

**MASONITE INTERNATIONAL INC.  
ANNOUNCES FIRST QUARTER 2008 RESULTS**

**First Quarter Highlights**

- Sales declined 18.4% to \$464.4 million from \$569.4 million in the first quarter of 2007
- Operating EBITDA decreased 36.5% to \$46.7 million from \$73.5 million
- Adjusted EBITDA decreased 34.7% to \$53.5 million from \$81.9 million
- Adjusted EBITDA margin decreased to 11.5% from 14.4%
- Net debt increased \$22.5 million to \$1,932.8 million on March 31, 2008 from \$1,910.3 million on December 31, 2007

**MISSISSAUGA, ON, May 15, 2008** – Masonite International Inc. today announced first quarter 2008 sales of \$464.4 million, a decline of 18.4% compared to sales of \$569.4 million in the first quarter of 2007. Operating EBITDA decreased 36.5% to \$46.7 million from \$73.5 million in the first quarter of 2007. Adjusted EBITDA, calculated pursuant to the Company's credit agreement, declined 34.7% to \$53.5 million in the first quarter of 2008, compared to \$81.9 million in the prior year period. As described in the attached reconciliation, first quarter 2008 Adjusted EBITDA includes \$6.8 million of net adjustments, while Adjusted EBITDA in the first quarter of 2007 includes \$8.4 million of such adjustments.

“Continued volume weakness resulting from the ongoing downturn in the US housing market negatively impacted our first quarter results,” said Fred Lynch, President and Chief Executive Officer of Masonite. “We continue to take aggressive actions to right size our business, both in terms of capacity and staffing levels, while simultaneously driving operational efficiencies, reducing controllable costs, and effectively managing our cash. These actions, combined with our increased focus on innovation, are designed to position the company for great success when the market rebounds.”

In the first quarter, the Company completed the closure of its Bridgwater, UK operations and announced the closure of three additional sites in North America. The Company recorded a restructuring charge of \$5.5 million in the first quarter of 2008 in connection with these closures as well as further reductions in salaried workforce.

In the first quarter of 2008, net debt (consolidated debt net of cash and cash equivalents) increased by \$22.5 million to \$1,932.8 million on March 31, 2008, from \$1,910.3 million on December 31, 2007. Excluded from the net debt balances is \$66.4 million outstanding under the Company's accounts receivable sales facility. On April 18, 2008, the Company was notified by the counterparty to the accounts receivable sales facility of termination of the program. The amount outstanding under this facility as of that date was \$66.4 million.

Sales to external customers from facilities in North America decreased 28.4% to \$294.8 million in the first quarter of 2008 from \$411.8 million in the first quarter of 2007. Approximately \$66.4 of the decline in sales is attributable to sales in geographic regions that The Home Depot moved to a competitor in the second half of 2007. Sales decreased 12.4% in North America excluding the loss of The Home Depot regions. Sales to customers from facilities outside of North America, primarily in Western Europe, increased approximately 7.6% to \$169.6 million in the first quarter of 2008 from \$157.5 million in the prior year period. Favorable foreign currency movements provided a \$21.0 million positive impact on comparative consolidated sales (\$6.8 million in North America and \$14.2 million in rest of world). Excluding the impact of favorable exchange, sales in our Europe and Other segment declined 1.3% over the prior year period, principally due to housing market conditions in the UK.

Other expense of \$6.4 million in the first quarter of 2008 includes restructuring charges of \$5.5 million related to the reductions in salaried workforce as well as costs incurred in connection with the closure and consolidation of manufacturing sites. Asset impairment and disposal charges of \$0.9 million were also recorded in the first quarter of 2008. This compares to \$1.8 million of Other expense in the first quarter of 2007, which reflected severance of \$0.9 million, loss on disposal of property plant and equipment of \$0.7 million and foreign exchange losses of \$0.2 million.

Subsequent to the end of the first quarter of 2008 the Company borrowed the remaining \$236 million available from its eight year \$350 million bank senior secured revolving credit facility. Although the Company has no immediate needs for the additional liquidity, in light of current financial market conditions, the Company drew on the facility to provide it with greater financial flexibility.

For the latest twelve months ended March 31, 2008, Adjusted EBITDA declined by 8.9% to \$290.9 million from \$319.4 million for the twelve months ended December 31, 2007. The Company's net debt to trailing twelve months Adjusted EBITDA ratio was 6.71x at March 31, 2008, compared to 6.00x at December 31, 2007 and a covenant maximum of 7.00x. (As of March 31, 2008, \$1.5 million of notes payable, and a \$17.2 million liability on the Company's interest rate swap were included as net debt for covenant calculation purposes only.) For the latest twelve months ended March 31, 2008, cash interest expense was \$165.6 million, and the Company's cash interest coverage ratio (trailing twelve months Adjusted EBITDA divided by cash interest expense) was 1.76x at March 31, 2008, compared to 1.91x at December 31, 2007 and a covenant minimum of 1.65x.

Below is a schedule of our net debt:

(Principal amount)	March 31, 2008	December 31, 2007
Revolving credit facility outstanding	\$100.0	\$-
Other bank loans outstanding	19.0	17.6
Senior secured credit facility term loan outstanding	1,142.7	1,145.6
Senior subordinated notes outstanding	769.9	769.9
Other subsidiary long-term debt outstanding	11.9	19.0
Less: Cash on hand	110.6	41.8
Net debt outstanding	\$1,932.8	\$1,910.3
Notes payable and financial instruments	18.7	4.7
Net cash (debt) of unrestricted subsidiaries	0.4	-
Net debt outstanding as defined in the senior secured credit facilities	\$1,951.9	\$1,915.0

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, and to classify the unamortized deferred financing costs as a reduction of debt incurred giving rise to such financing costs. As a result, debt balances as of March 31, 2008 and December 31, 2007 are presented in the following unaudited interim financial statements net of unamortized deferred financing costs of \$58.5 million and \$61.0 million respectively. Net debt for the covenant calculations described above uses the face value of debt.

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

A Conference Call with Masonite management will take place at 9:00 a.m. Eastern Daylight Time today. Dial in information is as follows:

USA Toll Free Number: 888-889-1954

USA Toll Number: +1-212-287-1615

Passcode: Masonite

A replay of the call will be available through June 15, 2008 by calling:

USA Toll Free Number: 800-945-0406

USA Toll Number: +1-203-369-3977

Passcode: 9245

Masonite International is a leading global manufacturer of residential and commercial doors, 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 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**  
**For the Period Ended March 31**  
*(In millions of U.S. dollars)*

	<b>Three Month Period</b>	
	<b>2008</b>	<b>2007</b>
Sales	\$ 464.4	\$ 569.4
Cost of sales	374.0	442.4
	90.4	127.0
Selling, general and administration expenses	43.7	53.4
	46.7	73.5
Depreciation and amortization	29.2	31.6
Income before other expense, interest and income taxes	17.5	42.0
Other expense, net	6.4	1.8
Interest	43.1	44.8
	(32.0)	(4.7)
Income taxes (recovery)	(5.3)	(2.8)
	(26.7)	(1.9)
Non-controlling interest	1.0	1.1
Net loss	\$ (27.6)	\$ (3.0)
<b>Adjusted EBITDA Reconciliation:</b>		
Net loss	\$ (27.6)	\$ (3.0)
Interest	43.1	44.8
Income taxes (recovery)	(5.3)	(2.8)
Depreciation and amortization	29.2	31.6
Other expense, net	6.4	1.8
Non-controlling interest	1.0	1.1
Operating EBITDA	46.7	73.5
Inventory write-down	0.4	-
Receivables transaction charges	0.6	1.6
Facility closures / realignments	0.5	-
Stock based compensation	0.4	0.8
Franchise and capital taxes	0.5	1.1
Foreign exchange (gains)	1.2	(0.5)
Employee future benefits	-	0.3
Severance	-	0.1
Relocation \ recruiting	0.7	1.1
Lean Sigma, Supply Chain & HR Consulting	0.4	2.1
(Earnings) loss of unrestricted subsidiaries	1.0	-
Other <sup>(1)</sup>	1.0	1.7
Adjusted EBITDA	\$ 53.5	\$ 81.9
Adjusted EBITDA Margin <sup>(2)</sup>	11.5%	14.4%
LTM Adjusted EBITDA	\$ 290.9	\$ 346.1

(1) Includes KKR monitoring \ consulting, legal settlements and other

(2) Calculated by dividing Adjusted EBITDA by Sales



**UNAUDITED CONSOLIDATED BALANCE SHEETS**
*(In millions of U.S. dollars)*

	March 31 2008	December 31 2007
<b>ASSETS</b>		
Cash and cash equivalents	\$ 110.6	\$ 41.8
Accounts receivable	280.8	264.9
Inventories	291.9	295.8
Prepaid expenses	18.4	15.2
Asset held for sale	5.5	1.8
Income tax recoverable	1.5	1.8
Current future income taxes	37.5	39.4
	<b>746.2</b>	<b>660.7</b>
Property, plant and equipment	806.1	812.5
Goodwill and other intangible assets	1,149.2	1,146.4
Other assets	21.0	20.5
Long-term future income taxes	19.2	20.0
	<b>1,995.4</b>	<b>1,999.4</b>
	<b>\$ 2,741.6</b>	<b>\$ 2,660.1</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
Bank indebtedness	\$ 119.0	\$ 17.6
Accounts payable and accrued liabilities	355.8	325.1
Income taxes payable	14.6	15.1
Current future income taxes	1.2	2.1
Current portion of long-term debt	21.2	20.8
	<b>511.7</b>	<b>380.7</b>
Long-term debt <sup>(1)</sup>	1,844.7	1,852.6
Long-term future income taxes	133.9	147.5
Other long-term liabilities	34.7	38.9
	<b>2,525.1</b>	<b>2,419.8</b>
Non-controlling interest	36.1	42.7
Share capital	567.2	567.2
Contributed surplus	7.2	6.8
Deficit	(434.7)	(407.0)
Accumulated other comprehensive income	40.8	30.7
	<b>180.5</b>	<b>197.6</b>
	<b>\$ 2,741.6</b>	<b>\$ 2,660.1</b>

(1) Long-term debt is net of unamortized deferred financing fees of \$58.5 million as at March 31, 2008 and \$61.0 million as of December 31, 2007



**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**For the Period Ended March 31**  
*(In millions of U.S. dollars)*

	<b>Three Month Period</b>	
	<b>2008</b>	<b>2007</b>
<b>Cash provided by (used in) operating activities</b>		
Net loss for the period	\$ (27.6)	\$ (3.0)
Non-cash items	26.5	31.6
Accounts receivable	(7.7)	(28.9)
Inventories	8.4	15.8
Income taxes recoverable	0.2	-
Income taxes payable	0.7	1.2
Prepaid expenses	(3.0)	(3.8)
Accounts payable and accrued liabilities	11.6	22.2
	<b>9.2</b>	<b>35.2</b>
<b>Cash provided by (used in) financing activities</b>		
Increase (decrease) in bank and other indebtedness	100.2	(22.5)
Net repayment of long-term debt	(10.5)	(4.2)
	<b>89.7</b>	<b>(26.7)</b>
<b>Cash provided by (used in) investing activities</b>		
Proceeds from sale of assets	0.1	0.1
Acquisitions	(13.7)	-
Additions to property, plant and equipment	(7.3)	(8.9)
Distribution to minority shareholders	(6.0)	-
Other investing activities	(0.4)	(3.0)
	<b>(27.3)</b>	<b>(11.9)</b>
Net foreign currency translation adjustment	(2.7)	(0.9)
Increase (decrease) in cash	68.8	(4.2)
Cash, beginning of period	41.8	47.4
Cash, end of period	\$ 110.6	\$ 43.2

