

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549



08053809

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK  
PURCHASE SAVINGS AND SIMILAR PLANS  
PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

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Washington, DC  
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(Mark One):

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended December 31, 2007.

OR

- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 333-74815

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Masco Corporation Salaried 401(k) Plan

- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Masco Corporation  
21001 Van Born Road  
Taylor, Michigan 48180

**PROCESSED** *RG*

JUN 27 2008

**THOMSON REUTERS**

Page 1 of 15 consecutively numbered pages.  
The exhibit index appears on page 14.

MASCO CORPORATION SALARIED 401(k) PLAN

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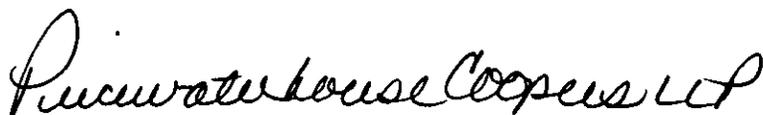
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Note: Other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.	

**Report of Independent Registered Public Accounting Firm**

To the Participants and Administrator of  
Masco Corporation Salaried 401(k) Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Masco Corporation Salaried 401(k) Plan (the "Plan") at December 31, 2007 and 2006, and the changes in net assets available for benefits for the year ended December 31, 2007 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year ) as of December 31, 2007 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Detroit, Michigan  
June 24, 2008

MASCO CORPORATION SALARIED 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE  
FOR BENEFITS

December 31, 2007 and 2006

ASSETS	<u>2007</u>	<u>2006</u>
Investments, at fair value:		
Mutual funds	\$366,775,603	\$332,274,593
Company stock fund	4,152,223	5,544,131
Participant loans receivable	<u>7,925,998</u>	<u>7,064,779</u>
Total investments	378,853,824	344,883,503
Receivables:		
Employer contributions	68,708	535,596
Participant contributions	<u>290,202</u>	<u>471,970</u>
Total receivables	<u>358,910</u>	<u>1,007,566</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$379,212,734</u>	<u>\$345,891,069</u>

The accompanying notes are an integral part of the financial statements.

MASCO CORPORATION SALARIED 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS  
AVAILABLE FOR BENEFITS

for the year ended December 31, 2007

Additions:

Investment activity:

Net appreciation in fair value of investments	\$ 10,892,727
Interest and dividend income	<u>30,007,137</u>
Total investment activity	40,899,864

Participant contributions	31,891,027
Employer contributions	<u>5,379,381</u>
Total additions	78,170,272

Deductions:

Benefit payments	43,822,911
Other, net	<u>27,615</u>
Total deductions	43,850,526

Transfers:

Net transfers out of Plan (Note A)	<u>998,081</u>
Net increase	33,321,665

Net assets available for benefits:

Beginning of year	<u>345,891,069</u>
End of year	<u>\$379,212,734</u>

The accompanying notes are an integral part of the financial statements.

MASCO CORPORATION SALARIED 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

**A. Description of Plan:**

The following description of the Masco Corporation ("Company") Salaried 401(k) Plan ("Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

1. *General.* The Plan is a defined contribution plan covering salaried employees at certain divisions and subsidiaries of the Company. Eligible employees may participate in the Plan on their date of hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

2. *Contributions.* Participants may contribute up to 50 percent (varying by division or subsidiary) of their pretax annual compensation, as defined in the Plan, not to exceed \$15,500 in 2007. All employees who are eligible to make salary reductions under this Plan and who have attained the age of 50 before the close of the Plan Year shall be eligible to make catch-up contributions which were limited to \$5,000 in 2007. Participants may also make rollover contributions representing distributions from individual IRAs or other employers' tax-qualified plans. Participants may direct contributions in one percent increments in any of the various investment options. These options include professionally managed mutual funds and the Masco Corporation Company Stock Fund and vary in their respective strategies, risks and goals. Participants may change their investment options daily. The Company makes matching and/or profit sharing contributions in accordance with the provisions of the Plan. These Company contributions, if applicable, vary by division or subsidiary and are invested pursuant to the participant's investment election. Contributions are subject to certain limitations.

3. *Participant Accounts.* Each active participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions (if applicable), and (b) Plan earnings. Allocations are based on participants' earnings or account balances, as defined in the Plan. Plan administrative expenses are paid by the Company and not charged to participants' accounts. Certain expenses may be incurred by individual participants for special services relating to their account. These costs are charged directly to the individual participant's account. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

4. *Vesting and Forfeited Employer Contributions.* Participants are immediately vested in their contributions plus actual earnings thereon. Vesting varies by division or subsidiary, but generally, participants are immediately vested in the Company matching and/or profit sharing contribution plus earnings thereon. At December 31, 2007 and December 31, 2006, forfeited nonvested employer contributions totaled \$211,571 and \$430,842, respectively, and the forfeited amounts were used in each succeeding year to reduce employer contributions and plan fees.

MASCO CORPORATION SALARIED 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

A. Description of Plan, continued:

5. *Voting Rights.* Each participant who has an interest in the Company Stock Fund is entitled to exercise voting rights attributable to the shares allocated to his or her Company Stock Fund account and is notified by the trustee prior to the time that such rights are to be exercised. If the trustee does not receive timely instructions, the trustee itself or by proxy shall vote all such shares in the same ratio as the shares with respect to which instructions were received from participants.

6. *Participant Loans Receivable.* Generally, participants may borrow from their pretax or rollover contribution accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan terms range from 1-15 years. The loans are collateralized by the balance in the participant's account and generally bear interest at a rate equal to the Prime Rate on the date of application for the loan. Principal and interest is paid ratably through monthly payroll deductions. Loans outstanding as of December 31, 2007 are due at various dates through 2022 and bear interest at rates ranging from 4.0% to 10.5%.

7. *Payment of Benefits.* Generally, after separation from service due to termination, death, disability or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a single lump-sum amount or in annual installments over a period not to exceed five years. In-service and hardship withdrawals are distributed in a single lump-sum payment.

During 2007, several transfers were executed within the Masco Corporation Hourly and Salaried 401(k) Plans and the Masco Services Group Corporation 401(k) Plan in an effort to consolidate multiple accounts held by participants of the Plans. In some cases, participants held accounts in more than one Plan. As a result of these transfers, participants affected by the account consolidation now have a single account in the Plan in which they are currently active. Total transfers of net assets out of the Plan amounted to \$187,344.

Effective January 1, 2007, BrassCraft Manufacturing Company - Gardena, California, was removed as a currently participating employer and added as a formerly participating employer.

Effective January 1, 2007, Masco Corporation of Indiana - Delta Faucet Corporation, Chickasha, Oklahoma was removed as a currently participating employer and added as a formerly participating employer.

Effective July 2, 2007, H & H Tube and Manufacturing Company was removed as a currently participating employer and added as a formerly participating employer. As a result of this event, net assets of \$1,982,795 were transferred out of the Plan on September 4, 2007.

Effective September 4, 2007, Arrow Fasteners was added as a currently participating employer. As a result of this event, net assets of \$1,173,108 were transferred into the Plan on September 4, 2007.

**MASCO CORPORATION SALARIED 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS, Continued**

**A. Description of Plan, concluded:**

Effective October 31, 2006, Gamco Products Company was removed as a currently participating employer and added as a formerly participating employer. As a result of that event, assets and loans in the amount of \$1,176,272 were transferred out of the Plan and were included in the financial statements as net transfers out of the Plan at December 31, 2006. Additional assets in the amount of \$1,050 are included in the financial statements as net transfers out of the Plan for the year ended December 31, 2007.

**B. Summary of Significant Accounting Policies:**

The following is a summary of significant accounting policies (in accordance with accounting principles generally accepted in the United States of America) followed in the preparation of these financial statements.

**Basis of Accounting**

The accompanying financial statements are prepared on the accrual basis of accounting.

**Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of additions and deductions during the reporting period. Actual results could differ from these estimates and assumptions.

**Risks and Uncertainties**

The Plan provides for various investment options in mutual funds and other investment securities. Investment securities are exposed to various risks, including interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

**Investment Valuation and Income Recognition**

Investments are stated at fair value as determined by Fidelity Pricing and Cash Management Services, Inc. using quoted market prices at December 31, 2007 and 2006. Participant loans are valued at their outstanding balances, which approximate fair value.

Investment transactions are reflected on a trade-date basis. Interest income is recognized on the accrual basis of accounting. Dividend income is recorded on the ex-dividend date. Income from other securities is recorded as earned on an accrual basis.

MASCO CORPORATION SALARIED 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, Continued

**B. Summary of Significant Accounting Policies, concluded:**

The Plan presents in the statement of changes in net assets available for benefits the net appreciation in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) of those investments.

Payment of Benefits

Benefits are recorded when paid.

Recently Issued Accounting Pronouncements

In September, 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The adoption of SFAS No. 157 is effective for the Plan year beginning January 1, 2008 and is not expected to have a material effect on the Plan's financial statements.

**C. Investments:**

The following investments represent five percent or more of the Plan's net assets at December 31, 2007 and 2006.

	<u>2007</u>	<u>2006</u>
Fidelity Fund, 713,658 and 742,986 shares, respectively	\$28,439,281	\$26,628,633
Fidelity Magellan® Fund, 616,005 and 595,479 shares, respectively	\$57,824,424	\$53,307,304
Fidelity Low-Priced Stock Fund, 530,101 and 605,798 shares, respectively	\$21,803,052	\$26,376,466
Fidelity Retirement Government Money Market Portfolio, 28,964,350 and 34,590,431 shares, respectively	\$28,964,350	\$34,590,431
Fidelity Independence Fund, 1,035,891 and 1,022,402 shares, respectively	\$29,201,758	\$22,451,945
Spartan U.S. Equity Index Fund, 367,721 and 404,348 shares, respectively	\$19,084,707	\$20,290,191
Artisan Mid Cap Fund - Investor Class, 636,621 and 512,840 shares, respectively	\$19,697,060	\$15,621,101
Fidelity Overseas Fund, 411,010 and 362,068 shares, respectively	\$19,888,775	\$16,220,642

During 2007, the Plan's investments (including gains and losses on investments sold during the year as well as investments held at year-end) appreciated in value by \$10,892,727 as follows:

Mutual Funds	\$12,351,847
Masco Corporation Company Stock Fund	(1,459,120)
	<u>\$10,892,727</u>

MASCO CORPORATION SALARIED 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS, Concluded

C. Investments, concluded:

The Masco Corporation Company Stock Fund is made up of Masco Corporation Common Stock totaling \$4,060,236 and cash and money market investments of \$91,987.

D. Income Tax Status:

The Internal Revenue Service determined and informed the Company by letter dated October 21, 2002 that the Plan is designed in accordance with the applicable sections of the Internal Revenue Code ("Code"). The Plan has since been amended; however, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

E. Plan Termination:

Although the Company has not expressed an intent to do so, the Company has the right at any time to discontinue its contributions and to terminate the Plan subject to the provisions of ERISA. At the date of any such termination, the Administrative Committee of the Masco Corporation Salaried 401(k) Plan shall direct the Trustee to distribute to the participants all assets of the Plan, net of any termination expenses, which will be prorated among the participants' accounts.

F. Related Party Transactions:

Certain Plan investments are shares of mutual funds managed by Fidelity. Fidelity is also the trustee as defined by the Plan and, therefore, the purchases and sales qualify as party-in-interest transactions. There were no fees paid by the Plan for investment management services for the year ended December 31, 2007.

MASCO CORPORATION SALARIED 401(k) PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2007

(a)	(b) Identity of Issuer, Borrower or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value and Number of Shares Outstanding	(d) Cost <sup>1</sup>	(e) Current Value
*	Franklin Templeton Group of Funds	Templeton Developing Markets Trust-Class A 601,890 shares	\$	18,357,649
*	American Beacon Advisors	American Beacon Small Cap Value Fund-PA Class 224,465 shares		3,865,282
*	Artisan Partners Limited Partnership	Artisan Mid Cap Fund-Investor Class 636,621 shares		19,697,060
*	JP Morgan Investment Management	JP Morgan Mid Cap Value Fund-Institutional Class 523,372 shares		12,838,314
*	The Managers Funds LLC	Managers Special Equity Fund 39,922 shares		2,565,396
*	Pacific Investment Management Series	PIMCO Total Return Fund-Administrative Class 704,812 shares		7,534,441
*	Wellington Management Company, LLP	Vanguard Wellington Fund-Admiral Class 174,304 shares		9,820,312
*	Fidelity Institutional Retirement Services Company	Fidelity Fund 713,658 shares		28,439,281
		Fidelity Magellan® Fund 616,005 shares		57,824,424
		Fidelity Intermediate Bond Fund 1,451,937 shares		14,737,157
		Fidelity Independence Fund 1,035,891 shares		29,201,758
		Fidelity Overseas Fund 411,010 shares		19,888,775
		Fidelity Low-Priced Stock Fund 530,101 shares		21,803,052
		Fidelity Equity Income II Fund 609,512 shares		14,006,585
		Fidelity Diversified International Fund 380,756 shares		15,192,128
		Fidelity Retirement Government Money Market Portfolio 28,964,350 shares		28,964,350

MASCO CORPORATION SALARIED 401(k) PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR), Concluded

December 31, 2007

		(c)		
		Description of Investment		
(b)		Including Maturity Date,		
Identity of Issuer,		Rate of Interest, Collateral,		
Borrower or		Par or Maturity Value and		
(a)	Similar Party	Number of Shares Outstanding	(d) Cost <sup>1</sup>	(e) Current Value
*	Fidelity Institutional Retirement Services Company, concluded	Spartan® U.S. Equity Index Fund 367,721 shares		19,084,707
		Fidelity Freedom Income Fund® 116,782 shares		1,337,158
		Fidelity Freedom 2000 Fund® 58,543 shares		724,172
		Fidelity Freedom 2005 Fund <sup>SM</sup> 20,518 shares		241,913
		Fidelity Freedom 2010 Fund® 385,623 shares		5,714,929
		Fidelity Freedom 2015 Fund <sup>SM</sup> 232,263 shares		2,896,315
		Fidelity Freedom 2020 Fund® 623,988 shares		9,865,252
		Fidelity Freedom 2025 Fund <sup>SM</sup> 313,674 shares		4,134,230
		Fidelity Freedom 2030 Fund® 628,021 shares		10,374,913
		Fidelity Freedom 2035 Fund <sup>SM</sup> 230,140 shares		3,148,322
		Fidelity Freedom 2040 Fund® 300,467 shares		2,923,540
		Fidelity Freedom 2045 Fund <sup>SM</sup> 108,646 shares		1,233,127
		Fidelity Freedom 2050 Fund <sup>SM</sup> 31,589 shares		361,061
		Masco Corporation Company Stock Fund 568,798 shares		
		Masco Corporation Common Stock	\$4,060,236	
		Cash and Money Market	\$91,987	4,152,223
	Participant Loans	Ranging 1-15 years maturity with Rates of Interest, 4.0% - 10.5%		7,925,998
				<u>\$ 378,853,824</u>

<sup>1</sup>Historical cost information is no longer required on the Schedule of Assets (Held at End of Year) for participant directed investments.

\* These investments are with a party-in-interest.

**MASCO CORPORATION SALARIED 401(k) PLAN**

**SIGNATURE**

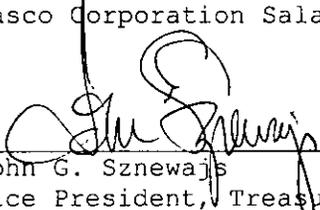
*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Masco Corporation Salaried 401(k) Plan

By: Masco Corporation, Plan Administrator of the  
Masco Corporation Salaried 401(k) Plan

Date: June 24, 2008

By: \_\_\_\_\_

  
John G. Sznewaj  
Vice President, Treasurer and  
Chief Financial Officer  
Authorized Signatory

MASCO CORPORATION SALARIED 401(k) PLAN

EXHIBIT INDEX

Exhibit  
Number

Description

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Consent of PricewaterhouseCoopers LLP relating to  
the Plan financial statements

PricewaterhouseCoopers LLP  
PricewaterhouseCoopers Plaza  
1900 St. Antoine Street  
Detroit, MI 48226-2263  
Telephone (313) 394 6000  
Facsimile (313) 394 6555

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-74815) of Masco Corporation of our report dated June 24, 2008 relating to the financial statements of Masco Corporation Salaried 401(k) Plan which appears in this Form 11-K.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Detroit, Michigan  
June 24, 2008

END