



## MASCO CORPORATION REPORTS FIRST QUARTER RESULTS

### Masco Corporation Highlights:

#### First Quarter 2005

- Net sales from continuing operations increased six percent to a record \$3.0 billion.
- Income from continuing operations was \$212 million or \$.48 per common share.
- The Company returned \$545 million to shareholders through share repurchases and dividends.
- The quarterly dividend was increased by 11 percent, from \$.18 to \$.20 per common share, marking the 47th consecutive year in which dividends have been increased.
- The Board of Directors authorized the repurchase of up to an additional 50 million shares of common stock.
- The Company had over \$1 billion in cash and marketable securities at March 31, 2005.

Taylor, Michigan (May 3, 2005) - Masco Corporation (NYSE: MAS) today reported that net sales from continuing operations for the quarter ended March 31, 2005 increased six percent to a first quarter record of \$3.0 billion compared with \$2.8 billion for the first quarter of 2004.

Income from continuing operations for the first quarter of 2005 was \$212 million or \$.48 per common share compared with \$241 million or \$.52 per common share for the comparable period of 2004. Results for the first quarter of 2005 benefited from other income, principally net gains from the sale of financial investments, of \$.06 per common share. In addition, first quarter 2005 results benefited from a reduction in the Company's tax rate of \$.02 per common share, which offset currency translation losses of \$.02 per common share. The first quarter of 2004 benefited from other income, principally net gains from the sale of financial investments, of \$.07 per common share and income related to the Behr litigation of \$.03 per common share.

The Company previously announced, in the first quarter of 2004, the planned disposition of several European businesses that were not core to the Company's long-term growth strategy. First quarter 2004 results included an after-tax charge of \$.16 per common share to reflect those businesses expected to be divested at a loss. During the first quarter of 2005, the Company completed the disposition process with the additional sale of two of these businesses realizing an after-tax net gain of \$.04 per common share. Including the results related to the European businesses disposed, which have been treated as discontinued operations, net income for the first quarter of 2005 increased to \$231 million compared with \$168 million for the 2004 first quarter; earnings increased to \$.52 per common share for the first quarter of 2005 compared with \$.36 per common share for the 2004 first quarter.

The Company's 2005 first quarter results, seasonally the lowest of the year, were adversely affected by lower-than-expected consumer spending impacting certain of its products sold through retail markets, product mix, as well as recent increases in commodity, energy, and freight costs, much of which have not yet been recovered due to the lag in implementing selling price increases to customers. The Company expects these conditions to continue at least through the second quarter of 2005.

If higher energy costs and recent trends indicating lower consumer confidence and the related slowing in sales of certain retail products continue, the Company believes that full-year results may be nearer to the low end of its previously provided earnings guidance range for continuing operations of \$2.40 to \$2.50 per common share.

Based on current business trends, the Company anticipates that second quarter 2005 earnings from continuing operations will be in a range of \$.58 to \$.62 per common share compared with second quarter 2004 earnings of \$.65 per common share (which included \$.04 per common share of previously disclosed other income, principally net gains from the sale of financial investments).

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 Tuesday, May 3, 2005 at 1:00 p.m. ET. Participants in the call are asked to register five to ten minutes prior to the scheduled start time by dialing (719) 457-2681 (confirmation #3166416). The conference call will be webcast simultaneously on the Company's website at [www.masco.com](http://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 #3166416) approximately two hours after the end of the call and will continue through May 10, 2005.

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](http://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](http://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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