

**MASCO CORPORATION****Condensed Consolidated Statements of Operations - Unaudited  
For the Three Months and Six Months Ended June 30, 2015 and 2014**

(in millions, except per common share data)

|   | <b>Three Months Ended<br/>June 30,</b> |                | <b>Six Months Ended<br/>June 30,</b> |                |
|---|--|----------------|--------------------------------------|----------------|
|   | <b>2015</b>                            | <b>2014</b>    | <b>2015</b>                          | <b>2014</b>    |
| Net sales   | \$ 1,929                               | \$ 1,876       | \$ 3,588                             | \$ 3,506       |
| Cost of sales   | 1,292                                  | 1,301          | 2,456                                | 2,449          |
| Gross profit  | <u>637</u>                             | <u>575</u>     | <u>1,132</u>                         | <u>1,057</u>   |
| Selling, general and administrative expenses                            | 358                                    | 354            | 688                                  | 683            |
| Operating profit  | <u>279</u>                             | <u>221</u>     | <u>444</u>                           | <u>374</u>     |
| Other income (expense), net   | <u>(58)</u>                            | <u>(50)</u>    | <u>(113)</u>                         | <u>(109)</u>   |
| Income from continuing operations before<br>income taxes                | 221                                    | 171            | 331                                  | 265            |
| Income tax expense  | 102                                    | 34             | 142                                  | 38             |
| Income from continuing operations                                       | <u>119</u>                             | <u>137</u>     | <u>189</u>                           | <u>227</u>     |
| (Loss) gain from discontinued operations, net                           | <u>(4)</u>                             | <u>15</u>      | <u>(1)</u>                           | <u>11</u>      |
| Net income  | <u>115</u>                             | <u>152</u>     | <u>188</u>                           | <u>238</u>     |
| Less: Net income attributable to noncontrolling interest                | 10                                     | 13             | 19                                   | 25             |
| Net income attributable to Masco Corporation                            | <u>\$ 105</u>                          | <u>\$ 139</u>  | <u>\$ 169</u>                        | <u>\$ 213</u>  |
| Income per common share attributable to Masco<br>Corporation (diluted): |  |                |                                      |                |
| Income from continuing operations                                       | \$ 0.31                                | \$ 0.35        | \$ 0.48                              | \$ 0.56        |
| (Loss) gain from discontinued operations, net                           | (0.01)                                 | 0.04           | -                                    | 0.03           |
| Net income  | <u>\$ 0.30</u>                         | <u>\$ 0.39</u> | <u>\$ 0.48</u>                       | <u>\$ 0.59</u> |
| Average diluted common shares outstanding                               | <u>344</u>                             | <u>352</u>     | <u>346</u>                           | <u>353</u>     |
| Amounts attributable to Masco Corporation:                              |  |                |                                      |                |
| Income from continuing operations                                       | \$ 109                                 | \$ 124         | \$ 170                               | \$ 202         |
| (Loss) gain from discontinued operations, net                           | (4)                                    | 15             | (1)                                  | 11             |
| Net income attributable to Masco Corporation                            | <u>\$ 105</u>                          | <u>\$ 139</u>  | <u>\$ 169</u>                        | <u>\$ 213</u>  |

**MASCO CORPORATION**
**Exhibit A: Reconciliations - Unaudited**
**For the Three Months and Six Months Ended June 30, 2015 and 2014**

(in millions, except per common share data)

|   | Three Months Ended<br>June 30, |                 | Six Months Ended<br>June 30, |                 |
|---|--------------------------------|-----------------|------------------------------|-----------------|
|   | 2015                           | 2014            | 2015                         | 2014            |
| <b><u>Gross Profit and Operating Profit Reconciliations</u></b>               |                                |                 |                              |                 |
| <b>Net sales</b>  | <b>\$ 1,929</b>                | <b>\$ 1,876</b> | <b>\$ 3,588</b>              | <b>\$ 3,506</b> |
| <b>Gross profit, as reported</b>  | <b>\$ 637</b>                  | <b>\$ 575</b>   | <b>\$ 1,132</b>              | <b>\$ 1,057</b> |
| Rationalization charges   | -                              | -               | 1                            | 4               |
| <b>Gross profit, as adjusted</b>  | <b>\$ 637</b>                  | <b>\$ 575</b>   | <b>\$ 1,133</b>              | <b>\$ 1,061</b> |
| Gross margin, as reported   | 33.0%                          | 30.7%           | 31.5%                        | 30.1%           |
| Gross margin, as adjusted   | 33.0%                          | 30.7%           | 31.6%                        | 30.3%           |
| <b>Operating profit, as reported</b>  | <b>\$ 279</b>                  | <b>\$ 221</b>   | <b>\$ 444</b>                | <b>\$ 374</b>   |
| Rationalization charges   | 1                              | 8               | 7                            | 13              |
| <b>Operating profit, as adjusted</b>  | <b>\$ 280</b>                  | <b>\$ 229</b>   | <b>\$ 451</b>                | <b>\$ 387</b>   |
| Operating margin, as reported   | 14.5%                          | 11.8%           | 12.4%                        | 10.7%           |
| Operating margin, as adjusted   | 14.5%                          | 12.2%           | 12.6%                        | 11.0%           |
| <b><u>Earnings Per Common Share Reconciliation</u></b>                        |                                |                 |                              |                 |
| <b>Income from continuing operations<br/>before income taxes, as reported</b> | <b>\$ 221</b>                  | <b>\$ 171</b>   | <b>\$ 331</b>                | <b>\$ 265</b>   |
| Rationalization charges   | 1                              | 8               | 7                            | 13              |
| Gains from financial investments, net   | (2)                            | (3)             | (4)                          | (4)             |
| (Earnings) losses from equity investments, net                                | (2)                            | -               | (2)                          | 2               |
| <b>Income from continuing operations<br/>before income taxes, as adjusted</b> | <b>218</b>                     | <b>176</b>      | <b>332</b>                   | <b>276</b>      |
| Tax at 36% rate   | (78)                           | (63)            | (120)                        | (99)            |
| Less: Net income attributable to noncontrolling interest                      | 10                             | 13              | 19                           | 25              |
| <b>Income from continuing operations, as adjusted</b>                         | <b>\$ 130</b>                  | <b>\$ 100</b>   | <b>\$ 193</b>                | <b>\$ 152</b>   |
| <b>Income per common share, as adjusted</b>                                   | <b>\$ 0.38</b>                 | <b>\$ 0.28</b>  | <b>\$ 0.56</b>               | <b>\$ 0.43</b>  |
| Average diluted common shares outstanding                                     | 344                            | 352             | 346                          | 353             |

**MASCO CORPORATION**  
**Condensed Consolidated Balance Sheets and**  
**Other Financial Data - Unaudited**

(dollars in millions)

| <b>Balance Sheet</b>                | <b>June 30,</b> | <b>December 31,</b> |
|-------------------------------------|-----------------|---------------------|
| <b>Assets</b>                       | <b>2015</b>     | <b>2014</b>         |
| <b>Current Assets:</b>              |                 |                     |
| Cash and cash investments           | \$ 1,297        | \$ 1,379            |
| Short-term bank deposits            | 210             | 306                 |
| Receivables                         | 1,105           | 820                 |
| Inventories                         | 779             | 712                 |
| Deferred income taxes               | 127             | 206                 |
| Prepaid expenses and other          | 72              | 68                  |
| Assets held for sale                | -               | 373                 |
| <b>Total Current Assets</b>         | <b>3,590</b>    | <b>3,864</b>        |
| Property and equipment, net         | 1,027           | 1,046               |
| Goodwill                            | 845             | 840                 |
| Other intangible assets, net        | 164             | 142                 |
| Other assets                        | 243             | 200                 |
| Assets held for sale                | -               | 1,141               |
| <b>Total Assets</b>                 | <b>\$ 5,869</b> | <b>\$ 7,233</b>     |
| <b>Liabilities</b>                  |                 |                     |
| <b>Current Liabilities:</b>         |                 |                     |
| Accounts payable                    | \$ 889          | \$ 721              |
| Notes payable                       | 6               | 505                 |
| Accrued liabilities                 | 695             | 685                 |
| Liabilities held for sale           | -               | 300                 |
| <b>Total Current Liabilities</b>    | <b>1,590</b>    | <b>2,211</b>        |
| Long-term debt                      | 3,419           | 2,919               |
| Other liabilities                   | 729             | 768                 |
| Liabilities held for sale           | -               | 207                 |
| <b>Total Liabilities</b>            | <b>5,738</b>    | <b>6,105</b>        |
| <b>Equity</b>                       | <b>131</b>      | <b>1,128</b>        |
| <b>Total Liabilities and Equity</b> | <b>\$ 5,869</b> | <b>\$ 7,233</b>     |

| <b>Other Financial Data</b>           | <b>As of</b>    |                 |
|---------------------------------------|-----------------|-----------------|
|                                       | <b>June 30,</b> | <b>June 30,</b> |
| <b>Working Capital Days</b>           | <b>2015</b>     | <b>2014</b>     |
| Receivable days                       | 51              | 50              |
| Inventory days                        | 58              | 60              |
| Payable days                          | 68              | 70              |
| Working capital                       | \$ 995          | \$ 959          |
| Working capital as a % of sales (LTM) | 14.0%           | 13.9%           |

**MASCO CORPORATION**  
**Condensed Consolidated Statements of Cash Flows\***  
**and Other Data - Unaudited**

(dollars in millions)

|   | <b>Six Months Ended</b> |                 |
|---|-------------------------|-----------------|
|   | <b>June 30,</b>         |                 |
|   | <b>2015</b>             | <b>2014</b>     |
| <b>Cash Flows From (For) Operating Activities:</b>            |                         |                 |
| Cash provided by operating activities                         | \$ 355                  | \$ 345          |
| Working capital changes                                       | (216)                   | (284)           |
| Net cash from operating activities                            | <u>139</u>              | <u>61</u>       |
| <b>Cash Flows From (For) Financing Activities:</b>            |                         |                 |
| Purchase of Company common stock                              | (207)                   | (39)            |
| Cash dividends paid   | (62)                    | (54)            |
| Dividend paid to noncontrolling interest                      | (36)                    | (34)            |
| Retirement of notes   | (500)                   | -               |
| Issuance of notes, net of issuance costs                      | 497                     | -               |
| Cash distributed to TopBuild Corp.                            | (63)                    | -               |
| Issuance of TopBuild Corp. debt                               | 200                     | -               |
| Issuance of Company common stock                              | -                       | 1               |
| Tax benefit from stock-based compensation                     | 15                      | -               |
| Increase in debt, net   | -                       | 1               |
| Credit Agreement and other financing costs                    | (3)                     | -               |
| Net cash for financing activities                             | <u>(159)</u>            | <u>(125)</u>    |
| <b>Cash Flows From (For) Investing Activities:</b>            |                         |                 |
| Capital expenditures  | (70)                    | (54)            |
| Other, net  | 10                      | 94              |
| Net cash (for) from investing activities                      | <u>(60)</u>             | <u>40</u>       |
| Effects of exchange rate changes on cash and cash investments | (6)                     | (4)             |
| <b>Cash and Cash Investments:</b>                             |                         |                 |
| Decrease for the period                                       | (86)                    | (28)            |
| At January 1  | 1,383                   | 1,223           |
| At June 30  | <u>\$ 1,297</u>         | <u>\$ 1,195</u> |

|                           | <b>As of June 30,</b> |                 |
|---------------------------|-----------------------|-----------------|
|                           | <b>2015</b>           | <b>2014</b>     |
| <b>Liquidity*</b>         |                       |                 |
| Cash and cash investments | \$ 1,297              | \$ 1,195        |
| Short-term bank deposits  | 210                   | 228             |
| <b>Total Liquidity</b>    | <u>\$ 1,507</u>       | <u>\$ 1,423</u> |

\* Prior period amounts not restated for spin-off of TopBuild Corp.

**MASCO CORPORATION**
**Segment Data - Unaudited**
**For the Three Months and Six Months Ended June 30, 2015 and 2014**

(dollars in millions)

|  | Three Months Ended<br>June 30, |        |        | Six Months Ended<br>June 30, |          |        |
|--|--------------------------------|--------|--------|------------------------------|----------|--------|
|  | 2015                           | 2014   | Change | 2015                         | 2014     | Change |
| <b>Cabinets and Related Products</b>               |                                |        |        |                              |          |        |
| Net sales  | \$ 269                         | \$ 253 | 6%     | \$ 518                       | \$ 490   | 6%     |
| Operating profit (loss), as reported               | \$ 15                          | \$ (8) |        | \$ 11                        | \$ (20)  |        |
| <i>Operating margin, as reported</i>               | 5.6%                           | -3.2%  |        | 2.1%                         | -4.1%    |        |
| Rationalization charges                            | -                              | -      |        | 2                            | 2        |        |
| Accelerated depreciation related to plant closures | -                              | -      |        | -                            | 1        |        |
| Operating profit (loss), as adjusted               | 15                             | (8)    |        | 13                           | (17)     |        |
| <i>Operating margin, as adjusted</i>               | 5.6%                           | -3.2%  |        | 2.5%                         | -3.5%    |        |
| Depreciation and amortization                      | 6                              | 9      |        | 13                           | 18       |        |
| EBITDA, as adjusted                                | \$ 21                          | \$ 1   |        | \$ 26                        | \$ 1     |        |
| <b>Plumbing Products</b>                           |                                |        |        |                              |          |        |
| Net sales  | \$ 846                         | \$ 849 | 0%     | \$ 1,642                     | \$ 1,649 | 0%     |
| Operating profit, as reported                      | \$ 138                         | \$ 139 |        | \$ 249                       | \$ 258   |        |
| <i>Operating margin, as reported</i>               | 16.3%                          | 16.4%  |        | 15.2%                        | 15.6%    |        |
| Rationalization charges                            | -                              | -      |        | 1                            | 2        |        |
| Operating profit, as adjusted                      | 138                            | 139    |        | 250                          | 260      |        |
| <i>Operating margin, as adjusted</i>               | 16.3%                          | 16.4%  |        | 15.2%                        | 15.8%    |        |
| Depreciation and amortization                      | 14                             | 15     |        | 28                           | 30       |        |
| EBITDA, as adjusted                                | \$ 152                         | \$ 154 |        | \$ 278                       | \$ 290   |        |
| <b>Decorative Architectural Products</b>           |                                |        |        |                              |          |        |
| Net sales  | \$ 622                         | \$ 596 | 4%     | \$ 1,073                     | \$ 1,037 | 3%     |
| Operating profit, as reported                      | \$ 133                         | \$ 113 |        | \$ 216                       | \$ 189   |        |
| <i>Operating margin, as reported</i>               | 21.4%                          | 19.0%  |        | 20.1%                        | 18.2%    |        |
| Depreciation and amortization                      | 4                              | 4      |        | 8                            | 8        |        |
| EBITDA   | \$ 137                         | \$ 117 |        | \$ 224                       | \$ 197   |        |

**MASCO CORPORATION**

Segment Data - Unaudited

For the Three Months and Six Months Ended June 30, 2015 and 2014

(dollars in millions)

|   | Three Months Ended<br>June 30, |          |        | Six Months Ended<br>June 30, |          |        |
|---|--------------------------------|----------|--------|------------------------------|----------|--------|
|   | 2015                           | 2014     | Change | 2015                         | 2014     | Change |
| <b>Other Specialty Products</b>               |                                |          |        |                              |          |        |
| Net sales                                     | \$ 192                         | \$ 178   | 8%     | \$ 355                       | \$ 330   | 8%     |
| Operating profit, as reported                 | \$ 21                          | \$ 14    |        | \$ 27                        | \$ 19    |        |
| <i>Operating margin, as reported</i>          | 10.9%                          | 7.9%     |        | 7.6%                         | 5.8%     |        |
| Rationalization charges                       | -                              | 1        |        | -                            | 1        |        |
| Operating profit, as adjusted                 | 21                             | 15       |        | 27                           | 20       |        |
| <i>Operating margin, as adjusted</i>          | 10.9%                          | 8.4%     |        | 7.6%                         | 6.1%     |        |
| Depreciation and amortization                 | 4                              | 4        |        | 8                            | 9        |        |
| EBITDA, as adjusted                           | \$ 25                          | \$ 19    |        | \$ 35                        | \$ 29    |        |
| <b>Total</b>                                  |                                |          |        |                              |          |        |
| Net sales                                     | \$ 1,929                       | \$ 1,876 | 3%     | \$ 3,588                     | \$ 3,506 | 2%     |
| Operating profit, as reported - segment       | \$ 307                         | \$ 258   |        | \$ 503                       | \$ 446   |        |
| General corporate expense, net (GCE)          | (28)                           | (37)     |        | (59)                         | (72)     |        |
| Operating profit, as reported                 | 279                            | 221      |        | 444                          | 374      |        |
| <i>Operating margin, as reported</i>          | 14.5%                          | 11.8%    |        | 12.4%                        | 10.7%    |        |
| Rationalization charges - segment             | -                              | 1        |        | 3                            | 5        |        |
| Accelerated depreciation - segment            | -                              | -        |        | -                            | 1        |        |
| Rationalization charges - GCE                 | 1                              | 7        |        | 4                            | 7        |        |
| Operating profit, as adjusted                 | 280                            | 229      |        | 451                          | 387      |        |
| <i>Operating margin, as adjusted</i>          | 14.5%                          | 12.2%    |        | 12.6%                        | 11.0%    |        |
| Depreciation and amortization - segment       | 28                             | 32       |        | 57                           | 65       |        |
| Depreciation and amortization - non-operating | 3                              | 3        |        | 5                            | 6        |        |
| EBITDA, as adjusted                           | \$ 311                         | \$ 264   |        | \$ 513                       | \$ 458   |        |

**MASCO CORPORATION**

 North American and International Data - Unaudited  
 For the Three Months and Six Months Ended June 30, 2015 and 2014

(dollars in millions)

|  | Three Months Ended<br>June 30, |          |        | Six Months Ended<br>June 30, |          |        |
|--|--------------------------------|----------|--------|------------------------------|----------|--------|
|  | 2015                           | 2014     | Change | 2015                         | 2014     | Change |
| <b>North American</b>                              |                                |          |        |                              |          |        |
| Net sales  | \$ 1,554                       | \$ 1,459 | 7%     | \$ 2,836                     | \$ 2,680 | 6%     |
| Operating profit, as reported                      | \$ 260                         | \$ 199   |        | \$ 411                       | \$ 332   |        |
| <i>Operating margin, as reported</i>               | 16.7%                          | 13.6%    |        | 14.5%                        | 12.4%    |        |
| Rationalization charges                            | -                              | 1        |        | 2                            | 4        |        |
| Accelerated depreciation related to plant closures | -                              | -        |        | -                            | 1        |        |
| Operating profit, as adjusted                      | 260                            | 200      |        | 413                          | 337      |        |
| <i>Operating margin, as adjusted</i>               | 16.7%                          | 13.7%    |        | 14.6%                        | 12.6%    |        |
| Depreciation and amortization                      | 19                             | 22       |        | 39                           | 45       |        |
| EBITDA, as adjusted                                | \$ 279                         | \$ 222   |        | \$ 452                       | \$ 382   |        |
| <b>International</b>                               |                                |          |        |                              |          |        |
| Net sales  | \$ 375                         | \$ 417   | -10%   | \$ 752                       | \$ 826   | -9%    |
| Operating profit, as reported                      | \$ 47                          | \$ 59    |        | \$ 92                        | \$ 114   |        |
| <i>Operating margin, as reported</i>               | 12.5%                          | 14.1%    |        | 12.2%                        | 13.8%    |        |
| Rationalization charges                            | -                              | -        |        | 1                            | 1        |        |
| Operating profit, as adjusted                      | 47                             | 59       |        | 93                           | 115      |        |
| <i>Operating margin, as adjusted</i>               | 12.5%                          | 14.1%    |        | 12.4%                        | 13.9%    |        |
| Depreciation and amortization                      | 9                              | 10       |        | 18                           | 20       |        |
| EBITDA, as adjusted                                | \$ 56                          | \$ 69    |        | \$ 111                       | \$ 135   |        |
| <b>Total</b>                                       |                                |          |        |                              |          |        |
| Net sales  | \$ 1,929                       | \$ 1,876 | 3%     | \$ 3,588                     | \$ 3,506 | 2%     |
| Operating profit, as reported - segment            | \$ 307                         | \$ 258   |        | \$ 503                       | \$ 446   |        |
| General corporate expense, net (GCE)               | (28)                           | (37)     |        | (59)                         | (72)     |        |
| Operating profit, as reported                      | 279                            | 221      |        | 444                          | 374      |        |
| <i>Operating margin, as reported</i>               | 14.5%                          | 11.8%    |        | 12.4%                        | 10.7%    |        |
| Rationalization charges - segment                  | -                              | 1        |        | 3                            | 5        |        |
| Accelerated depreciation - segment                 | -                              | -        |        | -                            | 1        |        |
| Rationalization charges - GCE                      | 1                              | 7        |        | 4                            | 7        |        |
| Operating profit, as adjusted                      | 280                            | 229      |        | 451                          | 387      |        |
| <i>Operating margin, as adjusted</i>               | 14.5%                          | 12.2%    |        | 12.6%                        | 11.0%    |        |
| Depreciation and amortization - segment            | 28                             | 32       |        | 57                           | 65       |        |
| Depreciation and amortization - non-operating      | 3                              | 3        |        | 5                            | 6        |        |
| EBITDA, as adjusted                                | \$ 311                         | \$ 264   |        | \$ 513                       | \$ 458   |        |