



Masco Corporation
21001 Van Born Road
Taylor, Michigan 48180

313 274 7400
www.masco.com

July 10, 2015

Dear Shareholder,

On June 30, 2015 (the "Distribution Date"), Masco Corporation ("Masco") distributed (the "Distribution") all the outstanding shares of TopBuild Corp. ("TopBuild") to Masco shareholders of record as of the close of business on June 19, 2015 (the "Record Date"). In the Distribution, you received one (1) share of TopBuild common stock for every nine (9) shares of Masco common stock you held as of the close of business on the Record Date. As well, you received cash in lieu of any fractional shares of TopBuild common stock allocated to you as a result of the Distribution. All references in this letter to shares or stock are to the common stock of each company.

On the Distribution Date Masco received an opinion from Davis Polk & Wardwell, LLP concluding based on certain representations of Masco and TopBuild, that the Distribution "will" qualify as a reorganization tax-free within the meaning of sections 368(a)(1)(D) and 355 of the Internal Revenue Code of 1986, as amended (the "Code"). As a result, you will generally not recognize gain or loss for U.S. federal income tax purposes upon receipt of full shares of TopBuild stock in the Distribution. This letter explains certain U.S. federal income tax consequences of the Distribution and gives an example of one way to allocate your tax basis between your post-Distribution Masco stock and in your newly-acquired TopBuild stock, as well as how to recognize taxable gain or loss in the case of cash received in lieu of fractional shares.

No fractional shares of TopBuild were distributed in the Distribution. Instead, all fractional shares of TopBuild stock were aggregated for all Masco shareholders and sold in the public market. You received a check that represents cash in lieu of fractional shares (i.e. your pro rata portion of the proceeds associated with the sales of all fractional shares of TopBuild stock to which Masco shareholders were entitled), calculated based on the net price of \$27.50 per share. The taxable gain or loss that you recognize with respect to any cash you receive in lieu of fractional shares is equal to the difference between the amount of cash you receive and your tax basis (determined as described below) in a fractional share.

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Your tax basis in the Masco stock you owned immediately before the Distribution must be allocated between your Masco stock and the shares of TopBuild stock you received in the Distribution (including any fractional shares for which you received cash). This allocation is based on the relative fair market values of your Masco stock and your TopBuild stock. **NOTE:** *U.S. federal tax law does not specifically identify how one should determine the fair market values of the shares. There are several possible methods of measuring these values, including: (i) the closing trading prices of the Masco stock and the TopBuild stock quoted on the New York Stock Exchange on the “when issued” market on June 30, 2015; (ii) the opening trading prices of the Masco stock and the TopBuild stock quoted on the New York Stock Exchange on the first regular trading day after the Distribution (July 1, 2015); (iii) the closing trading prices of the Masco stock and the TopBuild stock quoted on the New York Stock Exchange on the first regular trading day after the Distribution (July 1, 2015); (iv) the average of the opening trading prices and the closing trading prices of the Masco stock and the TopBuild stock quoted on the New York Stock Exchange on the first regular trading day after the Distribution (July 1, 2015); and (v) the average of the high and low trading prices of the Masco stock and the TopBuild stock quoted on the New York Stock Exchange on the first regular trading day after the Distribution (July 1, 2015). Accordingly, you should contact your tax advisor to determine the fair market values of your respective holdings in Masco stock and TopBuild stock.*

If you acquired your Masco stock at different times and at different prices, you will need to calculate a separate tax basis for each block of Masco stock you own and then allocate the basis in each block of stock separately to the TopBuild stock you received.

HYPOTHETICAL EXAMPLE OF TAX BASIS ALLOCATION IN A PRE-DISTRIBUTION 100-SHARE BLOCK OF MASCO STOCK

Assumptions:

Shares of Masco stock: 100 shares

Original tax basis of Masco stock: \$20

Aggregate tax basis of Masco stock: \$2,000

Shares of TopBuild stock received in the Distribution: 11.11 shares

Fractional share – (cash to be paid for fractional share equivalent): 0.11

Masco and TopBuild aggregate fair market value determined by using the closing trading prices on July 1, 2015 (choice (iii) from the above NOTE, chosen only for the purposes of example), assuming Masco closed at \$27.50 and TopBuild closed at \$30.25.

Your aggregate tax basis in your Masco stock owned immediately before the Distribution would be allocated between your post-Distribution ownership of Masco stock and TopBuild stock (including any fractional share, for which you received cash) as follows:



Aggregate Fair Market Values of Masco Shares and TopBuild Shares

To determine the aggregate fair market value of your Masco stock and TopBuild stock, *multiply* the post-Distribution number of each company's shares *times* their respective closing trading prices on July 1, 2015:

Number of Shares		Closing Price on 7/1/15		Aggregate FMV	
Masco Stock	100	X	\$27.50	=	\$2,750.00
TopBuild Stock	11.11	X	\$30.25	=	\$336.08
Total					\$3,086.08

Calculating Masco & TopBuild Share Basis Allocation Percentage

To find the share basis allocation percentage for your Masco stock, *divide* the aggregate fair market value of your shares of Masco stock (\$2,750.00) *by* the sum of the aggregate fair market values of your shares of Masco stock and your shares of TopBuild stock (\$3,086.08).

To find the share basis allocation percentage for your TopBuild stock, *divide* the aggregate fair market value of your shares of TopBuild stock (\$336.08) *by* the sum of the aggregate fair market values of your shares of TopBuild stock and your shares of Masco stock (\$3,086.08).

Masco & TopBuild FMV		Aggregate FMV		Basis % Allocation	
Masco Stock	\$2,750.00	÷	\$3,086.08	=	89.11%
TopBuild Stock	\$336.08	÷	\$3,086.08	=	10.89%
Total	\$3,086.08				100.0%

Calculating Tax Basis Allocation

To determine the per share tax basis allocation in your Masco stock, first *multiply* your aggregate tax basis in your shares of Masco stock immediately prior to the Distribution (\$2,000) *times* your Masco share basis allocation percentage (89.11%) and then *divide* by the number of Masco shares (100).

To determine the per share tax basis allocation in your TopBuild stock, first *multiply* your aggregate tax basis in your shares of Masco stock immediately prior to the Distribution (\$2,000) *times* your TopBuild share basis allocation percentage (10.89%) and then *divide* by the number of full and fractional TopBuild shares received in the Distribution (11.11).

Aggregate Masco Tax Basis		Share Basis Allocation %		Tax Basis Allocation		Number of Shares		Tax Basis Per Share	
Masco Stock	\$2,000.00	X	89.11%	=	\$1,782.20	÷	100	=	\$17.82
TopBuild Stock	\$2,000.00	X	10.89%	=	\$217.80	÷	11.11	=	\$19.60
Total			100%		\$2,000.00				



Calculating Aggregate Tax Basis to Whole TopBuild Shares and Fractional TopBuild Share

To determine the tax basis allocation for whole shares of TopBuild stock you received in the Distribution, *multiply* the number of whole shares (11) you received *by* the TopBuild tax basis allocation per share (\$19.60).

To determine the tax basis allocation for the fractional share of TopBuild stock sold on your behalf for cash, *multiply* the number of the fractional share (.11) you received *by* the TopBuild tax basis allocation per share (\$19.60). This is the basis you should use to compute gain or loss recognized with respect to the cash you receive in lieu of a fractional share.

TopBuild Aggregate Shares		Tax Basis Allocation per Share		Tax Basis Allocation	
Whole Shares	11	X	\$19.60	=	\$215.60
Fractional Share	.11	X	\$19.60	=	\$2.16

Masco Corporation does not provide its stockholders or any other person with tax advice, and this hypothetical example is not intended to provide such tax advice with respect to your receipt of TopBuild shares in the Distribution, tax basis in Masco or TopBuild, or any cash received in lieu of your allocated fractional share in TopBuild, or any tax consequences pertaining to your ownership of Masco stock as it relates to this Distribution. This example is for general information purposes only and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. Masco encourages its shareholders to consult their own tax advisors regarding the particular consequences of the Distribution, including the applicability of U.S. federal, state and local, Canadian federal, provincial and territorial, and other foreign tax laws.

**Lawrence F. Leaman
Vice President Tax
Masco Corporation**

July 10, 2015