

**MASONITE INTERNATIONAL INC.  
ANNOUNCES SECOND QUARTER 2007 RESULTS**

**Second Quarter Highlights**

- ❑ Net sales declined 10.4% to \$588.9 million from \$657.5 million in the second quarter of 2006
- ❑ Operating EBITDA increased 11.0% to \$88.6 million from \$79.9 million
- ❑ Adjusted EBITDA declined 3.3% to \$91.9 million from \$95.0 million
- ❑ Adjusted EBITDA margin increased to 15.6% from 14.4%
- ❑ Net debt decreased \$9.1 million to \$1,937.2 million on June 30, 2007 from \$1,946.3 million on March 31, 2007

**Six Month Highlights**

- ❑ Net sales declined 7.9% to \$1,158.3 million from \$1,257.1 million in the first half of 2006
- ❑ Operating EBITDA increased 14.3% to \$162.2 million from \$141.9 million
- ❑ Adjusted EBITDA increased 3.6% to \$169.3 million from \$163.3 million
- ❑ Adjusted EBITDA margin increased to 14.6% from 13.0%
- ❑ Net debt decreased \$31.6 million to \$1,937.2 million on June 30, 2007 from \$1,968.8 million on December 31, 2006

**MISSISSAUGA, ON, August 9, 2007** – Masonite International Inc. today announced second quarter 2007 net sales of \$588.9 million, a decline of 10.4% compared to net sales of \$657.5 million in the second quarter of 2006. Operating EBITDA increased 11.0% to \$88.6 million from \$79.9 million in the second quarter of 2006. Adjusted EBITDA, calculated pursuant to the Company's credit agreement, declined 3.3% to \$91.9 million in the second quarter of 2007, compared to \$95.0 million in the prior year period. As described in the attached reconciliation, second quarter 2007 Adjusted EBITDA includes \$3.3 million of net adjustments, while Adjusted EBITDA in the second quarter of 2006 includes \$15.1 million of such adjustments, including a \$9.0 million non-cash inventory write down that reduced Operating EBITDA.

“Ongoing operational improvements and reductions in spending and manufacturing capacity yielded solid margins and cash flow during the second quarter,” said Frederick Lynch, President and Chief Executive Officer of Masonite. “We are successfully addressing the challenges created by increasingly difficult market conditions in North America, and the loss of significant business with The Home Depot.”

The previously announced transition of business from Masonite by The Home Depot in the Midwest and Northeast regions was substantially concluded during the second quarter of 2007. “We responded aggressively to reduce costs associated with this loss of business by

implementing a plan to close five manufacturing facilities dedicated to The Home Depot and one multi-purpose interior door manufacturing facility,” said Mr. Lynch. The business not related to The Home Depot at the multi-purpose facility was transferred to other facilities within Masonite. The Company recorded a restructuring charge of \$8.9 million in the second quarter of 2007 in connection with this transition as well as a non-cash asset impairment charge of \$2.6 million associated with redundant assets scheduled for disposal as part of the transition. Other restructuring actions resulted in an additional charge of \$1.7 million in the quarter.

In the second quarter of 2007, Masonite reduced net debt (consolidated debt net of cash and cash equivalents) by \$9.1 million to \$1,937.2 million on June 30, 2007 from \$1,946.3 million on March 31, 2007. Excluded from the net debt balances is \$93.3 million outstanding on the Company’s accounts receivable sales facility.

Sales in the North American segment decreased 17.7% to \$424.7 million in the second quarter of 2007 from \$515.9 million in the second quarter of 2006. Sales to customers from facilities outside of North America, primarily in Western Europe, increased approximately 16.0% to \$164.2 million in the second quarter of 2007 from \$141.7 million in the prior year period. Favorable foreign currency movements provided a \$12.1 million positive impact on comparative consolidated sales and also had a favorable impact on margins in the period.

Other expense of \$10.5 million in the second quarter of 2007 included the restructuring charges noted above offset by favorable non-cash foreign currency adjustments. This compares to \$5.0 million of Other expense in the second quarter of 2006, which reflected the closure of two manufacturing sites and charges for changes in senior management during that period.

For the six months ended June 30, 2007 net sales were \$1,158.3 million, a decline of 7.9% compared to net sales of \$1,257.1 million in the first half of 2006. Operating EBITDA increased 14.3% to \$162.2 million from \$141.9 million (net of the above noted \$9 million inventory write down) in the first six months of 2006. Adjusted EBITDA, calculated pursuant to the Company’s credit agreement, increased 3.6% to \$169.3 million in the first six months of 2007, compared to \$163.3 million in the prior year period. First half 2007 Adjusted EBITDA includes \$7.1 million of net adjustments, while Adjusted EBITDA in the first half of 2006 includes \$21.4 million of such adjustments, as described in the attached reconciliation.

During the first six months of 2007, Masonite reduced net debt (consolidated debt net of cash and cash equivalents) by \$31.6 million to \$1,937.2 million on June 30, 2007 from \$1,968.8 million on December 31, 2006. This compares to a decrease of net debt of \$42.7 million in the first six months of 2006.

Sales in the North American segment decreased 14.9% to \$836.5 million in the first six months of 2007 from \$983.3 million in the first six months of 2006. Sales to customers from facilities outside of North America, primarily in Western Europe, increased approximately 17.5% to \$321.8 million in the first half of 2007 from \$273.8 million in the prior year period. Favorable foreign currency movements provided a \$21.7 million positive impact on comparative consolidated sales and also had a favorable impact on margins in the period.

Other expense year to date in 2007 was \$12.3 million, including restructuring charges related to the transition of business of approximately \$9.4 million, charges for other restructuring actions of \$2.2 million and non-cash asset impairment of \$2.6 million, offset by favorable non-cash

foreign currency adjustments. This compares to \$7.1 million of Other expense in the first half of 2006, composed primarily of charges for the closure of two manufacturing sites, changes in senior management and losses on disposal of fixed assets during that period.

In addition to the \$9.4 million restructuring charge already recorded in 2007 in connection with the site closures related to business lost with The Home Depot, the Company expects to record an additional charge in the range of \$7 million to \$8.5 million in the third quarter associated with the completion of this transition.

For the latest twelve months ended June 30, 2007, Adjusted EBITDA declined to \$338.5 million from \$341.7 million for the twelve months ended March 31, 2007. The Company's net debt to Adjusted EBITDA ratio was 5.76x at June 30, 2007 compared to 5.74x at March 31, 2007, versus a covenant maximum of 7.40x. (As at June 30, 2007, \$14.1 million of outstanding letters of credit and other notes payable not reflected in net debt presented above were included as net debt for covenant calculation purposes only.) Trailing twelve month cash interest at June 30, 2007 was \$172.0 million, and the Company's cash interest coverage ratio (Adjusted EBITDA divided by cash interest expense) was 1.97x at June 30, 2007 compared to 1.97x at March 31, 2007 and to a covenant minimum of 1.60x.

In the first quarter of 2007, the Company adopted the new accounting standards issued by the Canadian Institute of Chartered Accountants with respect to Comprehensive Income, Hedges and Financial Instruments. The impact of this was to record the fair value of the Company's interest rate swaps on the balance sheet in Other assets, and to reclassify the unamortized deferred financing costs from Other assets to a reduction of debt incurred that gave rise to such financing costs. As a result, debt balances as of June 30, 2007 are presented in the following unaudited financial statements net of unamortized deferred financing costs of \$66.2 million at June 30, 2007, whereas debt is presented at face value as at December 31, 2006. Net debt and covenant calculations described above also present the debt at face value.

This press release is also available within the "Corporate Information" section of the Company's website at [www.masonite.com](http://www.masonite.com).

A Conference Call with Masonite management will take place at 11:00 a.m. Eastern Daylight Time today. Dial in information is as follows:

USA Toll Free Number: [888- 455-3751]

USA Toll Number: [+1-773-681-5784]

Passcode: MASONITE

A replay of the call will be available through September 9, 2007 by calling:

USA Toll Free Number: 800) 231-7809

USA Toll Number: [+1-402-220-9686]

Passcode: [1809]

Masonite International is a leading global manufacturer of residential and commercial doors. Our employees are a dedicated team committed to providing the highest value door products to our customers in more than 70 countries around the world.

This press release and other written reports and oral statements made by the Company may include forward-looking statements, all of which are subject to risks and uncertainties. One can identify these forward-looking statements by their use of words such as "may", "might", "expects", "plans", "would", "estimates", "intends", "forecasts", "projects" and other words of similar meaning, or by the fact that they do not relate strictly to historical or current facts. These statements are likely to address, but may not be limited to, the Company's growth strategy and financial results, the Company's operations and the conditions in its industry. Readers must carefully consider any such statements and should understand that many factors could cause actual results and developments to differ materially from the Company's forward-looking statements. These factors may include inaccurate assumptions and a broad variety of other known and unknown risks and uncertainties, including: general economic, market and business conditions; levels of construction and renovation activity; competition; financing risks; ability to manage expanding operations; commitments; new services; retention of key management personnel; environmental and other government regulation; and other factors disclosed by the Company in its filings from time to time with the United States Securities and Exchange Commission. No forward-looking statement can be guaranteed and actual future results may vary materially. Therefore, we caution you not to place undue reliance on our forward-looking statements. The Company disclaims any responsibility to update these forward-looking statements, whether as a result of new information, future events or otherwise.

This press release contains non-GAAP measures. In this press release Operating EBITDA is defined as earnings before depreciation and amortization; other expense; interest; income taxes; and non-controlling interest. Adjusted EBITDA is defined as Operating EBITDA further adjusted pursuant to the terms of the Company's credit agreement. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by net sales. Net debt is defined as the sum of long-term debt, current portion of long-term debt and bank indebtedness, less cash and cash equivalents. These terms are not presentations made under GAAP and are not measures of financial condition or profitability, should not be considered as an alternative to GAAP financial measures, and are unlikely to be comparable to similar measures used by other companies.

Certain figures have been reclassified to conform to the current period basis of presentation.

**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**Three Month Period Ended June 30, 2007**  
*(In millions of U.S. dollars)*

	2007	2006
Sales	\$ 588.9	\$ 657.5
Cost of sales	447.1	523.7
	141.9	133.9
Selling, general and administration expenses <sup>(1)</sup>	53.2	54.0
	88.6	79.9
Depreciation and amortization	32.9	31.0
Income before other expense, interest and income taxes	55.8	48.9
Other expense, net	10.5	5.0
Interest <sup>(1)</sup>	45.0	46.1
	0.3	(2.2)
Income taxes (recovery)	(7.3)	(3.6)
	7.6	1.3
Non-controlling interest	2.1	2.2
Net income (loss)	\$ 5.4	\$ (0.8)
<b>Adjusted EBITDA Reconciliation:</b>		
	2007	2006
Net income (loss)	\$ 5.4	\$ (0.8)
Interest	45.0	46.1
Income taxes (recovery)	(7.3)	(3.6)
Depreciation and amortization	32.9	31.0
Other expense, net	10.5	5.0
Non-controlling interest	2.1	2.2
Operating EBITDA	88.6	79.9
Inventory write-down	-	9.0
Receivables transaction charges	1.8	2.0
Stock based compensation	0.5	0.9
Franchise and capital taxes	0.7	0.5
Foreign exchange (gains)	(1.2)	0.6
Employee future benefits	-	0.2
Other	1.4	1.8
Adjusted EBITDA	\$ 91.9	\$ 95.0
Adjusted EBITDA Margin <sup>(2)</sup>	15.6%	14.4%

(1) Receivables transactions charges were reclassified from Interest expense to Selling, general and administration expenses.

(2) Calculated by dividing Adjusted EBITDA by Sales



**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**Six Month Period Ended June 30, 2007**  
(In millions of U.S. dollars)

	2007	2006
Sales	\$ 1,158.3	\$ 1,257.1
Cost of sales	<b>889.5</b>	1,005.6
	<b>268.8</b>	251.6
Selling, general and administration expenses <sup>(1)</sup>	<b>106.7</b>	109.7
	<b>162.2</b>	141.9
Depreciation and amortization	<b>64.4</b>	61.2
Income before other expense, interest and income taxes	<b>97.8</b>	80.7
Other expense, net	<b>12.3</b>	7.1
Interest <sup>(1)</sup>	<b>89.8</b>	90.9
	<b>(4.4)</b>	(17.2)
Income taxes (recovery)	<b>(10.0)</b>	(9.7)
	<b>5.7</b>	(7.6)
Non-controlling interest	<b>3.3</b>	4.0
Net income (loss)	<b>\$ 2.4</b>	\$ (11.5)

<b>Adjusted EBITDA Reconciliation:</b>	2007	2006
Net income (loss)	\$ 2.4	\$ (11.5)
Interest	<b>89.8</b>	90.9
Income taxes (recovery)	<b>(10.0)</b>	(9.7)
Depreciation and amortization	<b>64.4</b>	61.2
Other expense, net	<b>12.3</b>	7.1
Non-controlling interest	<b>3.3</b>	4.0
Operating EBITDA	<b>162.2</b>	141.9
Inventory write-down	-	9.0
Receivables transaction charges	<b>3.4</b>	4.0
Facility closures / realignments	-	1.9
Stock based compensation	<b>1.3</b>	1.9
Franchise and capital taxes	<b>1.4</b>	1.2
Foreign exchange (gains)	<b>(1.7)</b>	0.1
Employee future benefits	<b>0.3</b>	0.4
Other	<b>2.4</b>	3.0
Adjusted EBITDA	<b>\$ 169.3</b>	\$ 163.3
Adjusted EBITDA Margin <sup>(2)</sup>	<b>14.6%</b>	13.0%
LTM Adjusted EBITDA <sup>(3)</sup>	<b>\$ 338.5</b>	\$ 310.4

(1) Receivables transactions charges were reclassified from Interest expense to Selling, general and administration expenses.

(2) Calculated by dividing Adjusted EBITDA by Sales

(3) Calculated by adding \$169.3 million Adjusted EBITDA for first six months of 2007 to \$332.6 million Adjusted EBITDA for full year 2006 and subtracting \$163.3 million Adjusted EBITDA for first six months of 2006



**UNAUDITED CONSOLIDATED BALANCE SHEETS**

(In millions of U.S. dollars)

	June 30 2007	December 31 2006
<b>ASSETS</b>		
Cash and cash equivalents	\$ 77.1	\$ 47.4
Accounts receivable	284.9	247.7
Inventories	327.0	351.5
Prepaid expenses	22.3	19.1
Current future income taxes	41.7	38.9
	<b>753.0</b>	<b>704.6</b>
Property, plant and equipment	842.0	873.6
Goodwill and other intangible assets	1,462.2	1,478.4
Other assets	36.2	89.3
Long-term future income taxes	16.7	18.5
	<b>2,357.1</b>	<b>2,459.9</b>
	<b>\$ 3,110.1</b>	<b>\$ 3,164.5</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
Bank indebtedness	\$ 67.2	\$ 60.4
Accounts payable and accrued liabilities	348.4	343.7
Income taxes payable	29.9	26.9
Current future income taxes	1.3	1.6
Current portion of long-term debt	31.8	32.2
	<b>478.7</b>	<b>464.8</b>
Long-term debt <sup>(1)</sup>	1,849.0	1,923.6
Long-term future income taxes	204.7	214.2
Other long-term liabilities	38.7	41.1
	<b>2,571.1</b>	<b>2,643.7</b>
Non-controlling interest	39.5	36.8
Share capital	567.2	567.2
Contributed surplus	6.3	5.0
Deficit	(101.7)	(104.1)
Accumulated other comprehensive income	27.7	16.0
	<b>499.4</b>	<b>484.0</b>
	<b>\$ 3,110.1</b>	<b>\$ 3,164.5</b>

(1) Long-term debt is net of unamortized deferred financing fees of \$66.2 million as at June 30, 2007



**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**Three Month Period Ended June 30, 2007**  
(In millions of U.S. dollars)

	2007	2006
<b>Cash provided by (used in) operating activities</b>		
Net income (loss) for the period	\$ 5.4	\$ (0.8)
Non-cash items	27.1	31.9
Accounts receivable	(3.1)	(23.6)
Inventories	10.7	10.5
Income taxes payable	(0.5)	(2.1)
Prepaid expenses	0.7	(2.1)
Accounts payable and accrued liabilities	(22.6)	39.5
	<b>17.6</b>	<b>53.2</b>
<b>Cash provided by (used in) financing activities</b>		
Increase (decrease) in bank and other indebtedness	29.3	(37.3)
Net repayment of long-term debt	(4.5)	(10.3)
Other	-	(0.5)
	<b>24.8</b>	<b>(48.1)</b>
<b>Cash provided by (used in) investing activities</b>		
Proceeds from sale of assets	0.1	9.7
Additions to property, plant and equipment	(7.3)	(10.9)
Other investing activities	(3.9)	(1.1)
	<b>(11.1)</b>	<b>(2.2)</b>
Net foreign currency translation adjustment	2.7	6.7
Increase in cash	<b>33.9</b>	<b>9.6</b>
Cash, beginning of period	<b>43.2</b>	<b>38.7</b>
Cash, end of period	<b>\$ 77.1</b>	<b>\$ 48.3</b>



**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**Six Month Period Ended June 30, 2007**  
(In millions of U.S. dollars)

	2007	2006
<b>Cash provided by (used in) operating activities</b>		
Net income (loss) for the period	\$ 2.4	\$ (11.5)
Non-cash items	58.7	60.4
Accounts receivable	(32.0)	(53.0)
Inventories	26.5	18.1
Income taxes payable	0.7	(3.3)
Prepaid expenses	(3.1)	(3.4)
Accounts payable and accrued liabilities	(0.4)	45.1
	<b>52.8</b>	<b>52.4</b>
<b>Cash provided by (used in) financing activities</b>		
Increase (decrease) in bank and other indebtedness	6.8	(24.3)
Net repayment of long-term debt	(8.7)	(18.0)
Other	-	(0.1)
	<b>(1.9)</b>	<b>(42.5)</b>
<b>Cash provided by (used in) investing activities</b>		
Proceeds from sale of assets	0.2	13.8
Additions to property, plant and equipment	(16.2)	(22.2)
Other investing activities	(6.9)	(4.1)
	<b>(23.0)</b>	<b>(12.5)</b>
Net foreign currency translation adjustment	1.8	3.4
Increase in cash	29.7	0.8
Cash, beginning of period	47.4	47.5
Cash, end of period	\$ 77.1	\$ 48.3

