

Other Specialty Products

Gary Gessel / President of Milgard Windows

Agenda

MASCO

The Business Today

Growth Plan









Other Specialty Products Segment Overview

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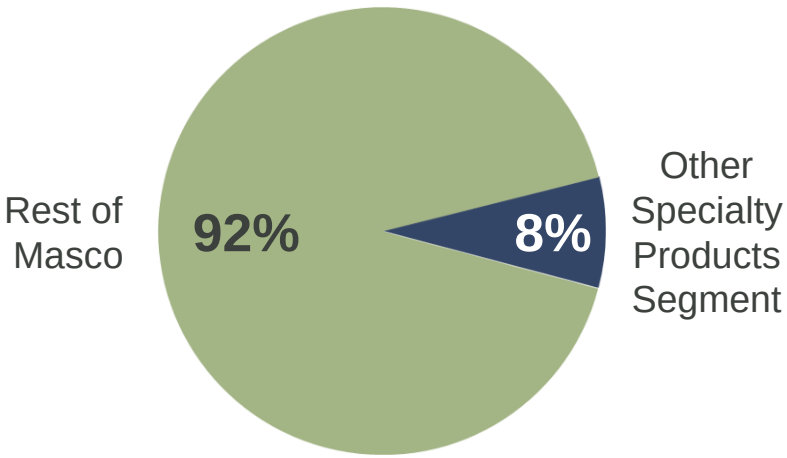
Masco Corp.
(Breakdown of 2014 Revenue)



	12/31/2014
Revenue	**$0.7B**
Margin as Adjusted*	**6.8%**
% of Masco EBIT as Adjusted*	**6%**
% Revenue outside N. America	**26%**
% Repair & Remodel Sales	**74%**
Currency Exposure	**USD / GBP**
Commodity Exposure	**TiO2 / Resins / Glass**

*Operating profit, as adjusted excludes $1M of rationalization charges for Other Specialty Products and $63M of net rationalization charges for Masco.

Our Businesses are Market Leaders

MASCO

Milgard WINDOWS & DOORS

Clearly the best.™



MASCO UK WindowGroup



ARROW™

HOW IT ALL COMES TOGETHER



Record of Growth

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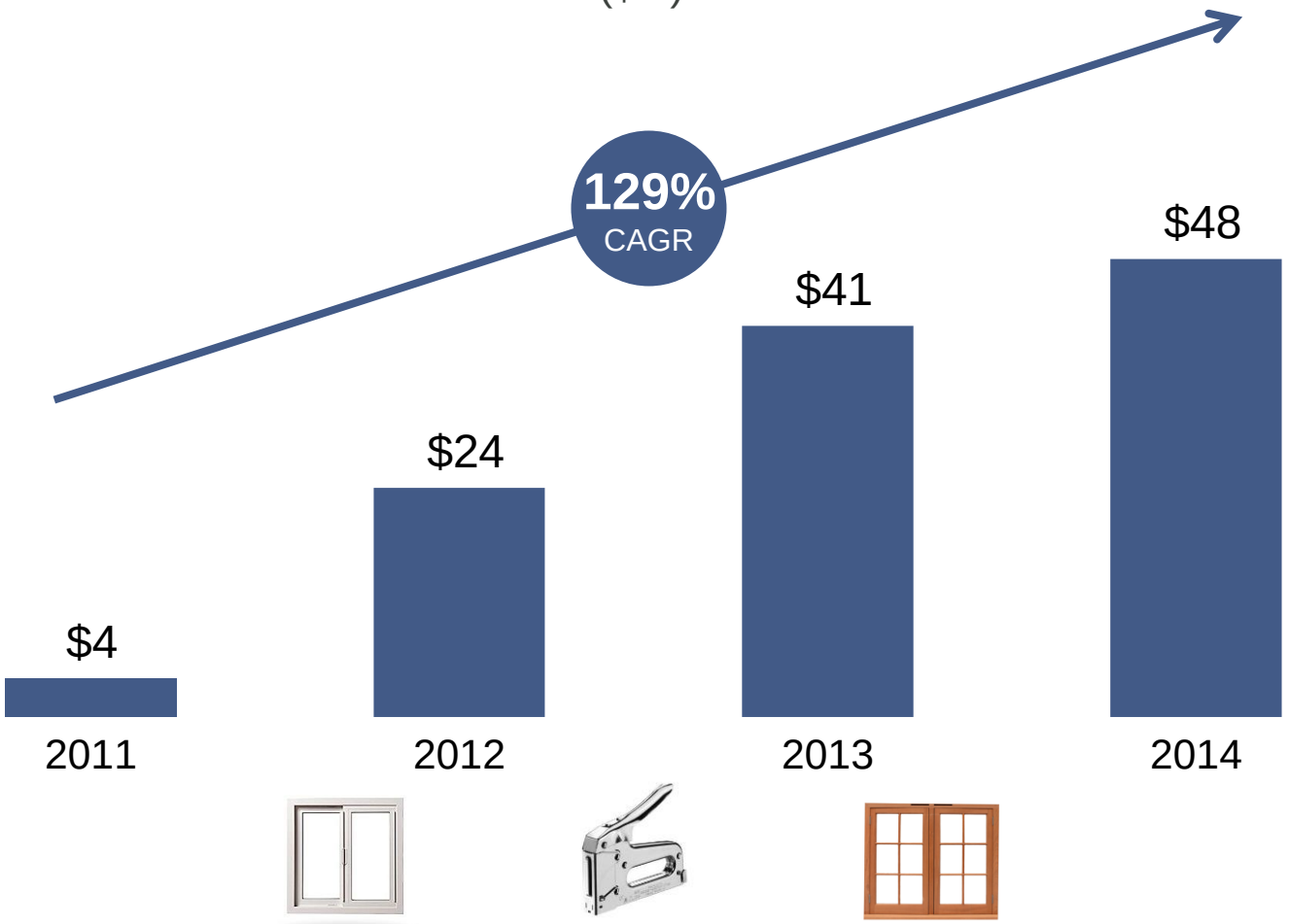
Adjusted Operating Profit
($M)



**Excludes business rationalization charges for 2014, 2013, 2012, and 2011 of $1 million, $6 million, $1 million and $31 million, respectively. Excludes 2012 warranty expense and other intangible asset impairment charge of $12 million and $42 million, respectively. Excludes 2011 goodwill and other intangible asset impairment charge of $374 million.*

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Segment Strategic Priorities

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1 Extend Milgard's leadership position in Western U.S.



2 Pursue geographic expansion with Milgard



3 Extend UK Window Group's leadership position



Milgard WINDOWS & DOORS — Clearly the best.™

MASCO UK WindowGroup

Duraflex — making the difference

premiertrade FRAMES

griffin WINDOWS

Milgard's Leadership Position Provides Strong Platform for Growth

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Western U.S. Window & Patio Door Industry $1.2B

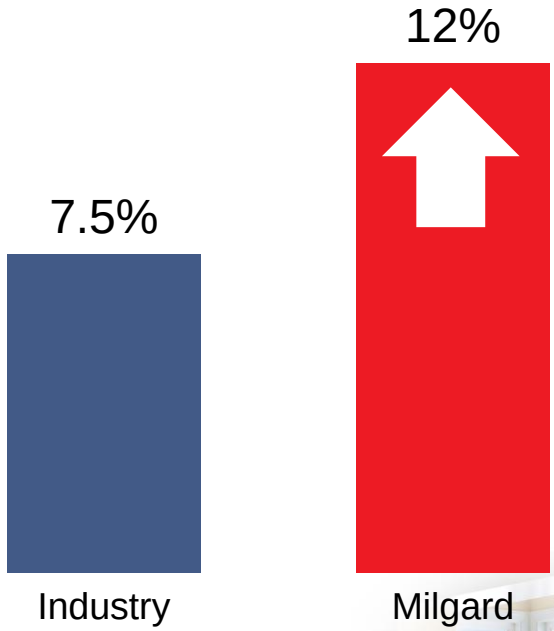


Milgard

#1

Strong Revenue Growth vs. Industry

(2011 – 2017 CAGR)



Source: Bain Consulting and Company Estimates

Despite Leadership Position Significant Opportunities Exist in Underpenetrated Geographies

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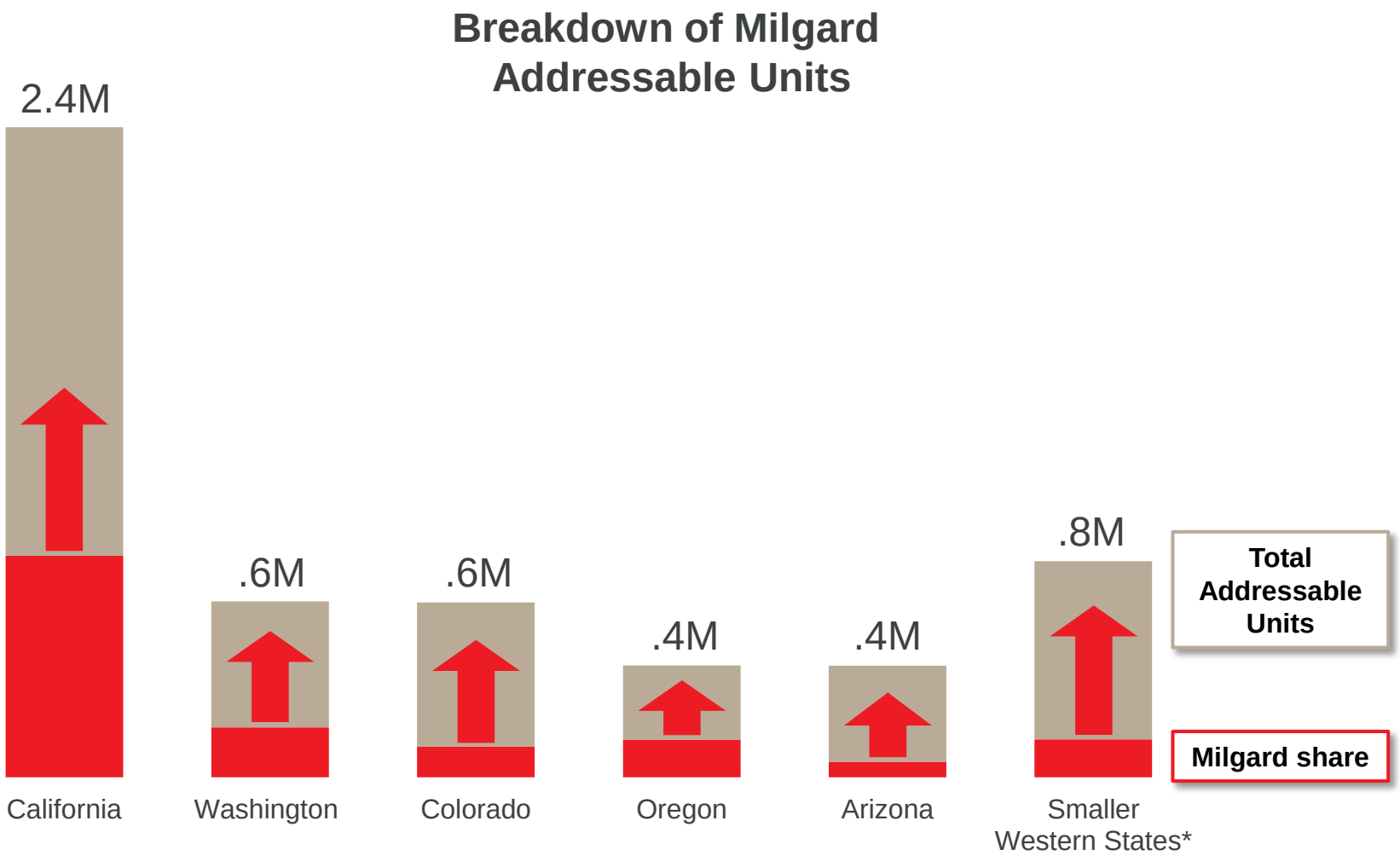

*Smaller Western States include MT, HI, AL, UT, WY, NV, NM
Source: Bain Consulting and Company Estimates

Milgard's Value Proposition is a Differentiator for Window Dealers

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Innovation



SmartTouch®



Best Warranty





Customer Service





Trusted Partner





Innovation will Continue to be a Driver of Success

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New Products Last 3 Years as % of 2014 Sales



Examples of New Products



Essence Wood Windows & Doors – "Re-imagined"



Moving Glass Wall Systems



Premium Painted Vinyl



Vinyl Swing Door

Key Execution Initiatives

MASCO

Grow in underpenetrated geographies



+

Target key dealers

+

Leverage Milgard's value proposition and innovation



Estimated Sales Opportunity:

~$150-$185M over the next three years



Texas Represents a Compelling Organic Growth Opportunity

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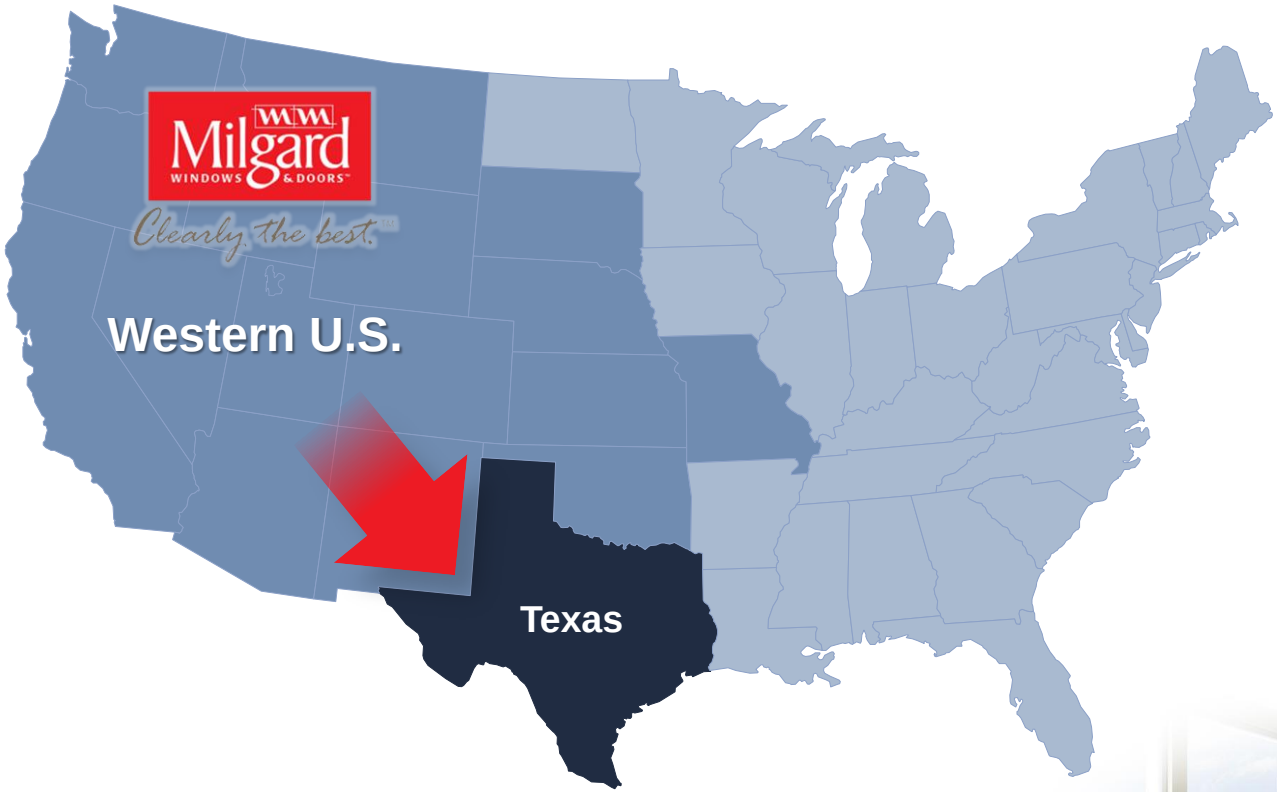
First Target: Texas



1.3M Addressable Window Units



Source: Bain Consulting and Company Estimates

Key Execution Initiatives

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Build manufacturing in Texas



+

Grow Texas dealer base

+

Leverage innovation



Estimated Sales Opportunity:

~$10-$15M over the next three years



Masco's UK Window Group Holds a Leadership Position in the Most Attractive Segment of the UK Window Market

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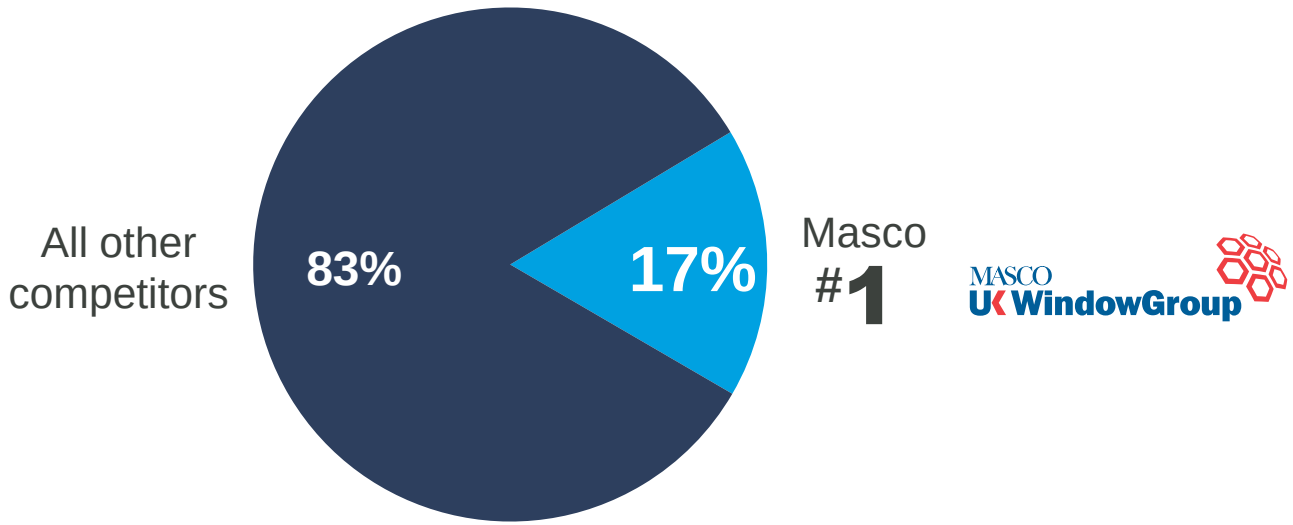
Masco's Leading Position in UK Vinyl / Composite



6.9M addressable window units






Key Execution Initiatives

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Grow the core



+

Grow in new sales channels



+

Accelerate innovation

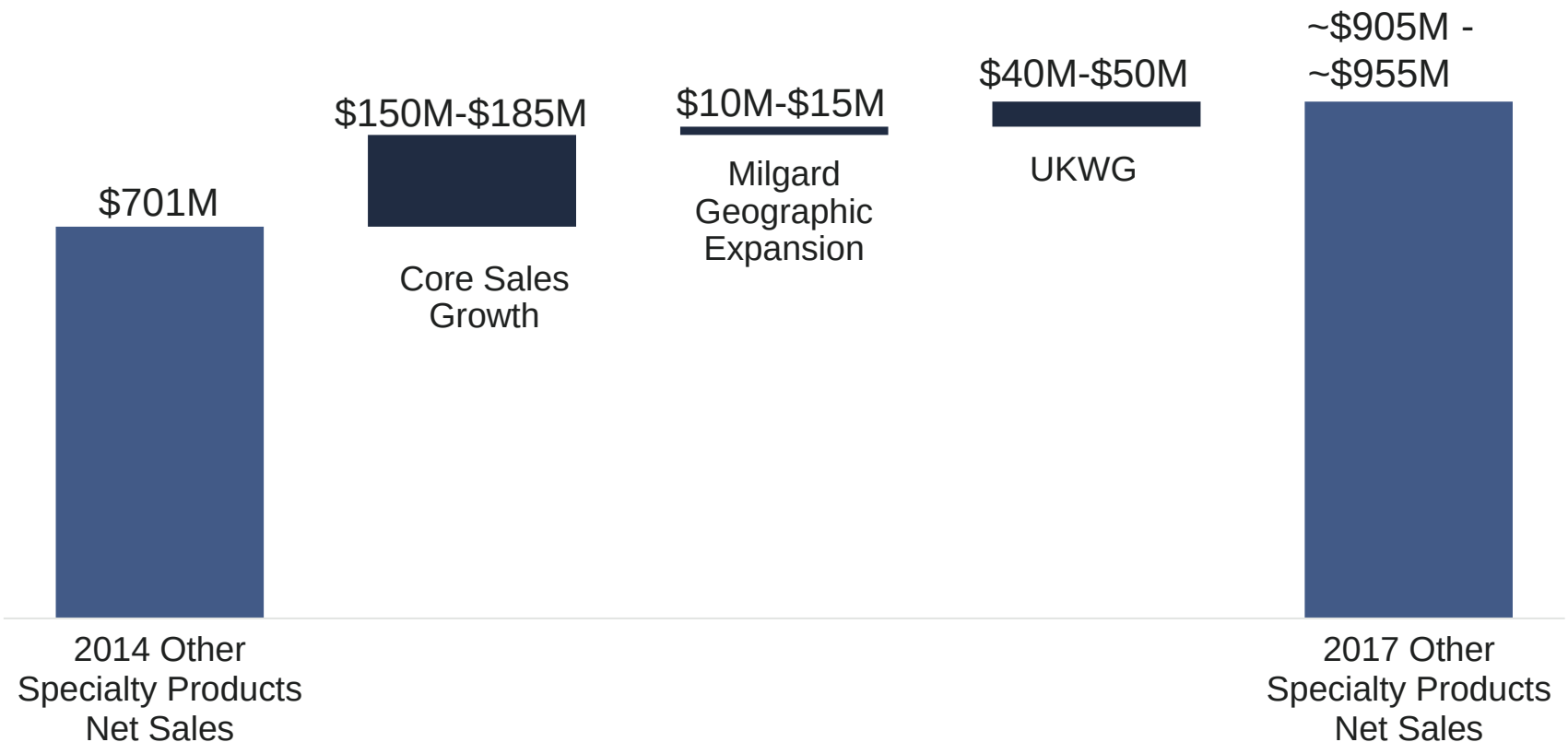


Estimated Sales Opportunity:

~$40-$50M over the next three years



Other Specialty Products 3 Year Outlook



The Segment is expected to generate 10-13% operating margins in 2017 with sales growing at 9-11% CAGR during the next 3 years

IN SUMMARY

Other Specialty Products is a Growth Segment for Masco

- **Milgard Windows – leader in most attractive segment of the Western US window industry**
  - compelling opportunities for growth

- **Milgard uniquely positioned to deliver profitable growth**
  - by leveraging its strong brand, value proposition and innovation

- **Masco's UK Window Group is the leader in UK vinyl and composite window market**
  - with clear strategies to leverage its leadership position for greater growth





