

FOR IMMEDIATE RELEASE

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**MASONITE INTERNATIONAL INC.
ANNOUNCES SECOND QUARTER AND FIRST HALF 2008 RESULTS**

Second Quarter Highlights

- ❑ Sales declined 13.8% to \$507.8 million from \$588.9 million in the second quarter of 2007
- ❑ Operating EBITDA decreased 48.0% to \$46.1 million from \$88.6 million
- ❑ Adjusted EBITDA decreased 43.5% to \$56.0 million from \$99.1 million
- ❑ Adjusted EBITDA margin decreased to 11.0% from 16.8%
- ❑ Net debt increased \$102.4 million to \$2,035.2 million on June 30, 2008 from \$1,932.8 million on March 31, 2008

First Half Highlights

- ❑ Sales declined 16.1% to \$972.1 million from \$1,158.3 million in the first six months of 2007
- ❑ Operating EBITDA decreased 42.8% to \$92.8 million from \$162.2 million
- ❑ Adjusted EBITDA decreased 39.5% to \$109.5 million from \$181.0 million
- ❑ Adjusted EBITDA margin decreased to 11.3% from 15.6%
- ❑ Net debt increased \$124.9 million to \$2,035.2 million on June 30, 2008 from \$1,910.3 million on December 31, 2007

MISSISSAUGA, ON, August 28, 2008 – Masonite International Inc. today announced second quarter 2008 sales of \$507.8 million, a decline of 13.8% compared to sales of \$588.9 million in the second quarter of 2007. Operating EBITDA decreased 48.0% to \$46.1 million from \$88.6 million in the second quarter of 2007. Adjusted EBITDA, calculated pursuant to the Company's credit agreement, declined 43.5% to \$56.0 million in the second quarter of 2008, compared to \$99.1 million in the prior year period. As described in the attached reconciliation, second quarter 2008 Adjusted EBITDA includes \$9.9 million of net adjustments, while Adjusted EBITDA in the second quarter of 2007 includes \$10.5 million of such adjustments.

“Masonite's second quarter results were negatively impacted by the persistent deterioration in the US housing Market. Lower operating volumes led to margin compression that was further exacerbated by significant inflation in our raw material, energy and transportation costs”, said Fred Lynch, President and Chief Executive Officer. “It is our current belief that market conditions will deteriorate further in both the United States and the United Kingdom through the second half of 2008. In response, we continue to address every lever at our disposal; adjusting staffing and production capacities in line with demand, driving additional operating efficiencies through lean sigma implementation, and pricing our products to appropriately reflect their value

in this inflationary climate. These difficult but necessary actions will help position Masonite for greater success when the market rebounds.”

In the second quarter, the Company completed the closure of three manufacturing sites in North America. The Company recorded a restructuring charge of \$6.9 million in the second quarter of 2008 in connection with these closures and other actions. In connection with additional facility closures that are anticipated to occur in the third and fourth quarter of 2008, the Company also recorded charges relating to goodwill, intangibles and fixed asset impairment in the amount of \$10.8 million in the quarter. Further restructuring charges are anticipated to be required in the future as these closures are completed.

The further weakening of the North American housing market required the Company to conduct an additional goodwill and intangible impairment test as of June 30, 2008, which resulted in additional goodwill and intangibles impairment charges related to its North American segment in the amount of \$624.7 million recorded in the second quarter of 2008. Principally as a result of this impairment charge, the Company incurred a net loss of \$688.6 million and \$716.2 million for the second quarter and first half of 2008, respectively.

In the second quarter of 2008, net debt (consolidated debt net of cash and cash equivalents) increased by \$102.4 million to \$2,035.2 million on June 30, 2008, from \$1,932.8 million on March 31, 2008. On April 18, 2008, the Company was notified by the counterparty to the accounts receivable sales facility of termination of the program. In the second quarter, the Company repaid the \$66.4 million drawn under the program and paid approximately \$19.3 million for the acquisition of 25% of Sacopan Inc., pursuant to the terms of a shareholders agreement.

Sales to external customers from facilities in North America decreased 23.2% to \$326.3 million in the second quarter of 2008 from \$424.7 million in the second quarter of 2007. Approximately \$51.9 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 13.9% in North America excluding the loss of The Home Depot regions and the impact of favorable foreign exchange movements. Sales to external customers from facilities outside of North America, primarily in Western Europe, increased approximately 10.5% to \$181.5 million in the second quarter of 2008 from \$164.2 million in the prior year period. Favorable foreign currency movements provided a \$19.8 million positive impact on comparative consolidated sales (\$5.4 million in North America and \$14.4 million in rest of world). Excluding the impact of favorable exchange, sales in our Europe and Other segment increased 1.8% over the prior year period.

Other expense of \$11.4 million in the second quarter of 2008 includes restructuring charges of \$6.9 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 \$3.7 million, net were also recorded in the second quarter of 2008. This compares to \$10.5 million of Other expense in the second quarter of 2007, which reflected severance of \$10.7 million, asset impairments and loss on disposal of property plant and equipment of \$2.9 million and foreign exchange gains of \$3.1 million.

For the six months ended June 30, 2008, the Company reported consolidated sales of \$972.1 million, a decline of 16.1% compared to sales of \$1,158.3 million in the first six months of 2007. Operating EBITDA decreased 42.8% to \$92.8 million from \$162.2 million in the first six months

of 2007. Adjusted EBITDA, calculated pursuant to the Company's credit agreement, declined 39.5% to \$109.5 million in the first six months of 2008, compared to \$181.0 million in the prior year period. As described in the attached reconciliation, first half 2008 Adjusted EBITDA includes \$16.7 million of net adjustments, while Adjusted EBITDA in the first half of 2007 includes \$18.8 million of such adjustments.

Sales to external customers from facilities in North America decreased 25.7% to \$621.2 million in the first six months of 2008 from \$836.5 million in the first six months of 2007.

Approximately \$118.3 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 15.2% in North America excluding the loss of The Home Depot regions and favorable foreign currency movements. Sales to external customers from facilities outside of North America, primarily in Western Europe, increased approximately 9.0% to \$350.9 million in the first six months of 2008 from \$321.8 million in the prior year period. Favorable foreign currency movements provided a \$40.9 million positive impact on comparative consolidated sales (\$12.2 million in North America and \$28.7 million in rest of world). Excluding the impact of favorable foreign exchange, sales in our Europe and Other segment increased 0.1% over the prior year period.

Other expense of \$17.8 million in the first six months of 2008 includes restructuring charges of \$12.4 million related to 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 \$4.6 million, net were also recorded in the first six months of 2008. This compares to \$12.3 million of Other expense in the prior year period, which reflected severance of \$11.6 million, asset impairment and loss on disposal of property plant and equipment of \$3.6 million and foreign exchange gains of \$2.9 million.

For the latest twelve months ended June 30, 2008, Adjusted EBITDA declined by 22.4% to \$247.9 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 8.25x at June 30, 2008, compared to 6.00x at December 31, 2007 and a covenant maximum of 7.00x. (As of June 30, 2008, \$1.5 million of notes payable, and a \$7.2 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 June 30, 2008, cash interest expense was \$163.9 million, and the Company's cash interest coverage ratio (trailing twelve months Adjusted EBITDA divided by cash interest expense) was 1.51x at June 30, 2008 compared to 1.91x at December 31, 2007 and a covenant minimum of 1.65x.

As set forth above, the Company was not in compliance with the financial covenants contained under its senior secured credit agreement as at June 30, 2008. The Company has been in negotiation with the lenders party to the senior secured credit agreement regarding an amendment to the terms of the agreement and a waiver of the Company's non-compliance. To date, no agreement has been reached and there can be no assurance that an amendment acceptable to the Company and its lenders will be reached in the future. As a result of this non-compliance, the Company was required to recognize in income \$56.0 million of previously deferred financing costs and present the entire balance of both the senior secured credit facility and the senior subordinated notes as a current liability.

Below is a schedule of our net debt:

(Principal amount)	June 30, 2008	December 31, 2007
Revolving credit facility outstanding	\$336.0	\$-
Other bank loans outstanding	19.3	17.6
Senior secured credit facility term loan outstanding	1,139.8	1,145.6
Senior subordinated notes outstanding	769.9	769.9
Other subsidiary long-term debt outstanding	11.6	19.0
Less: Cash on hand	241.4	41.8
Net debt outstanding	2,035.2	\$1,910.3
Notes payable and financial instruments	8.6	4.7
Net cash (debt) of unrestricted subsidiaries	1.1	-
Net debt outstanding as defined in the senior secured credit facilities	\$2,044.9	\$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 June 30, 2008 and December 31, 2007 are presented in the following unaudited interim financial statements net of unamortized deferred financing costs of \$nil 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.

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: 888-455-9653

USA Toll Number: +1-212-547-0187

Passcode: Masonite

A replay of the call will be available through September 28, 2008 by calling:

USA Toll Free Number: 866-357-4208

USA Toll Number: +1-203-369-0124

Passcode: 4662

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 strategies relating to growth and cost containment, including facility closures; the Company's negotiations with lenders under its senior secured credit agreement relating to an acceptable amendment and

waiver of that agreement; the Company's future operations; and ongoing conditions in the door manufacturing and housing industries. 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 June 30
(In millions of U.S. dollars)

	Three Month Period		Six Month Period	
	2008	2007	2008	2007
Sales	\$ 507.8	\$ 588.9	\$ 972.1	\$ 1,158.3
Cost of sales	417.0	447.1	791.0	889.5
	90.7	141.9	181.2	268.8
Selling, general and administration expenses	44.6	53.2	88.4	106.7
	46.1	88.6	92.8	162.2
Depreciation and amortization	28.1	32.9	57.3	64.4
Income before other expense, interest and income taxes	18.0	55.8	35.5	97.8
Other expense, net	11.4	10.5	17.8	12.3
Impairment of goodwill and intangible assets	630.3	-	630.3	-
Interest ⁽³⁾	99.2	45.0	142.3	89.8
	(722.9)	0.3	(754.9)	(4.4)
Income taxes (recovery)	(35.3)	(7.3)	(40.6)	(10.0)
	(687.7)	7.6	(714.3)	5.7
Non-controlling interest	0.9	2.1	1.9	3.3
Net (loss) income	\$ (688.6)	\$ 5.4	\$ (716.2)	\$ 2.4

Adjusted EBITDA Reconciliation:

Net (loss) income	\$ (688.6)	\$ 5.4	\$ (716.2)	\$ 2.4
Interest	99.2	45.0	142.3	89.8
Income taxes (recovery)	(35.3)	(7.3)	(40.6)	(10.0)
Depreciation and amortization	28.1	32.9	57.3	64.4
Other expense, net	11.4	10.5	17.8	12.3
Impairment of goodwill and intangible assets	630.3	-	630.3	-
Non-controlling interest	0.9	2.1	1.9	3.3
Operating EBITDA	46.1	88.6	92.8	162.2
Inventory write-down	4.1	1.4	4.5	1.4
Receivables transaction charges	0.1	1.7	0.8	3.4
Facility closures / realignments	-	-	0.5	-
Stock based compensation	0.5	0.5	0.9	1.3
Franchise and capital taxes	0.1	1.3	0.7	2.3
Foreign exchange (gains) losses	1.5	(1.2)	2.7	(1.7)
Employee future benefits	(0.1)	-	(0.1)	0.3
Severance	-	0.1	-	0.2
Relocation \ recruiting	0.7	1.7	1.5	2.7
Lean Sigma, Supply Chain & HR Consulting	0.3	3.2	0.7	5.3
(Earnings) loss of unrestricted subsidiaries	1.8	-	2.9	-
Other ⁽¹⁾	0.8	1.8	1.8	3.5
Adjusted EBITDA	\$ 56.0	\$ 99.1	\$ 109.5	\$ 181.0
Adjusted EBITDA Margin ⁽²⁾	11.0%	16.8%	11.3%	15.6%
LTM Adjusted EBITDA			\$ 247.9	\$ 350.2

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

(2) Calculated by dividing Adjusted EBITDA by Sales

(3) Includes non-cash deferred financing costs of \$58.5 million and \$61.0 million for the three month and six month period respectively.



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

	June 30 2008	December 31 2007
ASSETS		
Cash and cash equivalents	\$ 241.4	\$ 41.8
Accounts receivable	348.2	264.9
Inventories	296.5	295.8
Prepaid expenses	20.7	15.2
Assets held for sale	5.3	1.8
Income taxes recoverable	1.8	1.8
Current future income taxes	36.0	39.4
	950.0	660.7
Property, plant and equipment	786.2	812.5
Goodwill and other intangible assets	524.4	1,146.4
Other assets	19.3	20.5
Long-term future income taxes	19.1	20.0
	1,348.9	1,999.4
	\$ 2,298.9	\$ 2,660.1
LIABILITIES AND SHAREHOLDER'S EQUITY		
Bank indebtedness	\$ 355.3	\$ 17.6
Accounts payable and accrued expenses	337.6	325.1
Income taxes payable	16.1	15.1
Current future income taxes	2.0	2.1
Debt due on demand	1,909.6	-
Current portion of debt	9.7	20.8
	2,630.4	380.7
Debt ⁽¹⁾	1.8	1,852.6
Long-term future income taxes	98.3	147.5
Other long-term liabilities	36.0	38.9
	2,766.6	2,419.8
Non-controlling interest	28.2	42.7
Share capital	567.2	567.2
Contributed surplus	7.7	6.8
Deficit	(1,123.2)	(407.0)
Accumulated other comprehensive income	52.5	30.7
	(495.9)	197.6
	\$ 2,298.9	\$ 2,660.1

(1) Debt is net of unamortized deferred financing fees of \$nil as at June 30, 2008 and \$61.0 million as of December 31, 2007



UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOW
For the Period Ended June 30
(In millions of U.S. dollars)

	Three Month Period		Six Month Period	
	2008	2007	2008	2007
Cash provided by (used in) operating activities				
Net (loss) income for the period	\$ (688.6)	\$ 5.4	\$ (716.2)	\$ 2.4
Non-cash items	684.1	27.1	710.6	58.7
Accounts receivable	(66.4)	(3.1)	(74.1)	(32.0)
Inventories	(3.5)	10.7	4.9	26.5
Income taxes recoverable	(0.2)	-	-	-
Income taxes payable	1.9	(0.6)	2.6	0.7
Prepaid expenses	(2.2)	0.6	(5.2)	(3.1)
Accounts payable and accrued expenses	(6.0)	(22.6)	5.6	(0.4)
	(81.0)	17.6	(71.8)	52.8
Cash provided by (used in) financing activities				
Increase (decrease) in bank indebtedness	235.8	29.3	336.0	6.8
Net repayment of debt	(3.4)	(4.5)	(13.8)	(8.7)
	232.5	24.8	322.2	(1.9)
Cash provided by (used in) investing activities				
Proceeds from sale of property, plant and equipment	3.9	0.1	3.9	0.2
Additions to property, plant and equipment	(6.2)	(7.3)	(13.5)	(16.2)
Acquisitions	(16.8)	(3.7)	(30.5)	(3.7)
Distribution to non-controlling interests	(2.5)	(1.6)	(8.5)	(1.6)
Other investing activities	0.3	1.4	(0.1)	(1.7)
	(21.3)	(11.1)	(48.6)	(23.0)
Net foreign currency translation adjustment	0.6	2.7	(2.1)	1.8
Increase (decrease) in cash and cash equivalents	130.8	33.9	199.6	29.7
Cash and cash equivalents, beginning of period	110.6	43.2	41.8	47.4
Cash and cash equivalents, end of period	\$ 241.4	\$ 77.1	\$ 241.4	\$ 77.1

