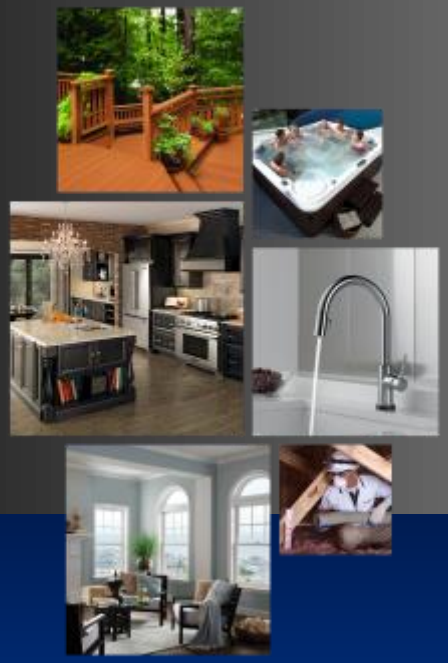


Appendix

MASCO

Appendix – Sales, SG&A, Profit and Cap Ex Reconciliations

($ in Millions)	Year Ended December 31, 2014	2013	2012	2011
Net Sales				
Net sales, as reported	**$ 8,521**	**$ 8,173**	**$ 7,495**	**$ 7,170**
Installation and Other Services	1,515	1,412	1,209	1,077
Net sales, as adjusted	**$ 7,006**	**$ 6,761**	**$ 6,286**	**$ 6,093**
Selling, General & Administrative Expenses				
SG&A, as reported	**$ 1,607**	**$ 1,582**	**$ 1,535**	**$ 1,543**
Installation and Other Services	269	259	250	257
Rationalization charges	35	14	24	20
SG&A, as adjusted	**$ 1,303**	**$ 1,309**	**$ 1,261**	**$ 1,266**
Selling, General and Admin as a Percent of Sales	*18.6%*	*19.4%*	*20.1%*	*20.8%*
Operating Profit				
Operating Profit, as reported	**$ 788**	**$ 673**	**$ 302**	**$ (215)**
Installation and Other Services operating (profit) loss	(58)	(37)	19	79
Rationalization charges	64	47	74	103
(Income) charge for litigation settlements	(9)	-	77	9
(Gain) from sales of fixed assets, net	-	-	(8)	-
Costs related to spin-off of Services Business	6	-	-	-
Impairment of goodwill and other intangible assets	-	-	42	450
Other Specialty Products - Warranty	-	-	12	-
Operating Profit, as adjusted	**$ 791**	**$ 683**	**$ 518**	**$ 426**
Depreciation and Amortization	141	157	173	213
EBITDA, as adjusted	**$ 932**	**$ 840**	**$ 691**	**$ 639**
Capital Expenditures				
Capital Expenditures, as reported	**$ 128**	**$ 124**	**$ 117**	**$ 139**
Installation and Other Services	13	14	11	9
Capital Expenditures, as adjusted	**$ 115**	**$ 110**	**$ 106**	**$ 130**
Capital Expenditures as a Percent of Sales	*1.6%*	*1.6%*	*1.7%*	*2.1%*

NOTE: Financial results exclude Installation and Other Services businesses for all years shown. Subsequent to the spin-off transaction, Masco will account for the Installation and Other Services businesses as a discontinued operation and restate its financial statements. Actual restatements may vary from amounts shown herein.

MASCO

Appendix – EPS Reconciliations

(in millions, except per common share data)

($ in Millions)	Year Ended December 31, 2014	2013	2012
Earnings Per Common Share			
Income from continuing operations before income taxes, as reported	**$ 575**	**$ 450**	**$ 73**
Installation and Other Services	(58)	(37)	19
Rationalization charges	64	47	74
Costs related to spin-off of Services Business	6	-	-
Impairment of goodwill and other intangible assets	-	-	42
(Gain) from sale of fixed assets	-	-	(8)
Other Specialty Products – warranty	-	-	12
(Income) charge for litigation settlements	(9)	-	77
Currency Translation Expense - Masco Denmark	-	18	-
(Gain) from financial investments, net	(4)	(11)	(22)
Loss (Gain) from equity investments, net	2	(16)	-
Interest carry costs	-	-	7
Income from continuing operations before income taxes, as adjusted	**576**	**451**	**274**
Tax at 36% rate	(207)	(162)	(99)
Less: Net income attributable to noncontrolling interest	47	41	35
Income from continuing operations, as adjusted	**$ 322**	**$ 248**	**$ 140**
Income per common share, as adjusted	**$ 0.91**	**$ 0.70**	**$ 0.40**
Average diluted common shares outstanding	352	352	349

NOTE: Financial results exclude Installation and Other Services businesses for all years shown. Subsequent to the spin-off transaction, Masco will account for the Installation and Other Services businesses as a discontinued operation and restate its financial statements. Actual restatements may vary from amounts shown herein.

Appendix – 2014 Reconciliations – Sales and Operating Profit

($ in Millions)		2014
Net Sales		
Net sales, as reported	**$**	**8,521**
Installation and Other Services		1,515
Currency adjustment		204
Net sales, as adjusted and FX modified	**$**	**6,802**
Operating Profit		
Operating Profit, as adjusted	**$**	**791**
Currency adjustment		(36)
Operating Profit, as adjusted and FX modified	**$**	**755**

NOTE: Financial results exclude Installation and Other Services businesses for all years shown. Subsequent to the spin-off transaction, Masco will account for the Installation and Other Services businesses as a discontinued operation and restate its financial statements. Actual restatements may vary from amounts shown herein.

MASCO

2015 Guidance Estimates[8]

($ in Millions)	2015 Estimate	2014 Actual
Rationalization Charges[1, 3]	~ $20	$70
Tax Rate[4]	~ 36%	34%
Interest Expense[7]	~ $230	$225
General Corp. Expense[2]	~ $100	$103
Capital Expenditures	~ $174	$115
Depreciation & Amortization[3]	~ $141	$141
Shares Repurchased[5]	$400-500	$158
Shares Outstanding[6]	347 million	352 million

1. Based on 2015 business plans. 2015 includes approximately $13 million related to spin-off transaction costs.
2. Excludes rationalization expenses of $33 million for the year ended December 31, 2014 and $17 million (estimated) for the year ended December 31, 2015.
3. Includes accelerated depreciation of $1 million for the year ended December 31, 2014. Such expenses are also included in the rationalization charges.
4. Excludes $529 million release of the valuation allowance in 2014.
5. 2015 and 2014 share repurchases include approximately 675 thousand and 1.7 million shares, respectively, to offset grants of long-term stock awards.
6. Reflects shares outstanding as of March 31, 2015 and assumes no further share repurchases in 2015.
7. Reflects ~$5 million of incremental interest expense due to the March 2015 pre-funding of our June 2015 debt maturity.
8. Guidance and 2014 results exclude Installation and Other Services businesses for all years shown. Subsequent to the spin-off transaction, Masco will account for the Installation and Other Services businesses as a discontinued operation and restate its financial statements. Actual restatements may vary from amounts shown herein.

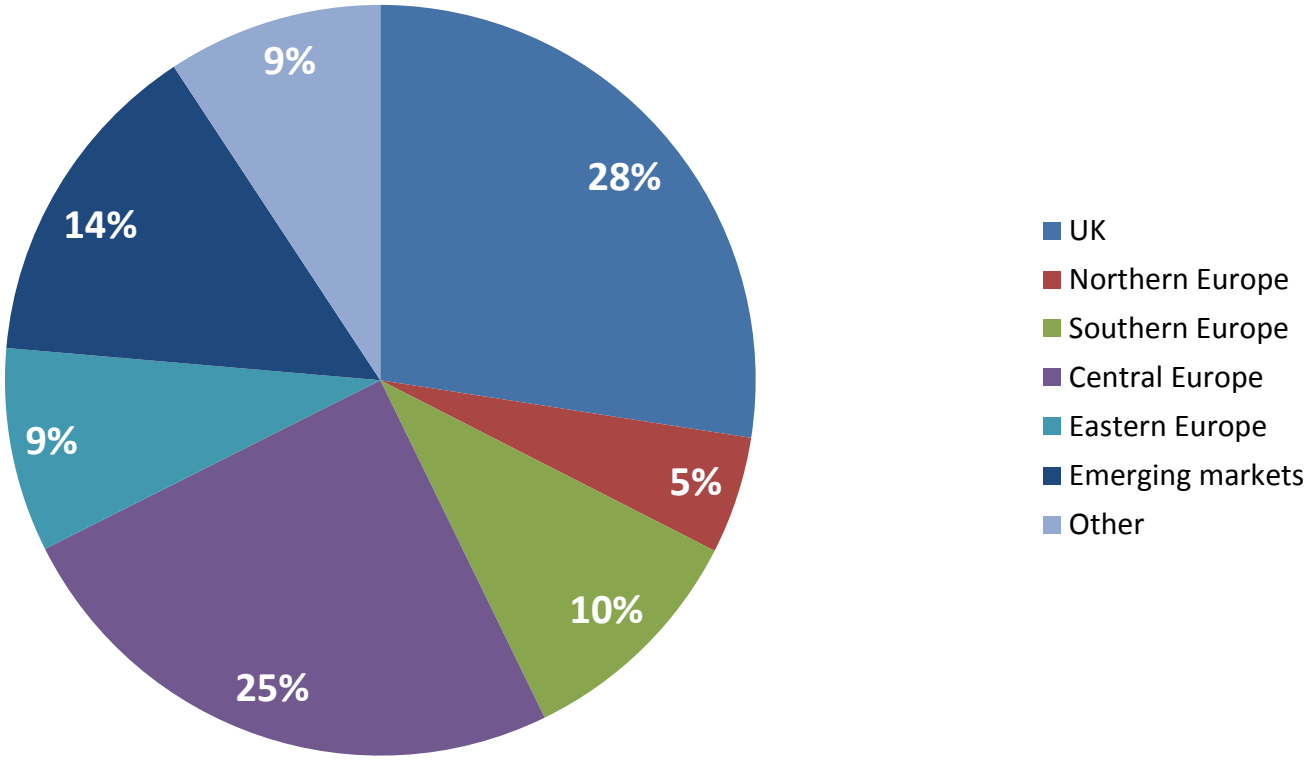
2014 Segment Mix*

Business Segment	Revenue 2014	% of Total	R&R% vs. NC	NA% vs. Int'l
 Plumbing Products	$3.3B	47%	82%	59%
 Decorative Architectural Products	$2.0B	29%	99%	100%
 Cabinets and Related Products	$1.0B	14%	55%	91%
 Other Specialty Products	$0.7B	10%	74%	74%
Total Company	$ 7.0B	100%	82%	77%

R&R = % of sales to repair and remodel channels
NC = % of sales to new construction channels
NA = % of sales within North America
Int'l = % of sales outside North America

* Based on Company estimates and exclude Installation and Other Services businesses.

2014 International Revenue Split*



International Sales Accounted for ~23% of Total 2014 Masco Sales

*Based on Company estimates and exclude Installation and Other Services businesses.