

MASCO CORPORATION - 1st Quarter 2008

<u>Page</u>	
1	Condensed Consolidated Statements of Operations - 2008 & 2007 by Quarter - Unaudited
2	Notes to Condensed Consolidated Statements of Operations - 2008 & 2007 by Quarter - Unaudited
3	Sales by Segment and Geographic Area - Three Months Ended March 31, 2008 & 2007 - Unaudited
4	2008 Quarterly Segment Data Excluding Costs and Charges for Business Rationalizations and Other Initiatives - Unaudited
5	2008 Quarterly Segment Data Including Costs and Charges for Business Rationalizations and Other Initiatives - Unaudited
6	2007 Quarterly Segment Data Excluding Net Costs and Charges for Business Rationalizations and Other Initiatives and Impairment Charges for Goodwill and Other Intangible Assets - Unaudited
7	2007 Quarterly Segment Data Including Net Costs and Charges for Business Rationalizations and Other Initiatives and Impairment Charges for Goodwill and Other Intangible Assets - Unaudited
8	Other Income (Expense), Net - 2008 & 2007 by Quarter - Unaudited
9	Condensed Consolidated Statements of Income - Three Months Ended March 31, 2008 & 2007 - Unaudited
10	Condensed Consolidated Balance Sheets - Unaudited
11	Discontinued Operations - Unaudited
	GAAP Reconciliations:
12	Sales Growth Excluding the Effect of Acquisitions and Currency Translation - Unaudited
13	Operating Profit and Margins - Unaudited
14	Operating Profit and Shareholders' Equity - Unaudited

MASCO CORPORATION
Condensed Consolidated Statements of Operations
2008 & 2007 - by Quarter - Unaudited
(dollars in millions, except per share data)

	2008					2007				
	Year	Qtr. 4	Qtr. 3	Qtr. 2	Qtr. 1	Year	Qtr. 4	Qtr. 3	Qtr. 2	Qtr. 1
Net Sales:										
- North America					\$ 1,893	\$ 9,271	\$ 2,048	\$ 2,417	\$ 2,548	\$ 2,258
- International, principally Europe					553	2,261	587	588	541	545
- Consolidated					2,446	11,532	2,635	3,005	3,089	2,803
Cost of Sales					1,818	8,380	1,960	2,155	2,198	2,067
Gross Profit					628	3,152	675	850	891	736
(Gross Margin as a % of Sales)					25.7%	27.3%	25.6%	28.3%	28.8%	26.3%
S,G&A Expense (before GCE & (Gain) on Sale of Corporate Fixed Assets)					425	1,806	449	435	486	436
(S,G&A Expense as a % of Sales)					17.4%	15.7%	17.0%	14.5%	15.7%	15.6%
Operating Profit (before GCE, (Gain) on Sale of Corporate Fixed Assets & Impairment Charges for Goodwill and Other Intangible Assets)					203	1,346	226	415	405	300
(Operating Margin as a % of Sales)					8.3%	11.7%	8.6%	13.8%	13.1%	10.7%
- North America					149	1,008	60	346	360	242
(Margin as a % of Sales)					7.9%	10.9%	2.9%	14.3%	14.1%	10.7%
- International, principally Europe					54	219	47	69	45	58
(Margin as a % of Sales)					9.8%	9.7%	8.0%	11.7%	8.3%	10.6%
General Corporate Expense (GCE), Net					43	181	37	44	49	51
S,G&A Expense as a % of Sales (Including GCE & (Gain) on Sale of Corporate Fixed Assets)					19.1%	17.2%	18.4%	15.9%	17.2%	17.3%
(Gain) on Sale of Corporate Fixed Assets, Net					-	(8)	-	-	(5)	(3)
Impairment Charges for Goodwill and Other Intangible Assets					-	119	119	-	-	-
Operating Profit per F/S					\$ 160	\$ 1,054	\$ 70	\$ 371	\$ 361	\$ 252
Earnings (Loss) per Common Share (Diluted):										
Income (Loss) from Continuing Operations					\$ 0.07	\$ 1.32	\$ (0.09)	\$ 0.56	\$ 0.49	\$ 0.35
(Loss) Income from Discontinued Operations, Net					(0.06)	(0.29)	(0.33)	-	0.02	0.02
Net Income (Loss)					\$ 0.01	\$ 1.03	\$ (0.42)	\$ 0.56	\$ 0.51	\$ 0.37

Please see page 2 for Notes.

MASCO CORPORATION
Notes to Condensed Consolidated Statements of Operations
2008 & 2007 - by Quarter - Unaudited

Notes:

- Operating results for the first quarter of 2008 include costs and charges related to business rationalizations and other initiatives of \$9 million pre-tax (\$.02 per common share, after tax).
- Income from continuing operations for the first quarter of 2008 includes non-cash impairment charges for financial investments of \$26 million pre-tax (\$.05 per common share, after tax).
- Loss from discontinued operations for the first quarter of 2008 includes a non-cash charge for those business units that are expected to be divested at a loss of \$49 million pre-tax (\$.08 per common share, after tax).
- Operating results for the fourth quarter of 2007 include non-cash impairment charges for goodwill and other intangible assets of \$119 million pre-tax (\$.28 per common share, after tax).
- Operating results for the first, second, third and fourth quarters of 2007 include costs and charges related to business rationalizations and other initiatives of \$25 million pre-tax (\$.04 per common share, after tax), \$23 million pre-tax (\$.04 per common share, after tax), \$12 million pre-tax (\$.02 per common share, after tax, net of an \$8 million gain from the sale of fixed assets) and \$19 million pre-tax (\$.03 per common share, after tax), respectively.
- Income from continuing operations for the second and third quarters of 2007 includes non-cash impairment charges for financial investments of \$10 million pre-tax (\$.02 per common share, after tax) and \$12 million pre-tax (\$.02 per common share, after tax),
- Income from continuing operations for the first, second, third and fourth quarters of 2007 includes income related to financial investments of \$22 million pre-tax (\$.04 per common share, after tax), \$7 million pre-tax (\$.01 per common share, after tax), \$11 million pre-tax (\$.02 per common share, after tax) and \$3 million pre-tax (\$.01 per common share, after tax), respectively.
- Loss from discontinued operations for the fourth quarter of 2007 includes a non-cash impairment charge for goodwill of \$108 million pre-tax (\$.30 per common share, after tax).
- Per common share amounts for the four quarters of 2007 do not total to the per common share amounts for the year, primarily due to the timing of common stock transactions.

MASCO CORPORATION
Sales by Segment and Geographic Area
Three Months Ended March 31, 2008 & 2007 - Unaudited
(dollars in millions)

	Three Months Ended March 31,		1st Qtr '08 vs. 1st Qtr '07	
	<u>2008</u>	<u>2007</u>		
Cabinets and Related Products	\$ 596	\$ 691	-	14%
Plumbing Products	817	838	-	3%
Installation and Other Services	486	638	-	24%
Decorative Architectural Products	379	420	-	10%
Other Specialty Products	168	216	-	22%
Total	<u>\$ 2,446</u>	<u>\$ 2,803</u>	-	13%
North America	\$ 1,893	\$ 2,258	-	16%
International, principally Europe	553	545	+	1%
Total, as above	<u>\$ 2,446</u>	<u>\$ 2,803</u>	-	13%

Notes:

- Data exclude discontinued operations.
- Excluding acquisitions, consolidated net sales decreased 14 percent, North American net sales decreased 18 percent and International net sales increased one percent compared with the first quarter of 2007 (please see page 12 for the GAAP
- International net sales in local currencies decreased eight percent compared with the first quarter of 2007 (please see page 12 for the GAAP reconciliation).

MASCO CORPORATION
Quarterly Segment Data - 2008
Excluding Costs & Charges for Business Rationalizations and Other Initiatives
(dollars in millions)

	<u>Year</u>	<u>Qtr. 4</u>	<u>Qtr. 3</u>	<u>Qtr. 2</u>	<u>Qtr. 1</u>
Net Sales:					
- Cabinets and Related Products					\$ 596
- Plumbing Products					817
- Installation and Other Services					486
- Decorative Architectural Products					379
- Other Specialty Products					168
- Total					\$ 2,446
- North America					\$ 1,893
- International, principally Europe					553
- Total, as above					\$ 2,446
Operating Profit:					
- Cabinets and Related Products					\$ 29
- Plumbing Products					102
- Installation and Other Services					(1)
- Decorative Architectural Products					74
- Other Specialty Products					8
- Total					\$ 212
- North America					\$ 157
- International, principally Europe					55
- Total, as above					\$ 212
General Corporate Expense (GCE), Net					43
(Gain) on Sale of Corporate Fixed Assets, Net					-
Operating Profit (after GCE and Adjustments)					169
Other Income (Expense), Net					(84)
Income from Continuing Operations before Income Taxes and Minority Interest					\$ 85
Margins:					
- Cabinets and Related Products					4.9%
- Plumbing Products					12.5%
- Installation and Other Services					-0.2%
- Decorative Architectural Products					19.5%
- Other Specialty Products					4.8%
- Total					8.7%
- North America					8.3%
- International, principally Europe					9.9%
- Total, as above					8.7%

Notes:

- Data exclude discontinued operations.
- Operating profit and margins by segment and geographic area are before general corporate expense and (gain) on sale of Corporate fixed assets.
- Operating profit margins for the first quarter of 2008 exclude costs and charges of \$9 million pre-tax for business rationalizations and other initiatives as follows: Cabinets and Related Products (\$1 million), Plumbing Products (\$3 million), and Installation and Other Services (\$5 million).

MASCO CORPORATION
Quarterly Segment Data - 2008
Including Costs & Charges for Business Rationalizations and Other Initiatives
(dollars in millions)

	<u>Year</u>	<u>Qtr. 4</u>	<u>Qtr. 3</u>	<u>Qtr. 2</u>	<u>Qtr. 1</u>
Net Sales:					
- Cabinets and Related Products					\$ 596
- Plumbing Products					817
- Installation and Other Services					486
- Decorative Architectural Products					379
- Other Specialty Products					168
- Total					\$ 2,446
- North America					\$ 1,893
- International, principally Europe					553
- Total, as above					\$ 2,446
Operating Profit:					
- Cabinets and Related Products					\$ 28
- Plumbing Products					99
- Installation and Other Services					(6)
- Decorative Architectural Products					74
- Other Specialty Products					8
- Total					\$ 203
- North America					\$ 149
- International, principally Europe					54
- Total, as above					\$ 203
General Corporate Expense (GCE), Net					43
(Gain) on Sale of Corporate Fixed Assets, Net					-
Operating Profit (after GCE and Adjustments)					160
Other Income (Expense), Net					(84)
Income from Continuing Operations before Income Taxes and Minority Interest					\$ 76
Margins:					
- Cabinets and Related Products					4.7%
- Plumbing Products					12.1%
- Installation and Other Services					-1.2%
- Decorative Architectural Products					19.5%
- Other Specialty Products					4.8%
- Total					8.3%
- North America					7.9%
- International, principally Europe					9.8%
- Total, as above					8.3%

Notes:

- Data exclude discontinued operations.
- Operating profit and margins by segment and geographic area are before general corporate expense and (gain) on sale of Corporate fixed assets.
- Operating profit margins for the first quarter of 2008 include costs and charges of \$9 million pre-tax for business rationalizations and other initiatives as follows: Cabinets and Related Products (\$1 million), Plumbing Products (\$3 million), and Installation and Other Services (\$5 million).

MASCO CORPORATION
Quarterly Segment Data - 2007
Excluding Net Costs & Charges for Business Rationalizations and Other Initiatives
and Impairment Charges for Goodwill and Other Intangible Assets- Unaudited
(dollars in millions)

	Year	Qtr. 4	Qtr. 3	Qtr. 2	Qtr. 1
Net Sales:					
- Cabinets and Related Products	\$ 2,829	\$ 665	\$ 736	\$ 737	\$ 691
- Plumbing Products	3,391	819	865	869	838
- Installation and Other Services	2,615	589	689	699	638
- Decorative Architectural Products	1,768	347	467	534	420
- Other Specialty Products	929	215	248	250	216
- Total	<u>\$ 11,532</u>	<u>\$ 2,635</u>	<u>\$ 3,005</u>	<u>\$ 3,089</u>	<u>\$ 2,803</u>
- North America	\$ 9,271	\$ 2,048	\$ 2,417	\$ 2,548	\$ 2,258
- International, principally Europe	2,261	587	588	541	545
- Total, as above	<u>\$ 11,532</u>	<u>\$ 2,635</u>	<u>\$ 3,005</u>	<u>\$ 3,089</u>	<u>\$ 2,803</u>
Operating Profit:					
- Cabinets and Related Products	\$ 368	\$ 71	\$ 108	\$ 107	\$ 82
- Plumbing Products	349	66	103	97	83
- Installation and Other Services	197	34	65	62	36
- Decorative Architectural Products	385	62	114	116	93
- Other Specialty Products	119	12	36	42	29
- Total	<u>\$ 1,418</u>	<u>\$ 245</u>	<u>\$ 426</u>	<u>\$ 424</u>	<u>\$ 323</u>
- North America	\$ 1,122	\$ 126	\$ 356	\$ 377	\$ 263
- International, principally Europe	227	50	70	47	60
- Total, as above	<u>\$ 1,349</u>	<u>\$ 176</u>	<u>\$ 426</u>	<u>\$ 424</u>	<u>\$ 323</u>
General Corporate Expense (GCE), Net	174	37	43	45	49
(Gain) on Sale of Corporate Fixed Assets, Net	(8)	-	-	(5)	(3)
Operating Profit (after GCE and Adjustments)	<u>1,183</u>	<u>139</u>	<u>383</u>	<u>384</u>	<u>277</u>
Other Income (Expense), Net	<u>(188)</u>	<u>(58)</u>	<u>(45)</u>	<u>(64)</u>	<u>(21)</u>
Income from Continuing Operations before Income Taxes and Minority Interest	<u>\$ 995</u>	<u>\$ 81</u>	<u>\$ 338</u>	<u>\$ 320</u>	<u>\$ 256</u>
Margins:					
- Cabinets and Related Products	13.0%	10.7%	14.7%	14.5%	11.9%
- Plumbing Products	10.3%	8.1%	11.9%	11.2%	9.9%
- Installation and Other Services	7.5%	5.8%	9.4%	8.9%	5.6%
- Decorative Architectural Products	21.8%	17.9%	24.4%	21.7%	22.1%
- Other Specialty Products	12.8%	5.6%	14.5%	16.8%	13.4%
- Total	12.3%	9.3%	14.2%	13.7%	11.5%
- North America	12.1%	6.2%	14.7%	14.8%	11.6%
- International, principally Europe	10.0%	8.5%	11.9%	8.7%	11.0%
- Total, as above	11.7%	6.7%	14.2%	13.7%	11.5%

Notes:

- Data exclude discontinued operations.
- Operating profit and margins by segment and geographic area are before general corporate expense and (gain) on sale of Corporate fixed assets.
- Operating profit margins for the fourth quarter of 2007 exclude \$119 million of impairment charges for goodwill and other intangible assets as follows: Plumbing Products (\$69 million) and Other Specialty Products (\$50 million).
- Operating profit margins for the fourth quarter of 2007 exclude costs and charges of \$19 million pre-tax related business rationalizations and other initiatives as follows: Cabinets and Related Products (\$8 million), Plumbing Products (\$5 million) and Installation and Other Services (\$6 million).
- Operating profit margins for the third quarter of 2007 exclude net costs and charges of \$12 million pre-tax related to business rationalizations and other initiatives as follows: Cabinets and Related Products (\$3 million, net of an \$8 million gain from the sale of fixed assets), Plumbing Products (\$3 million), Installation and Other Services (\$5 million), and GCE (\$1 million).
- Operating profit margins for the second quarter of 2007 exclude costs and charges of \$23 million pre-tax related to business rationalizations and other initiatives as follows: Cabinets and Related Products (\$11 million), Plumbing Products (\$2 million), Installation and Other Services (\$4 million), Decorative Architectural Products (\$1 million), Other Specialty Products (\$1 million) and GCE (\$4 million).
- Operating profit margins for the first quarter of 2007 exclude costs and charges of \$25 million pre-tax related to business rationalizations and other initiatives as follows: Cabinets and Related Products (\$10 million), Plumbing Products (\$6 million), Installation and Other Services (\$6 million), Other Specialty Products (\$1 million) and GCE (\$2 million).

MASCO CORPORATION
Quarterly Segment Data - 2007
Including Net Costs & Charges for Business Rationalizations and Other Initiatives
and Impairment Charges for Goodwill and Other Intangible Assets - Unaudited
(dollars in millions)

	Year	Qtr. 4	Qtr. 3	Qtr. 2	Qtr. 1
Net Sales:					
- Cabinets and Related Products	\$ 2,829	\$ 665	\$ 736	\$ 737	\$ 691
- Plumbing Products	3,391	819	865	869	838
- Installation and Other Services	2,615	589	689	699	638
- Decorative Architectural Products	1,768	347	467	534	420
- Other Specialty Products	929	215	248	250	216
- Total	<u>\$ 11,532</u>	<u>\$ 2,635</u>	<u>\$ 3,005</u>	<u>\$ 3,089</u>	<u>\$ 2,803</u>
- North America	\$ 9,271	\$ 2,048	\$ 2,417	\$ 2,548	\$ 2,258
- International, principally Europe	2,261	587	588	541	545
- Total, as above	<u>\$ 11,532</u>	<u>\$ 2,635</u>	<u>\$ 3,005</u>	<u>\$ 3,089</u>	<u>\$ 2,803</u>
Operating Profit (Loss):					
- Cabinets and Related Products	\$ 336	\$ 63	\$ 105	\$ 96	\$ 72
- Plumbing Products	264	(8)	100	95	77
- Installation and Other Services	176	28	60	58	30
- Decorative Architectural Products	384	62	114	115	93
- Other Specialty Products	67	(38)	36	41	28
- Total	<u>\$ 1,227</u>	<u>\$ 107</u>	<u>\$ 415</u>	<u>\$ 405</u>	<u>\$ 300</u>
- North America	\$ 1,008	\$ 60	\$ 346	\$ 360	\$ 242
- International, principally Europe	219	47	69	45	58
- Total, as above	<u>\$ 1,227</u>	<u>\$ 107</u>	<u>\$ 415</u>	<u>\$ 405</u>	<u>\$ 300</u>
General Corporate Expense (GCE), Net	181	37	44	49	51
(Gain) on Sale of Corporate Fixed Assets, Net	(8)	-	-	(5)	(3)
Operating Profit (after GCE and Adjustments)	<u>1,054</u>	<u>70</u>	<u>371</u>	<u>361</u>	<u>252</u>
Other Income (Expense), Net	<u>(188)</u>	<u>(58)</u>	<u>(45)</u>	<u>(64)</u>	<u>(21)</u>
Income from Continuing Operations before Income Taxes and Minority Interest	<u>\$ 866</u>	<u>\$ 12</u>	<u>\$ 326</u>	<u>\$ 297</u>	<u>\$ 231</u>
Margins:					
- Cabinets and Related Products	11.9%	9.5%	14.3%	13.0%	10.4%
- Plumbing Products	7.8%	-1.0%	11.6%	10.9%	9.2%
- Installation and Other Services	6.7%	4.8%	8.7%	8.3%	4.7%
- Decorative Architectural Products	21.7%	17.9%	24.4%	21.5%	22.1%
- Other Specialty Products	7.2%	-17.7%	14.5%	16.4%	13.0%
- Total	10.6%	4.1%	13.8%	13.1%	10.7%
- North America	10.9%	2.9%	14.3%	14.1%	10.7%
- International, principally Europe	9.7%	8.0%	11.7%	8.3%	10.6%
- Total, as above	10.6%	4.1%	13.8%	13.1%	10.7%

Notes:

- Data exclude discontinued operations.
- Operating profit and margins by segment and geographic area are before general corporate expense and (gain) on sale of Corporate fixed assets.
- Operating profit margins for the fourth quarter of 2007 include \$119 million of impairment charges for goodwill and other intangible assets as follows: Plumbing Products (\$69 million) and Other Specialty Products (\$50 million).
- Operating profit margins for the fourth quarter of 2007 include net costs and charges of \$19 million pre-tax related to business rationalizations and other initiatives as follows: Cabinets and Related Products (\$8 million), Plumbing Products (\$5 million) and Installation and Other Services (\$6 million).
- Operating profit margins for the third quarter of 2007 include net costs and charges of \$12 million pre-tax related to business rationalizations and other initiatives as follows: Cabinets and Related Products (\$3 million, net of an \$8 million gain from the sale of fixed assets), Plumbing Products (\$3 million), Installation and Other Services (\$5 million), and GCE (\$1 million).
- Operating profit margins for the second quarter of 2007 include costs and charges of \$23 million pre-tax related to business rationalizations and other initiatives as follows: Cabinets and Related Products (\$11 million), Plumbing Products (\$2 million), Installation and Other Services (\$4 million), Decorative Architectural Products (\$1 million), Other Specialty Products (\$1 million) and GCE (\$4 million).
- Operating profit margins for the first quarter of 2007 include costs and charges of \$25 million pre-tax related to business rationalizations and other initiatives as follows: Cabinets and Related Products (\$10 million), Plumbing Products (\$6 million), Installation and Other Services (\$6 million), Other Specialty Products (\$1 million) and GCE (\$2 million).

MASCO CORPORATION
Other Income (Expense), Net
2008 & 2007 - by Quarter - Unaudited
(in millions)

	2008					2007				
	Year	Qtr. 4	Qtr. 3	Qtr. 2	Qtr. 1	Year	Qtr. 4	Qtr. 3	Qtr. 2	Qtr. 1
Interest Expense					\$ (56)	\$ (258)	\$ (61)	\$ (65)	\$ (69)	\$ (63)
Income from Cash and Cash Investments					6	37	8	7	8	14
Other Interest Income					-	3	1	1	1	-
Realized (Losses) Gains from Financial Investments, Net					(3)	43	3	11	7	22
Dividend Income					-	6	-	-	1	5
Impairment Charges for Financial Investments					(26)	(22)	-	(12)	(10)	-
Other, Net					(5)	3	(9)	13	(2)	1
Total Other Income (Expense), Net					<u>\$ (84)</u>	<u>\$ (188)</u>	<u>\$ (58)</u>	<u>\$ (45)</u>	<u>\$ (64)</u>	<u>\$ (21)</u>

Notes:

- Data exclude discontinued operations.
- Other, net, includes currency losses of \$10 million for the first quarter of 2008.
- Other, net, includes currency gains (losses) of \$3 million, \$9 million and \$(3) million for the second, third and fourth quarters of 2007, respectively.

MASCO CORPORATION
Condensed Consolidated Balance Sheets - Unaudited
(in millions)

Assets	March 31, 2008	December 31, 2007
Current Assets:		
Cash and Cash Investments	\$ 630	\$ 922
Receivables	1,541	1,405
Assets Held for Sale	112	-
Inventories	1,160	1,126
Prepaid Expenses and Other	345	355
Total Current Assets	<u>3,788</u>	<u>3,808</u>
Property and Equipment, Net	2,261	2,367
Goodwill	3,942	3,938
Other Intangible Assets, Net	321	323
Assets Held for Sale	113	-
Other Assets	464	471
Total Assets	<u><u>\$ 10,889</u></u>	<u><u>\$ 10,907</u></u>
Liabilities		
Current Liabilities:		
Accounts Payable	\$ 768	\$ 714
Liabilities Held for Sale	46	-
Notes Payable	117	122
Accrued Liabilities	932	1,072
Total Current Liabilities	<u>1,863</u>	<u>1,908</u>
Long-term Debt	3,996	3,966
Deferred Income Taxes and Other	1,038	1,008
Total Liabilities	<u>6,897</u>	<u>6,882</u>
Shareholders' Equity	3,992	4,025
Total Liabilities and Shareholders' Equity	<u><u>\$ 10,889</u></u>	<u><u>\$ 10,907</u></u>

MASCO CORPORATION
Discontinued Operations - Unaudited
(in millions)

	Three Months Ended	
	March 31,	
	<u>2008</u>	<u>2007</u>
Net Sales	<u>\$ 65</u>	<u>\$ 78</u>
Income from Discontinued Operations	\$ 7	\$ 5
Gain on Disposal of Discontinued Operations, Net	-	1
Impairment of assets held for sale	(49)	-
(Loss) Income before Income Tax	<u>(42)</u>	<u>6</u>
Income Tax Benefit	<u>20</u>	<u>-</u>
(Loss) Income from Discontinued Operations, Net	<u><u>\$ (22)</u></u>	<u><u>\$ 6</u></u>

MASCO CORPORATION
GAAP Reconciliation of Sales Growth
Excluding the Effect of Acquisitions and Currency Translation - Unaudited
(in millions)

	Three Months Ended	
	March 31,	
	2008	2007
Consolidated Net Sales, As Reported	\$ 2,446	\$ 2,803
- Acquisitions	(33)	-
Consolidated Net Sales, Excluding Acquisitions	<u>\$ 2,413</u>	<u>\$ 2,803</u>
North American Net Sales, As Reported	\$ 1,893	\$ 2,258
- Acquisitions	(33)	-
North American Net Sales, Excluding Acquisitions	<u>\$ 1,860</u>	<u>\$ 2,258</u>
International Net Sales, As Reported	\$ 553	\$ 545
- Acquisitions	-	-
International Net Sales, Excluding Acquisitions	<u>553</u>	<u>545</u>
- Currency Translation	(53)	-
International Net Sales, Excluding Acquisitions and Currency Translation	<u>\$ 500</u>	<u>\$ 545</u>

Notes:

- Data exclude discontinued operations.
- The Company presents information comparing results from one period to another excluding the results of businesses acquired in order to assess the performance of the underlying businesses and to assess to what extent acquisitions are driving growth.
- The Company also presents information comparing results of International operations from one period to another using constant exchange rates. To present this information, current period results for foreign entities are converted into U.S. dollars using the prior period's exchange rates, rather than exchange rates for the current period. The Company presents this information in order to assess how the underlying businesses performed in local currencies before taking into account currency fluctuations.

MASCO CORPORATION
GAAP Reconciliation of Operating Profit and Margins - Unaudited
(dollars in Millions)

	Three Months Ended March 31,			
	2008		2007	
	\$	Margin	\$	Margin
Operating Profit, As Reported	\$ 160	6.5%	\$ 252	9.0%
Business Rationalizations and Other Initiatives	9		25	
Operating Profit, As Reconciled	<u>\$ 169</u>	6.9%	<u>\$ 277</u>	9.9%

Notes:

- Data exclude discontinued operations.
- The Company believes that certain non-GAAP performance measures and ratios, used in managing the business, may provide users of this financial information with additional meaningful comparisons between current results and results in prior periods. Non-GAAP performance measures and ratios should be viewed in addition to, and not as an alternative for, the Company's reported results under accounting principles generally accepted in the United States.

MASCO CORPORATION
GAAP Reconciliation of Operating Profit and Shareholders' Equity - Unaudited
(in millions)

	Twelve Months Ended March 31, 2008
Operating Profit, As Reported	\$ 962
Impairment Charges for Goodwill and Other Intangible Assets, Continuing Operations	119
Operating Profit, As Reconciled	<u>\$ 1,081</u>

	Twelve Months Ended March 31,	
	2008	2007
Shareholders' Equity, As Reported	\$ 3,992	\$ 4,261
Impairment Charges for Goodwill and Other Intangible Assets (after tax)	208	331
Income Regarding Litigation Settlement (after tax)	-	(1)
Shareholders' Equity, As Reconciled	<u>\$ 4,200</u>	<u>\$ 4,591</u>

Notes:

- Data exclude discontinued operations.
- The Company believes that certain non-GAAP performance measures and ratios, used in managing the business, may provide users of this financial information with additional meaningful comparisons between current results and results in prior periods. Non-GAAP performance measures and ratios should be viewed in addition to, and not as an alternative for, the Company's reported results under accounting principles generally accepted in the United States.
- This information is provided as detail for the calculation of return on invested capital ("ROIC") which is calculated as after-tax operating profit (last twelve months, as reconciled) divided by the total of average debt (net of average cash) and average shareholders' equity.

MASCO CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME - UNAUDITED
For the Three Months Ended March 31, 2008 and 2007
(In Millions, Except Per Common Share Data)

	Three Months Ended March 31,	
	2008	2007
Net sales	\$ 2,446	\$ 2,803
Cost of sales	1,818	2,067
Gross profit	628	736
Selling, general and administrative expenses	468	484
Operating profit	160	252
Other income (expense), net	(84)	(21)
Income from continuing operations before income taxes and minority interest	76	231
Income taxes	40	85
Income from continuing operations before minority interest	36	146
Minority interest	12	9
Income from continuing operations	24	137
(Loss) income from discontinued operations, net	(22)	6
Net income	\$ 2	\$ 143
Earnings per common share (diluted):		
Income from continuing operations	\$ 0.07	\$ 0.35
(Loss) income from discontinued operations, net	(0.06)	0.02
Net income	\$ 0.01	\$ 0.37
Average diluted common shares outstanding	356	388