



MASCO CORPORATION REPORTS RECORD THIRD QUARTER AND INCREASES EARNINGS GUIDANCE FOR 2004

Taylor, Michigan (November 2, 2004) - Masco Corporation (NYSE: MAS) today reported that net sales from continuing operations for the third quarter ended September 30, 2004 increased 12 percent, primarily from organic growth, to a quarterly record \$3.2 billion compared with \$2.8 billion for the same period in 2003. The Company's strong third quarter performance benefited from market share gains, new products and positive economic conditions impacting the new home construction and home improvement markets.

Income from continuing operations for the third quarter of 2004 was \$289 million compared with \$258 million for the same period in 2003. Earnings from continuing operations increased to a third quarter record of \$.64 per common share compared with \$.53 per common share for the 2003 third quarter.

The Company continues to experience better-than-expected sales performance thus far in 2004, and, based on current business trends, believes that it will achieve record sales and earnings for 2004 with full-year earnings from continuing operations in a range of \$2.31 to \$2.35 per common share. This new guidance represents an increase from the previous guidance of \$2.25 to \$2.30 per common share. The Company anticipates that fourth quarter 2004 earnings from continuing operations will be in a range of \$.50 to \$.54 per common share, compared with fourth quarter 2003 earnings of \$.32 per common share, which included a non-cash charge for goodwill impairment of \$.09 per common share. The fourth quarter is seasonally one of the Company's lowest quarters in terms of sales and earnings.

The new earnings guidance includes the benefit of recent common share repurchases and continues to reflect increases in a number of operating expenses, including such items as certain material, freight, energy and insurance costs, as well as costs and expenses associated with complying with the new requirements of the Sarbanes-Oxley Legislation. The year's guidance also includes income related to the Behr litigation of \$.04 per common share in the first nine months of 2004 (principally in the first half), but excludes any fourth quarter Behr litigation income (as such amounts cannot be predicted), any gains or charges for businesses to be divested, other possible unusual items and the impact of share repurchases subsequent to September 30, 2004.

The Company previously announced, in the first quarter of 2004, the planned disposition of several European businesses that are not core to the Company's long-term growth strategy. During the third quarter of 2004, the Company completed the sale of two of these businesses, Jung Pumpen in Germany and The Alvic Group in Spain. Total proceeds from the sale of these businesses were \$191 million. The Company recognized a pre-tax, net gain on the disposition of these businesses of \$108 million (\$93 million or \$.21 per common share, after tax). In addition, the Company recognized an additional pre-tax charge of \$31 million related to the remaining businesses held for sale due to lower-than-expected operating results as well as weaker-than-expected demand for the businesses that the Company is divesting (these items are included in discontinued operations). During the third quarter of 2003, the Company recognized a pre-tax gain from the sale of businesses aggregating approximately \$91 million and also \$6 million from the operating results of those businesses (aggregating \$.12 per common share, after tax; these items are included in discontinued operations). Including discontinued operations, net income for the 2004 third quarter increased to \$359 million compared with \$319 million for the 2003 third quarter, and earnings increased to \$.80 per common share compared with \$.65 per common share for the third quarter of 2003.

Headquartered in Taylor, Michigan, Masco Corporation is one of the world's leading manufacturers of home improvement and building products as well as a leading provider of services that include the installation of insulation and other building products.

A conference call regarding items contained in this release is scheduled for November 2, 2004 at 11:00 a.m. ET. Participants in the call are asked to register five to ten minutes prior to the scheduled start time by dialing (719) 457-2680 (confirmation #908324). The conference call will be webcast simultaneously on the Company's website at www.masco.com and supplemental material, including the financial data referred to on the call and a reconciliation of all non-GAAP information provided on the call, will also be available on the website. A replay of the call will be available on Masco's website or by phone by dialing (719) 457-0820 (replay access code #908324) approximately two hours after the end of the call and will continue through November 9, 2004.

Masco Corporation's press releases and other information are available through the Company's toll free number, 1-888-MAS-NEWS, or under the Investor Relations section of Masco's website at www.masco.com.

Statements contained herein may include certain forward-looking statements regarding Masco's future sales, earnings growth potential and other developments. Actual results may vary materially because of external factors such as interest rate

fluctuations, changes in consumer spending and other factors over which management has no control. The Company believes that certain non-GAAP performance measures and ratios, used in managing the business, may provide users of this financial information with additional meaningful comparisons between current results and results in prior periods. Non-GAAP performance measures and ratios should be viewed in addition to, and not as an alternative for, the Company's reported results under accounting principles generally accepted in the United States. Additional information about the Company's products, markets and conditions, which could affect the Company's future performance, is contained in the Company's filings with the Securities and Exchange Commission and is available on Masco's website at www.masco.com. Masco undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Contact:
Samuel Cypert
313-792-6646