




The New Masco

Keith Allman, CEO

KEY MESSAGES TODAY

The New Masco: Transformation, Focus, Results

MASCO

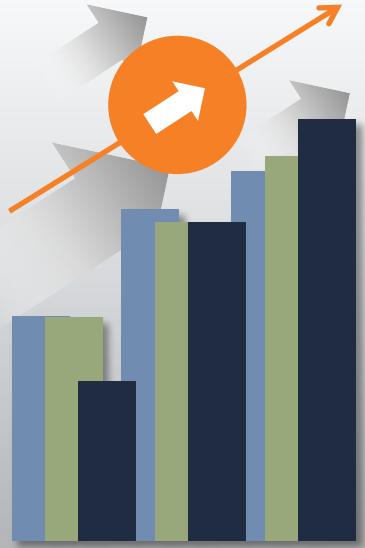
A Transforming Business



Clear Strategic Focus



Delivering Strengthened Performance



A Transforming Business

MASCO

Operational Excellence

- ✓ Reduced costs and increased efficiencies
- ✓ Standardized planning processes
- ✓ Prioritized capability building
- ✓ Drove cost improvement culture



Organization

- ✓ Formed a new management team
- ✓ Implemented talent framework
- ✓ Instituted a center led business model
- ✓ Restructured HQ
- ✓ Made key business unit management changes

Portfolio and Capital Allocation

- ✓ Increased dividend
- ✓ Authorized share buy back of 50 million shares
- ✓ Announced spin off of TopBuild

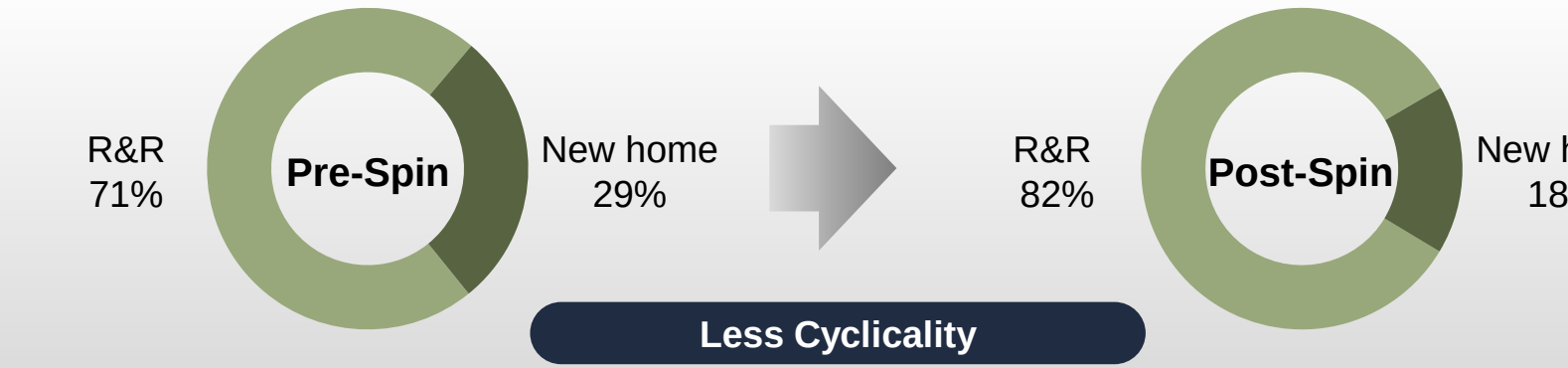
Transformational Initiatives

Creating a Less Cyclical Business

Revenue Breakdown – International vs. North America*



Revenue Breakdown – R&R vs. New Home Construction*



*Based on 2014 revenue and company estimates. See appendix for GAAP reconciliation

The New Masco: Transformation, Focus, Results

MASCO

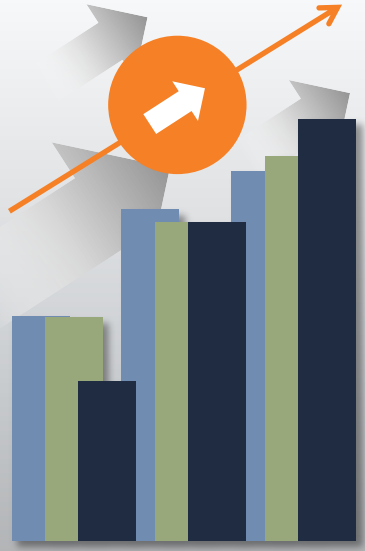
A Transforming Business



Clear Strategic Focus



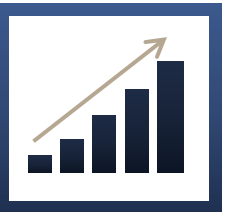
Delivering Strengthened Performance



Clear Strategic Focus

MASCO

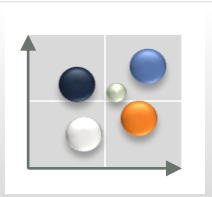
1 **Drive full potential of our core businesses**



2 **Leverage opportunities across our portfolio**



3 **Actively manage portfolio**



Leverage Our Brands

MASCO

Behr®
(DIY architectural coatings in North America)

Milgard®
(vinyl window brand in Western U.S.)

Delta®
(faucet brand in North America)

Arrow®, Liberty®, BrassCraft® and Watkins®
(in their respective categories)

Hansgrohe®
(global faucet and mixer brand)

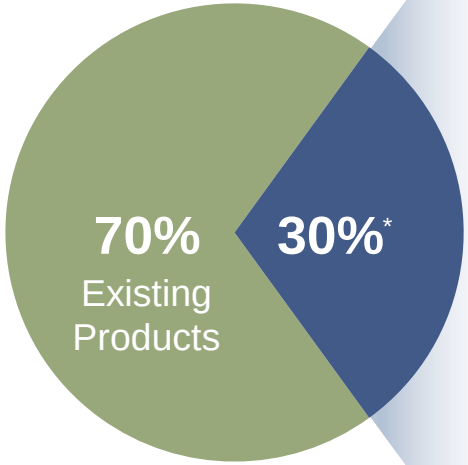
Masco Cabinetry
(cabinet manufacturer in U.S.)



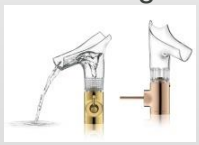
Lead in Innovation

MASCO

2014 Revenues



Examples of New Products / Technologies

2012	2013	2014	2015
 Delta® Toilets	 Hansgrohe Select™ Collection	 Delta Temp$_2$O™ Showerhead	 Hansgrohe® Rain XL™ Showerhead
 Paint & Primer in One	 Behr DeckOver® Coating	 Behr Marquee® Coating	 Behr Textured DeckOver™ Coating
 KraftMaid® Vanities	 KraftMaid® New Design Launch	 KraftMaid® Vantage™ Cabinetry	 Axor® Starck V Collection

*Based on company estimates

Drive Operational Excellence

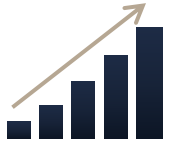
MASCO



Clear Strategic Focus

MASCO

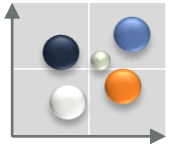
1 **Drive full potential of our core businesses**



2 **Leverage opportunities across our portfolio**



3 **Actively manage portfolio**



Leverage Opportunities Across Our Portfolio

MASCO

MASCO

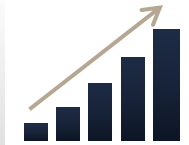


• Talent • Purchasing • Innovation • Sales • Brands

Clear Strategic Focus

MASCO

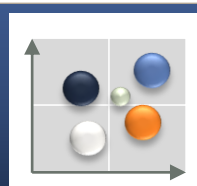
1 **Drive full potential of our core businesses**



2 **Leverage opportunities across our portfolio**



3 **Actively manage portfolio**



Disciplined Portfolio Management

MASCO

Portfolio Refinements

- Financially attractive
- Differentiated / leadership position
- Aligned with other Masco businesses

+

Strategic Acquisitions

- Attractive end markets*
- Accelerate organic strategies
- Meet financial hurdles

Driving Value Creation









*Repair and Remodel, Global Segments, Low Cyclicality, Brand and Innovation Drive Value

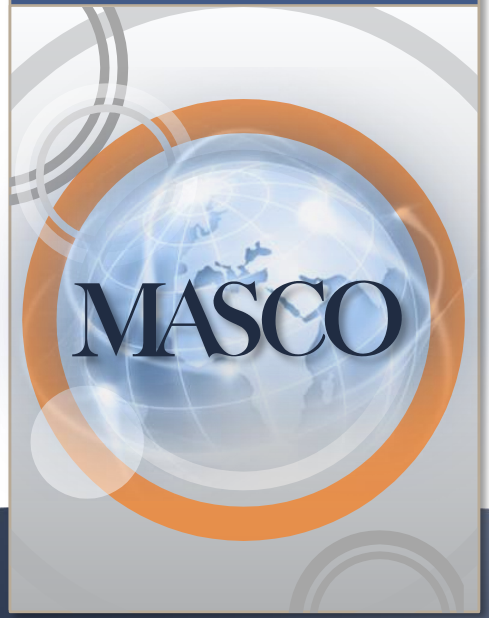
The New Masco: Transformation, Focus, Results

MASCO

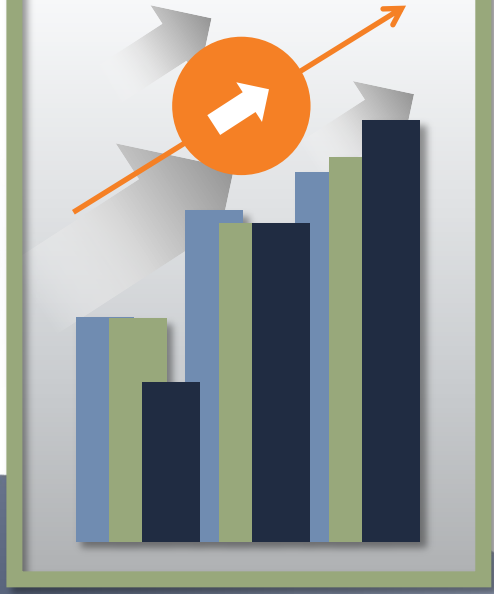
A Transforming Business



Clear Strategic Focus

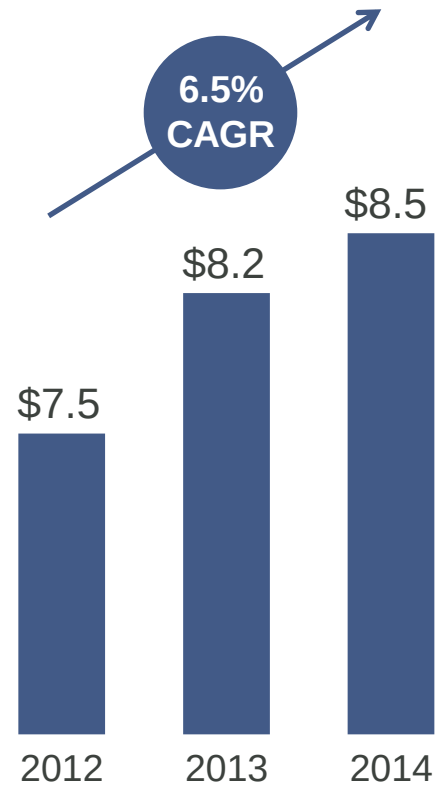


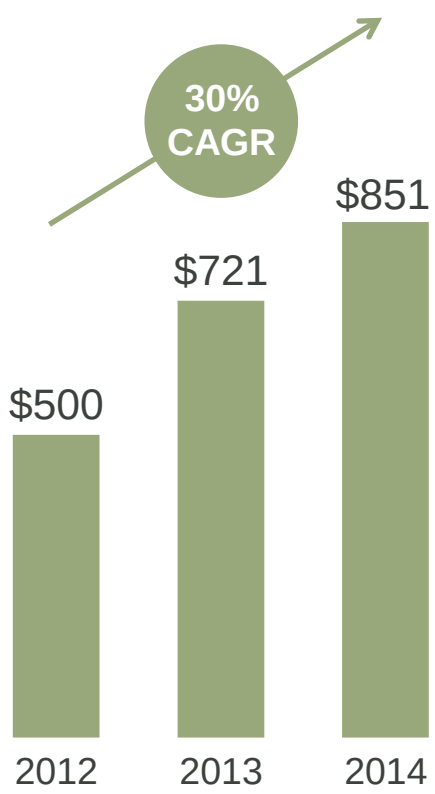
Delivering Strengthened Performance

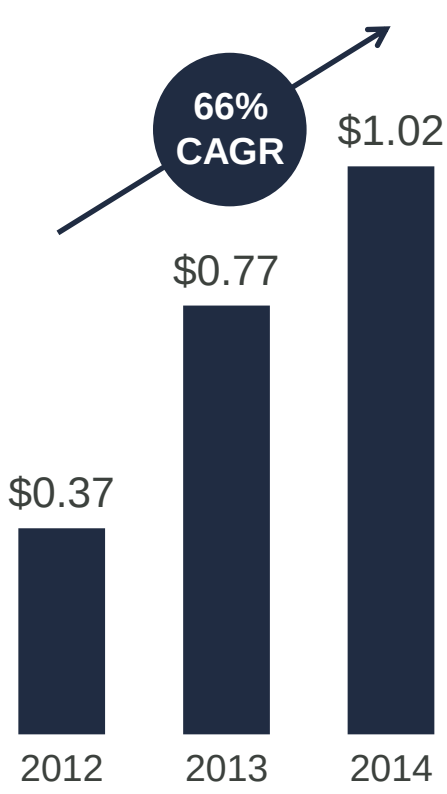


Delivering Strengthened Performance: Consistent Profitability

MASCO







*Operating Profit as adjusted, excluding intangible assets, litigation, rationalization and other charges ($198M in 2012, $48M in 2013 and $63M in 2014). Operating profit as reported was $302M in 2012, $673M in 2013 and $788M in 2014. EPS as reported was ($0.16) in 2012, $0.83 in 2013 and $2.39 in 2014.

Delivering Strengthened Performance: Strong FCF

MASCO

Disciplined capital deployment of ~$2B FCF 2015 - 2017

- Invest in the business



- Return Capital to Shareholders



- Bolt on acquisitions

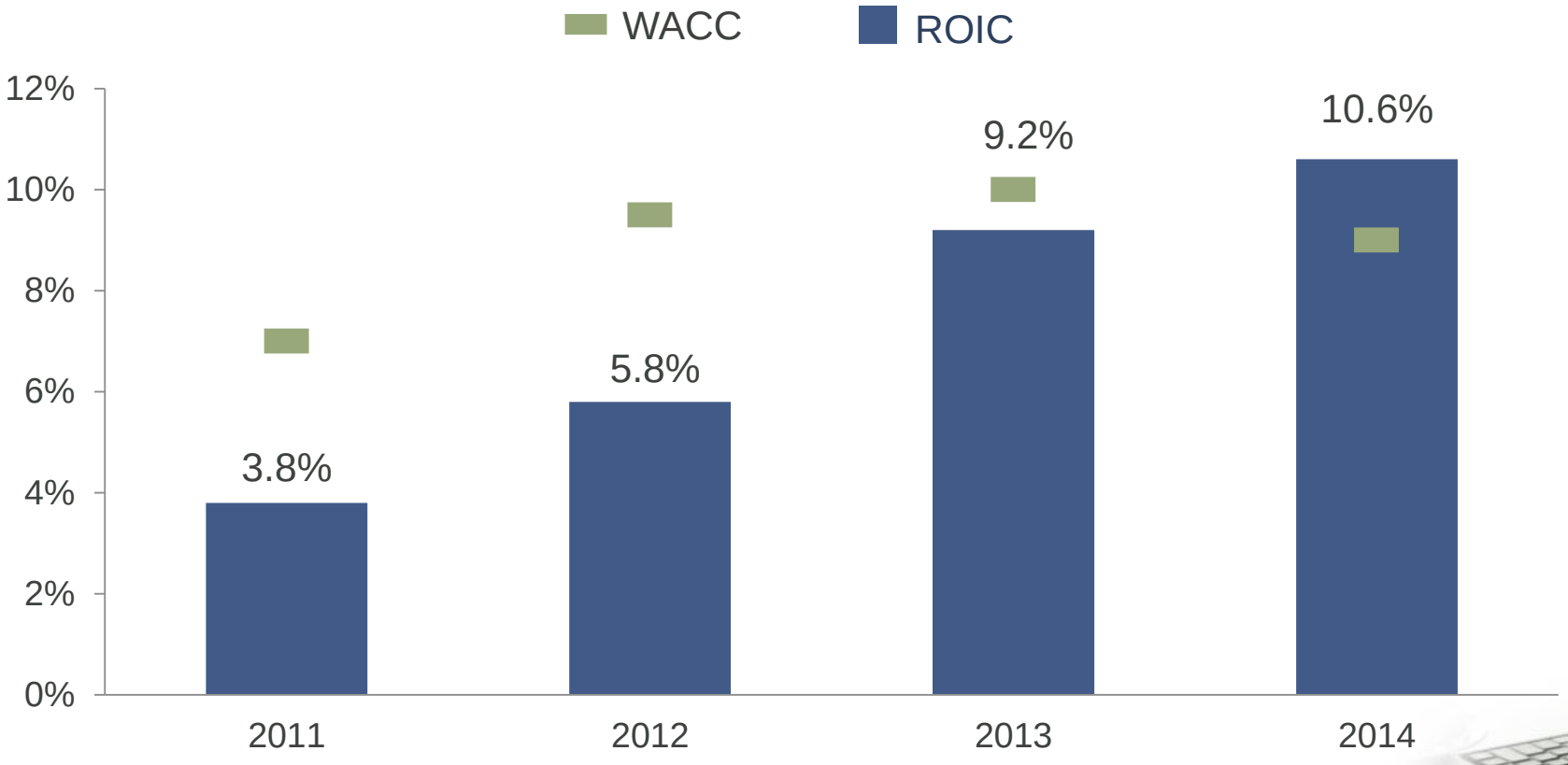


- Pay down debt



Delivering Strengthened Performance: Solid Returns

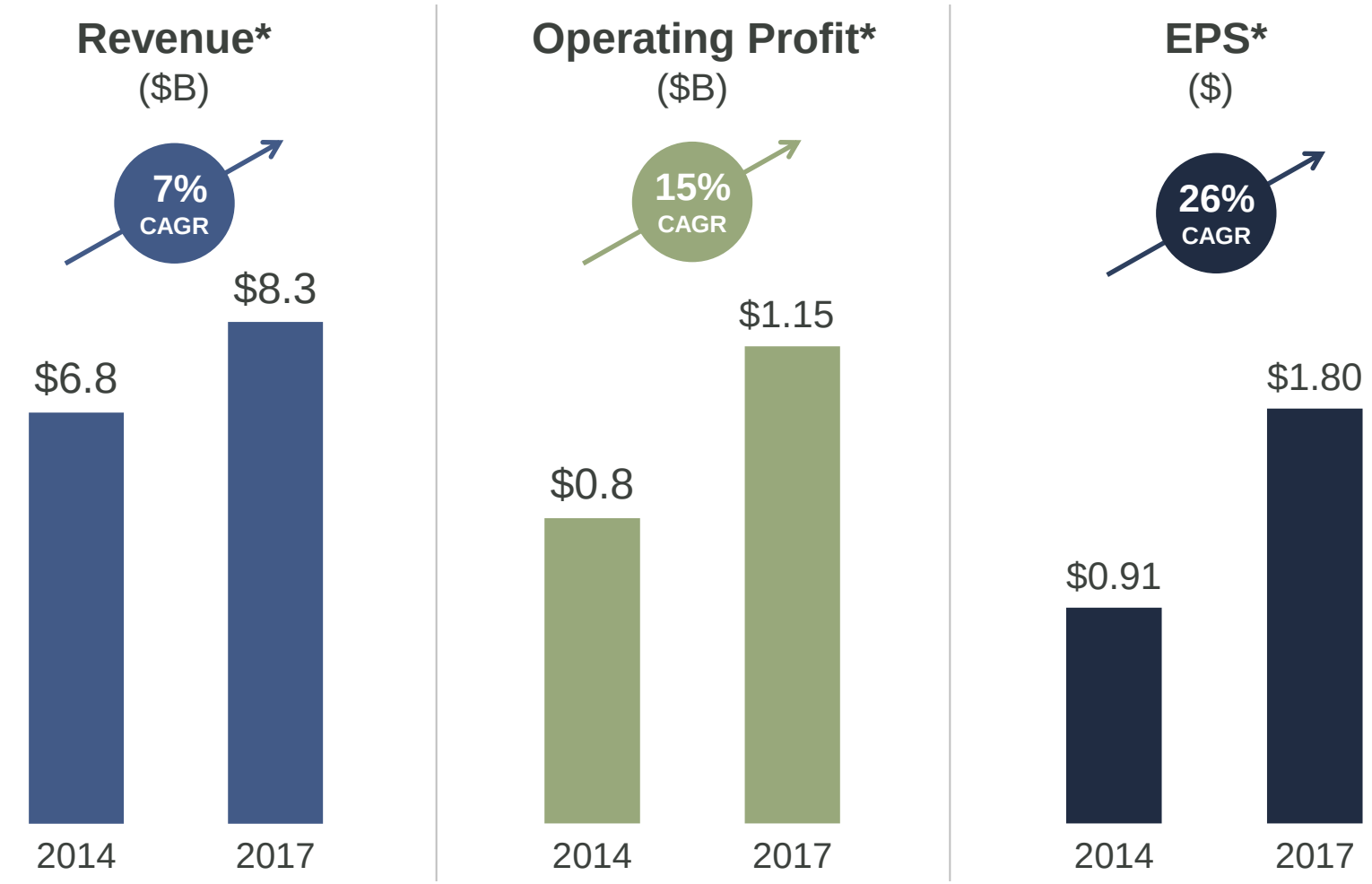
MASCO



ROIC exceeded WACC by 160 bps in 2014

Delivering Strengthened Performance: Profitable Growth

MASCO



*2014 revenue and operating profit uses a $1.10 Euro to USD foreign exchange rate . See appendix for GAAP reconciliation

Note: Future performance reflects company estimates and excludes the Installation Segment.

New Masco. Positioned to Outperform

MASCO



Transformative actions have delivered strengthened results

+



Leveraging a portfolio of industry leading global brands with compelling growth strategies

+



Aligned management team with a clear strategic focus

+



Strong free cash flow generation and capital management driving value to shareholders

Positioned to Outperform