost flow. It should more properly be called the “FIFO impact.”

We are providing the FIFO impact because we recognize if an outside party is analyzing the financial results of Georgia Gulf, he or she would likely be able to use industry sources to estimate increases or decreases in the price of finished goods and raw materials. The missing piece of the analysis would be the change in inventory valuation due to cost changes, and that is what we are attempting to provide them.