

Court File No. CV-09-8122-00CL

Indalex Limited
Indalex Holdings (B.C.) Ltd.
6326765 Canada Inc. and
Novar Inc.

FIFTH REPORT OF THE MONITOR
June 16, 2009

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
INDALEX LIMITED
INDALEX HOLDINGS (B.C.) LTD.
6326765 CANADA INC. and
NOVAR INC.

**FIFTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA ULC
IN ITS CAPACITY AS MONITOR**

INTRODUCTION

1. On April 3, 2009, Indalex Limited (“**Indalex**”), Indalex Holdings (B.C.) Ltd. (“**Indalex BC**”), 6326765 Canada Inc. (“**632**”) and Novar Inc. (“**Novar**”) (collectively, the “**Applicants**”) made an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and an Initial Order (the “**Initial Order**”) was made by the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granting, *inter alia*, a stay of proceedings against the Applicants until May 1, 2009 (the “**Stay Period**”), and appointing FTI Consulting Canada ULC as monitor (“**FTI Canada**” or the “**Monitor**”). The proceedings commenced by the Applicants under the CCAA will be referred to herein as the “**CCAA Proceedings**”.

2. On April 8, 2009, the Honourable Mr. Justice Morawetz granted the Amended & Restated Initial Order which, *inter alia*, approved the DIP Credit Agreement (as defined in paragraph 33 of the Amended & Restated Initial Order). The Amended & Restated Order was further amended on May 12, 2009, to correct certain references and typographical errors in the Amended & Restated Initial Order.
3. On April 22, 2009, the Honourable Mr. Justice Morawetz granted an Order which, *inter alia* extended the Stay Period to June 26, 2009, and approved the Marketing Process.
4. Indalex's parent is Indalex Holding Corp. ("**Indalex Holding**"), which is a wholly-owned subsidiary of Indalex Holdings Finance, Inc. ("**Indalex Finance**"). Indalex BC, 632 and Novar are wholly owned subsidiaries of Indalex. Collectively, Indalex Finance and its affiliates (the "**Indalex Group**") is the second largest aluminium extruder in North America.
5. On March 20, 2009, Indalex Holding, Indalex Finance, Indalex Inc., Caradon Lebanon, Inc. and Dolton Aluminum Company, Inc. (collectively, the "**US Debtors**") commenced proceedings (the "**Ch.11 Proceedings**") under chapter 11 of the *United States Bankruptcy Code* (the "**USBC**") in the United States Bankruptcy Court, District of Delaware (the "**US Court**"). The case has been assigned to Judge Walsh.
6. The purpose of this report is to inform the Court on the following:
 - (a) The progress of the Marketing Process;
 - (b) The Applicants' request for an extension of the Stay Period to July 24, 2009, and the Monitor's recommendation thereon.

7. In preparing this report, the Monitor has relied upon unaudited financial information of the Applicants, the Applicants' books and records, certain financial information prepared by the Applicants and discussions with the Applicants' management. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information. Accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this report or relied on in its preparation. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the Amended & Restated Initial Order or prior Monitor's Reports.

THE PROGRESS OF THE MARKETING PROCESS

9. This Court approved the Marketing Process described in the Second Report of the Monitor dated April 20, 2008. The Monitor provided an update on the progress of the Marketing Process in its Third Report and Fourth Reports dated May 11, 2009 and June 11, 2009 respectively. Copies of the Monitor's Reports can be obtained from the Monitor's website at <http://cfcanada.fticonsulting.com/indalex>.
10. The Applicants and the US Debtors are in the process of negotiating a definitive agreement of purchase and sale which will, subject to the approval of the Court and the US Court, constitute a "stalking-horse bid" (the "**Stalking-Horse Agreement**") in a process which will solicit "qualifying topping bids" in contemplation of an auction involving the Stalking-Horse Agreement and those parties that submit qualifying topping bids. Pursuant to the provisions of the DIP Credit Agreement, as amended, the deadline for the execution of the Stalking-Horse Agreement is June 16, 2009.

11. The Monitor currently expects that the Applicants will return to Court on or around July 2, 2009, to seek approval of procedures for the solicitation of qualifying topping bids and for the conduct of the auction (the “**Bid Procedures**”).
12. Pursuant to the provisions of the DIP Credit Agreement, as amended, the deadline for closing a sale of the business is July 21, 2009.
13. Further detail on the Marketing Process and the Stalking-Horse Agreement will be provided to this Honourable Court in conjunction with the Applicants’ motion for approval of the Bid Procedures.

THE APPLICANTS’ REQUEST FOR AN EXTENSION OF THE STAY PERIOD

14. The Stay Period currently expires on June 26, 2009. Additional time is required for the Applicants to complete the Marketing Process and close the sale of the business and assets. The continuation of the stay of proceedings is necessary to provide the stability needed during that time. Accordingly, the Applicants now seek an extension of the Stay Period to July 24, 2009.
15. The Monitor notes that the Applicants’ cash flow forecast for the period ended July 24, 2009, was filed with the Court as Appendix B to the Monitor’s Fourth Report.
16. Based on the information currently available, the Monitor believes that creditors would not be materially prejudiced by an extension of the Stay Period to July 24, 2009.
17. The Monitor also believes that the Applicants have acted, and are acting, in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate.

18. The Monitor therefore respectfully recommends that this Honourable Court grant the Applicants' request for an extension of the Stay period to July 24, 2009.

The Monitor respectfully submits to the Court this, its Fifth Report.

Dated this 16th day of June, 2009.

FTI Consulting Canada ULC
In its capacity as Monitor of
Indalex Limited, Indalex Holdings (B.C.) Ltd.,
6326765 Canada Inc. and Novar Inc.



Nigel D. Meakin
Senior Managing Director