



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

Taylor, Michigan (May 3, 2004) - Masco Corporation (NYSE: MAS) today reported net sales from continuing operations for the first quarter ended March 31, 2004 increased 19 percent to a first quarter record \$2.8 billion compared with \$2.4 billion for the first quarter of 2003. Income from continuing operations for the first quarter of 2004 was \$241 million compared with \$158 million in the first quarter of 2003. Earnings from continuing operations increased to a first quarter record \$.52 per common share compared with \$.30 per common share for the 2003 first quarter.

Results for the first quarter 2004 and 2003 include income related to adjustments of the Behr litigation accrual of \$.03 and \$.02 per common share, after tax, respectively, and incremental income from financial investments of \$.03 per common share, after tax compared with first quarter 2003.

The Company previously announced the planned disposition of several European businesses that are not core to the Company's long-term growth strategy. These businesses had combined 2003 net sales in excess of \$350 million and the Company expects net proceeds from the dispositions to exceed \$300 million. The dispositions are expected to be completed within the next twelve months. First quarter 2004 results include an after-tax charge aggregating \$76 million (\$.16 per common share) to reflect those businesses that are expected to be divested at a loss, and after-tax income from their operations of approximately \$4 million, both of which are included in discontinued operations. Any gains resulting from the disposition of individual businesses, which are expected later this year, will be recognized as such transactions are completed and are expected to substantially offset the first quarter 2004 charge. Including these discontinued operations and the anticipated loss on the disposition of certain of these businesses, net income for the quarter increased to \$168 million compared with \$166 million for the 2003 first quarter; earnings increased to \$.36 per common share compared with \$.32 per common share for the 2003 first quarter.

The Company's strong first quarter performance, including 19 percent organic sales growth, benefited from market share gains, new products and positive economic conditions impacting new home construction and home improvement markets. First quarter 2003 operating performance was negatively impacted by adverse weather conditions which reduced demand for certain of the Company's products.

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 \$2.00 to \$2.10 per common share. The new earnings guidance represents an increase from the previous guidance of \$1.80 to \$1.90 per common share. This year's new earnings guidance includes the benefit of recent common share repurchases and reflects increases in certain operating expenses, including such items as energy, insurance and certain material and freight costs, and excludes first quarter income related to the Behr litigation and the charge for businesses to be divested. The earnings projection does not reflect any potential additional income related to the Behr litigation for the remainder of 2004, as such amounts cannot be predicted.

Based on current business trends, the Company anticipates that second quarter 2004 earnings from continuing operations will be in a range of \$.50 to \$.53 per common share compared with second quarter 2003 earnings of \$.44 per common share.

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 Monday, May 3, 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 (913) 981-4910 (confirmation #423996). 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 #423996) approximately two hours after the end of the call and will continue through May 10, 2004.

Masco Corporation's press releases and other information are available through the Company's toll free number, 1-888-MAS-NEWS, or you may visit Masco's website at www.masco.com. For press releases, click on "Investor Relations" and then on "Link to News Center."

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 our products, markets and conditions, which could affect our 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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