

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

**Highlights**

- Net sales declined 5.0% to \$569.4 million from \$599.6 million in the first quarter of 2006
- Operating EBITDA increased 18.5% to \$73.5 million from \$62.0 million
- Adjusted EBITDA increased 13.8% to \$77.4 million from \$68.3 million
- Adjusted EBITDA margin increased to 13.6% from 11.4%
- Net debt decreased \$22.5 million to \$1,946.3 million on March 31, 2007 from \$1,968.8 million on December 31, 2006

**MISSISSAUGA, ON, May 23, 2007** – Masonite International Inc. today announced first quarter 2007 net sales of \$569.4 million, a decline of 5.0% compared to net sales of \$599.6 million in the first quarter of 2006. Operating EBITDA increased 18.5% to \$73.5 million from \$62.0 million in the first quarter of 2006. Adjusted EBITDA, calculated pursuant to the Company's credit agreement, increased 13.8% to \$77.4 million in the first quarter of 2007, compared to \$68.3 million in the prior year period. First quarter 2007 Adjusted EBITDA includes \$3.9 million of net adjustments, while Adjusted EBITDA in the first quarter of 2006 includes \$6.3 million of such adjustments, as described in the attached reconciliation.

“Significant weakness in new housing construction and renovation and remodeling activity in North America continued during the first quarter,” said Kenneth W. Freeman, Chairman and Chief Executive Officer of Masonite. “Strength in our European businesses and close attention to costs globally offset the ongoing softness in North America in the quarter. Industry expectations of continuing weak North American markets, combined with our imminent loss of certain business with the Home Depot, will make it significantly more challenging to grow Operating EBITDA during the remainder of the year.”

In the first quarter of 2007, Masonite reduced net debt (consolidated debt net of cash and cash equivalents) by \$22.5 million to \$1,946.3 million on March 31, 2007, compared to \$1,968.8 million on December 31, 2006.

Sales in the North American segment decreased 11.9% to \$411.7 million in the first quarter of 2007 from \$467.2 million in the first quarter of 2006. Sales outside of North America, primarily in Western Europe, increased approximately 19.2% to \$157.7 million in the first quarter of 2007 from \$132.3 million in the prior year period.

Other expense in the first quarter of 2007 was \$1.8 million, including restructuring costs of \$0.9 million, loss on disposal of \$0.7 million and foreign exchange losses of \$0.2 million. This compares to \$2.1 million of Other expense in the first quarter of 2006.

During the first quarter of 2007, Masonite was notified by its largest customer that in certain geographic regions they would be moving substantially all of their business with the Company to a competitor later in 2007. This decision was the result of price increases put in place by the Company during 2006. Sales to this customer in the regions affected were approximately \$250 to \$300 million on an annualized basis. Subsequent to the notification, the Company announced the permanent closure of three facilities dedicated to this customer in Toledo, Ohio, Logan Township, New Jersey and Frederick, Maryland, and the permanent closure of an interior door manufacturing facility located in Mississauga, Ontario. The shutdown of the four facilities is expected to be completed by the end of the third quarter of 2007. In addition, the Company announced the significant curtailment of production at three other facilities dedicated to serving this customer in Winchester, Virginia, Leominster, Massachusetts and Goshen, Indiana. The \$0.9 million of restructuring costs noted above includes \$0.5 million related to the transition of this business. The Company expects to record additional charges in subsequent quarters related to the transition of this business.

For the latest twelve months ended March 31, 2007, Adjusted EBITDA increased to \$341.7 million from \$332.6 million for the twelve months ended December 31, 2006, and latest twelve month cash interest expense was \$173.6 million. The Company's net debt to Adjusted EBITDA ratio improved to 5.74x at March 31, 2007 from 5.96x at December 31, 2006, versus a maximum of 7.40x. (As at March 31, 2007, included as net debt only for covenant calculation purposes were \$15.2 million of outstanding letters of credit and other notes payable not reflected in net debt presented above.) As a result, the Company's cash interest coverage ratio (Adjusted EBITDA divided by cash interest expense) improved to 1.97x at March 31, 2007 compared to 1.91x at December 31, 2006 and to a 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 March 31, 2007 are presented net of unamortized deferred financing costs of \$68.8 million at March 31, 2007 whereas debt is presented at face value as at December 31, 2006.

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 10:00 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 June 22, 2007 by calling:  
USA Toll Free Number: 800-568-5570  
USA Toll Number: +1-402-998-0117  
Passcode: 5023

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", "will", "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 March 31, 2007**  
(In millions of U.S. dollars)

	2007	2006
Sales	\$ 569.4	\$ 599.6
Cost of sales	442.4	481.9
	127.0	117.7
Selling, general and administration expenses <sup>(1)</sup>	53.4	55.7
	73.5	62.0
Depreciation and amortization	31.6	30.2
Income before other expense, interest and income taxes	42.0	31.8
Other expense, net	1.8	2.1
Interest <sup>(1)</sup>	44.8	44.8
	(4.7)	(15.0)
Income taxes (recovery)	(2.8)	(6.1)
	(1.9)	(8.9)
Non-controlling interest	1.1	1.8
Net loss	\$ (3.0)	\$ (10.7)

**Adjusted EBITDA Reconciliation:**

	2007	2006
Net loss	\$ (3.0)	\$ (10.7)
Interest	44.8	44.8
Income taxes (recovery)	(2.8)	(6.1)
Depreciation and amortization	31.6	30.2
Other expense, net	1.8	2.1
Non-controlling interest	1.1	1.8
Operating EBITDA	73.5	62.0
Receivables transaction charges	1.6	2.0
Facility closures / realignments	-	1.9
Stock based compensation	0.8	1.0
Franchise and capital taxes	0.7	0.7
Foreign exchange (gains)	(0.5)	(0.5)
Employee future benefits	0.3	0.2
Other	1.0	1.2
Adjusted EBITDA	\$ 77.4	\$ 68.3
Adjusted EBITDA Margin <sup>(2)</sup>	13.6%	11.4%
LTM Adjusted EBITDA <sup>(3)</sup>	\$ 341.7	

(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 \$77.4 million Adjusted EBITDA for first quarter 2007 to \$332.6 million Adjusted EBITDA for full year 2006 and subtracting \$68.3 million Adjusted EBITDA for first quarter 2006



**UNAUDITED CONSOLIDATED BALANCE SHEETS**

(In millions of U.S. dollars)

	March 31 2007	December 31 2006
<b>ASSETS</b>		
Cash and cash equivalents	\$ 43.2	\$ 47.4
Accounts receivable	276.6	247.7
Inventories	335.8	351.5
Prepaid expenses	22.9	19.1
Current future income taxes	45.7	38.9
	<b>724.1</b>	<b>704.6</b>
Property, plant and equipment	860.9	873.6
Goodwill and other intangible assets	1,469.6	1,478.4
Other assets	33.4	89.3
Long-term future income taxes	18.1	18.5
	<b>2,382.1</b>	<b>2,459.9</b>
	<b>\$ 3,106.2</b>	<b>\$ 3,164.5</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
Bank indebtedness	\$ 37.9	\$ 60.4
Accounts payable and accrued liabilities	366.7	343.7
Income taxes payable	28.0	26.9
Current future income taxes	1.5	1.6
Current portion of long-term debt	31.1	32.2
	<b>465.2</b>	<b>464.8</b>
Long-term debt	1,851.7	1,923.6
Long-term future income taxes	217.8	214.2
Other long-term liabilities	40.8	41.1
	<b>2,575.5</b>	<b>2,643.7</b>
Non-controlling interest	38.1	36.8
Share capital	567.2	567.2
Contributed surplus	5.8	5.0
Deficit	(107.2)	(104.1)
Accumulated other comprehensive income	26.8	16.0
	<b>492.6</b>	<b>484.0</b>
	<b>\$ 3,106.2</b>	<b>\$ 3,164.5</b>



**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**Three Month Period Ended March 31, 2007**  
(In millions of U.S. dollars)

	2007	2006
<b>Cash provided by (used in) operating activities</b>		
Net loss for the period	\$ (3.0)	\$ (10.7)
Non-cash items	31.6	28.5
Accounts receivable	(28.9)	(29.4)
Inventories	15.8	7.6
Income taxes payable	1.2	(1.2)
Prepaid expenses	(3.8)	(1.3)
Accounts payable and accrued liabilities	22.2	5.6
	<b>35.2</b>	<b>(0.8)</b>
<b>Cash provided by (used in) financing activities</b>		
Increase (decrease) in bank and other indebtedness	(22.5)	13.0
Net issue (repayment) of long-term debt	(4.2)	(7.7)
Other	-	0.4
	<b>(26.7)</b>	<b>5.6</b>
<b>Cash provided by (used in) investing activities</b>		
Proceeds from sale of assets	0.1	4.1
Additions to property, plant and equipment	(8.9)	(11.3)
Other investing activities	(3.0)	(3.0)
	<b>(11.9)</b>	<b>(10.3)</b>
Net foreign currency translation adjustment	(0.9)	(3.3)
Increase (decrease) in cash	(4.2)	(8.8)
Cash, beginning of period	47.4	47.5
Cash, end of period	\$ 43.2	\$ 38.7

