



## PPG Industries

**ANNUAL MEETING OF SHAREHOLDERS  
PPG INDUSTRIES, INC.  
APRIL 15, 2010 – 11 A.M.  
DAVID L. LAWRENCE CONVENTION CENTER,  
SPIRIT OF PITTSBURGH BALLROOM B**

**Mr. Bunch:**

Good morning, ladies and gentlemen. The 2010 Annual Meeting of Shareholders of PPG Industries is called to order.

On behalf of PPG associates worldwide and the board of directors, I welcome you to our 127th annual meeting.

I am Chuck Bunch, chairman of the board and chief executive officer of PPG. As with any meeting at PPG, the first order of business is safety.

If an emergency evacuation occurs, you will need to exit the building via the stairwells inside the ballroom. These can be found on either side of both of the exit doors to my left. Guides will direct you to the proper exits.

I would also like to call your attention to our disclaimer of forward-looking statements printed on the back of your agenda.

I would like to begin this morning by introducing the PPG board of directors. I ask that you hold your applause until all have been introduced.

First, I would like to introduce the directors who are standing for election at this meeting:

- James Berges, partner at Clayton, Dubilier & Rice and retired president of Emerson Electric Co.;
- Victoria Haynes, president and chief executive officer of RTI International; and
- Martin Richenhagen, chairman, president and chief executive officer of AGCO Corporation.

In addition to me, the PPG directors whose terms are continuing are:

- Hugh Grant, chairman of the board, president and chief executive officer of Monsanto Company;
- Michele Hooper, president and chief executive officer of The Directors' Council and former president and chief executive officer of Voyager Expanded Learning, Inc.;

- Robert Mehrabian, chairman of the board, president and chief executive officer of Teledyne Technologies Inc.;
- Robert Ripp, chairman of Lightpath Technologies;
- Thomas Usher, chairman of the board of Marathon Oil Corporation and former chairman of the board of United States Steel Corporation; and
- David Whitwam, retired chairman of the board and chief executive officer of Whirlpool Corporation.

Please join me in a hearty round of applause for PPG's directors.

With me on stage is Bob Dellinger, the company's senior vice president, finance and chief financial officer; and Denise Cade, assistant general counsel and secretary of the company.

In the audience, I'd like to introduce the other members of our operating committee, asking each of them to stand:

- Jim Diggs, senior vice president and general counsel, and formerly secretary of the company. Jim, who has not only led the legal function but also the environmental, health and safety and government affairs functions, will be retiring at the end of June. We thank him for his many contributions and wish him well.
- Rich Alexander, senior vice president, performance coatings;
- Pierre-Marie De Leener, senior vice president, architectural coatings, EMEA and president, PPG Europe;
- Bill Wulfsohn, senior vice president, industrial coatings;
- Rick Elias, senior vice president, optical and specialty materials;
- Vicki Holt, senior vice president, glass and fiber glass;
- Michael McGarry, senior vice president, commodity chemicals;
- Aziz Giga, vice president, strategic planning and treasurer;
- Chuck Kahle, vice president, research and development, coatings and chief technology officer;
- David Navikas, vice president and controller; and
- Bud Wise, vice president, human resources.

Please join me in a hearty round of applause for PPG's management team.

As you entered the room, you were given an agenda for the meeting, which we will follow. Please note that there will be an opportunity for questions later as provided on the agenda.

Ms. Cade will now report on certain official business matters.

**Ms. Cade:**

Mr. Chairman, the notice of this meeting was made available on a timely basis, commencing March 5, 2010, to all shareholders of record as of the close of

business February 19, 2010. I am pleased to report that a quorum is present, with approximately 77% of the issued and outstanding common stock being represented at the meeting by proxy, in addition to the stock represented in person.

Mr. Chairman and shareholders of PPG, this year we again took advantage of rules of the Securities and Exchange Commission that permitted us to post our proxy materials on the Internet. As part of this e-Proxy process, shareholders received a notice informing them that the proxy materials were available on the Internet. Hard copies of materials were provided upon request. Voting was also made available online, as it has always been.

**Mr. Bunch:**

Thank you, Ms. Cade.

Before the meeting, the board of directors appointed three judges of election to act on the matters to come before the meeting. The judges of election are present and have signed the oath of office.

They are:

- Vince Morales, who will act as chairman;
- Greg Gordon; and
- Mary Anne Bendzsuk.

The proxies received from shareholders have been inspected and counted by Corporate Election Services, an independent proxy inspection and tabulation firm. A representative of the firm is present and has certified the results of the proxy vote.

We will now proceed with the matters to come before this meeting. The first item is the election of certain directors. Nominations are in order.

**Ms. Cade:**

Mr. Chairman, I nominate the following to serve as directors, each to serve for a term of three years and until their successors shall have been duly elected and qualified, or until their earlier retirement or resignation:

- James Berges;
- Victoria Haynes; and
- Martin Richenhagen

Further, no written notice was received by the company that any other nomination would be made at this meeting pursuant to the nomination procedures provided for in the company's bylaws.

**Mr. Bunch:**

Thank you. Because no other nominations are in order, the nominations are closed.

The next matter to come before the meeting is a proposal to endorse the appointment of Deloitte & Touche LLP as the company's independent registered public accounting firm for 2010. Ms. Cade.

**Ms. Cade:**

Mr. Chairman, I move that the shareholders endorse the appointment of Deloitte & Touche LLP as the company's independent registered public accounting firm for 2010.

**Mr. Bunch:**

Is there a second?

Thank you. The proposal will be voted on by the shareholders. The board of directors has recommended that shareholders vote for the proposal.

The final item of business is a proposal submitted by Trillium Asset Management Corporation on behalf of Margot Cheel and the Missionary Oblates of Mary Immaculate. Is there a representative here to present the proposal requesting a report about PPG's community environmental accountability? If so, please step to the microphone closest to you.

**Mr. Bunch:**

Please state your name, the capacity in which you represent the proponents and whether you have a motion concerning the proposal.

*Susan Baker of Trillium Asset Management, representing Margot Cheel and the Missionary Oblates of Mary Immaculate, will read, and move on, the environmental shareholder proposal.*

**Mr. Bunch:**

Is there a second?

**Mr. Bunch:**

Thank you. The proposal will be voted on by the shareholders.

Your Board of Directors recommends that shareholders vote AGAINST the proposal requesting a report about PPG's community environmental accountability.

The basis for the Board's recommendation is set forth in PPG's 2010 Proxy Statement beginning on page 11. I won't impose upon you to repeat that rationale here.

The polls are now open. Ballots will be distributed to those shareholders who wish to vote and who have not filed proxies. If you filed a proxy, you don't need to request a ballot unless you want to change your vote.

**Mr. Bunch:**

Is there anyone who desires to vote and has not done so?

Please provide a ballot to the shareholder who has indicated that he (or she) still needs to vote.

The shareholder has now voted. Accordingly, I now declare that the polls are closed.

The results of the voting will be announced later.

While the ballots are being counted, I'd like to review our progress toward PPG's transformation, some of our accomplishments in 2009, and how we are poised to succeed in 2010.

**Safety Trends**

Perhaps our most important metric is our safety performance. In 2009, we again set a record in this regard. Our injury and illness rate was 0.39. So, as you can see, we have steadily improved the safety of our operations in each of the last seven years.

**Environmental Trends**

Another important metric relates to our stewardship of the environment. In 2009, our performance reached a new record, with 2.6 incidents per two million work hours.

**Corporate Sustainability Report Update**

You can learn more about these and other performance metrics in our Corporate Sustainability Report Update. As you may recall, we published our first report last year with the intention to publish a report every two years and "updates" in the intervening years. In this update, you'll read about how our business portfolio continues to evolve; how we managed through the recent recession; new environmentally-beneficial products we introduced in 2009; our progress toward our environmental, health and safety goals; new philanthropic initiatives; awards and recognition we've received, and more. We will publish another full report at this time next year.

**PPG's Vision**

The strategic vision we have established is to continue to be the world's leading coatings and specialty products company. We have continued to make progress toward achieving that vision. Yet, in 2009, we were clearly challenged with an uncertain and difficult global economy. At PPG, we responded quickly and decisively.

### **Shifted Focus to Operational Excellence**

We shifted our priorities to respond to the difficult economic conditions. We placed greater emphasis on operating discipline. We worked on restoring margin leadership, especially in the coatings industry. We focused more on profitability than pure growth. We took steps to improve our cost structure, and we worked to leverage our global technological and manufacturing capabilities to the most efficient use of the entire company. We keyed in on costs, margins, working capital and cash flow.

### **Response to Recession**

We embarked on several aggressive restructuring initiatives to reshape our business to be more aligned with fundamental structural changes occurring in the marketplace. These two restructuring initiatives – one announced in September 2008 and one in March 2009 – together are expected to result in approximately \$250 million in annual cost savings once completed. These initiatives included the closure of several PPG manufacturing and distribution facilities and a reduction in employment levels. Also, the company implemented interim cost-saving measures such as reduced travel, temporary reductions in certain compensation and benefits costs, and lower capital spending.

### **Coatings / Specialty Growth**

In addition to our cost-cutting measures, PPG benefitted from actions it has taken over the past several years to grow the coatings and optical and specialty materials components of our portfolio. As you can see, the proportion of our company devoted to these businesses has grown substantially over the past few years. These businesses saw continuously improving positive momentum throughout the year, and by the end of 2009 were delivering higher year-over-year earnings.

### **Geographic Balance**

We also benefitted from our efforts to broaden the geographic reach of our business, and specifically our expanding footprint in the Asia / Pacific region, which posted record earnings for the year and now represents about 15 percent of our company and 18 percent of our coatings portfolio. Overall, our efforts to transform PPG have served us well in this downturn.

### **2009 Segment Sales**

In 2009, PPG posted sales of \$12.2 billion. This was a decrease of about 23 percent versus the prior year, and was largely attributable to the contraction of demand in many of our key end-use markets, which in turn was driven by the global recession, and the impact of divesting our Auto Glass and Services business in September 2008.

### **2009 Segment Earnings**

In 2009, segment earnings decreased by 25 percent. Again, the impact of lower demand negatively impacted our earnings performance. And while both sales and earnings were down versus the prior year, I believe these results are admirable given the circumstances. Our Industrial Coatings segment was hit hard

by the recession, but delivered dramatically improved results in the fourth quarter by drastically reducing costs and taking advantage of an upswing in automotive production. The Performance Coatings segment earnings were down a modest \$31 million, or 5 percent, once again demonstrating the relative stability of these businesses. Earnings in our Architectural Coatings EMEA segment were down 9 percent, with improved results in the second half of the year. This occurred despite a severe economic decline in the region, and clearly demonstrates the resilience of this segment due to the significant maintenance component of architectural coatings in Europe. Full year segment earnings for Optical and Specialty Materials declined slightly in 2009. However, margins improved from focused cost management efforts, and a 25 percent growth rate for our Transitions Optical products in Asia. In Commodity Chemicals, sales declined by over \$500 million versus last year's period driven by lower pricing, and earnings fell \$188 million in comparison with a strong performance the previous year. And, our Glass segment lost \$39 million for the year in large part due to a deteriorating commercial construction market.

### **Cash**

Perhaps the brightest spot for PPG in 2009 and continuing in 2010 is our cash-on-hand and cash generation. We began the year with approximately \$1 billion in cash. During 2009, PPG generated about \$1.3 billion of cash from operations after making cash contributions to our pension plans of about \$330 million. We used our cash to fund capital spending of \$265 million, pay dividends with another \$350 million, and pay down approximately \$650 million in debt. So, as you can see, we ended the year in the same solid cash position that we were in last year, with approximately \$1 billion of cash on hand.

### **Dividends per Share**

As I mentioned, our strong business performance has enabled PPG to continue its strong legacy of rewarding its shareholders. PPG has paid uninterrupted dividends since 1899. What's more, we increased the dividend again in 2009, despite difficult conditions, for the 38<sup>th</sup> year in a row. That's something very few companies can claim.

### **First-Quarter Results**

Looking ahead into 2010, we continue to experience a moderate, but fairly consistent recovery in several of the global end-use markets that we serve. This recovery, combined with lower costs resulting from our restructuring initiatives, positively impacted our first quarter financial results in comparison with what were very low earnings levels last year. Our first quarter sales this year were \$3.1 billion, an increase of 12 percent over the prior year's quarter. Our segment earnings were \$321 million, an increase of about 67 percent versus last year. I am very pleased that all of the hard work and difficult steps we took over the past 18 months, throughout the recession, to position the company for economic recovery are now beginning to yield measurable benefits.

### **Priorities for 2010**

We expect the business environment to improve gradually in 2010. Yet, it is critical that we remain vigilant in maintaining the operating discipline we displayed in 2009 in order to capitalize on gradual demand improvements as they occur this year. To do that, we must improve our segment margins, and continue to drive operational excellence. Our cash performance has been outstanding and we need to keep that as a focus. We haven't lost sight of our goal to grow, but we need to ensure that we're growing profitably. We'll adapt to market conditions as we did in 2009. And perhaps most importantly, we will continue to execute our transformational strategy.

We will now have a report from the judges of election on this year's voting matters. Mr. Morales, please.

### **Mr. Morales:**

Mr. Chairman, on behalf of the Judges of Election, I present our certificate showing that the following have been elected directors, each having received a majority of the votes cast and each receiving a favorable vote of more than 98%:

- James Berges;
- Victoria Haynes; and
- Martin Richenhagen

### **Mr. Bunch:**

I declare the nominees have been elected directors of the company, each to serve for a term of three years and until their successors have been duly elected and qualified, or until their earlier retirement or resignation. Mr. Morales.

### **Mr. Morales:**

Mr. Chairman, on behalf of the judges of election, I present our certificate showing that the proposal to endorse the appointment of Deloitte & Touche LLP as the company's independent registered public accounting firm for 2010 has been approved, with 99% of the votes cast voting FOR the proposal.

### **Mr. Bunch:**

Thank you. I declare the proposal to endorse the appointment of Deloitte & Touche LLP as the company's independent registered public accounting firm for 2010 has been approved by a majority of the shareholders voting on the matter. Mr. Morales.

### **Mr. Morales:**

Mr. Chairman, on behalf of the Judges of Election, I present our certificate showing that the shareholder proposal requesting a report about PPG's community environmental accountability has not been approved, with 93% of the votes cast voting AGAINST the proposal.

**Mr. Bunch:**

Thank you. I declare that the shareholder proposal requesting a report about PPG's community environmental accountability has not been approved.

I would like to take this opportunity to let you know that PPG strives to continually enhance its environmental practices, open communication and cooperation with stakeholders, including residents of communities where the company operates. Information about PPG's environmental performance is already publicly available on the Internet in the company's filings with the Securities and Exchange Commission and the U.S. Environmental Protection Agency. In addition, on a voluntary basis, PPG's corporate sustainability reports, updates and annual reports to the Carbon Disclosure Project are also publicly available on the Internet.

Having said this, the shareholders should know that representatives from PPG met with Ms. Baker and other constituents recently. As a follow-up to that meeting, we have provided specific details regarding additional information about PPG's current environmental, health and safety and community engagement activities, and we have committed to further dialogue with Trillium and the shareholders, and will consider actions to improve our community engagement.

Because there is no other formal business scheduled to come before the meeting, I will now entertain questions relating to the company's business. We will allot 25 minutes for the question and answer session. We have posted PPG representatives throughout the meeting room.

If you would like to ask a question, please step to the aisle and inform one of our representatives, who will direct you to the microphone and see to it that you have an opportunity to speak.

We do ask that you identify yourself by name and city and state of residence before posing your question, and that you limit your questions to three minutes or less so that everyone who would like to ask a question has an opportunity to do so.

*[Q & A Session]*

Most of the officers of the company are in attendance today, and they are wearing nametags. All of the officers in attendance will be available after the meeting to answer any additional questions you might have.

This concludes the business of this meeting. Thank you again for coming. More importantly, thank you for your continued interest in, and support of, PPG. May I have a motion to adjourn?

**Ms. Cade:**

Mr. Chairman, I move that this meeting be adjourned.

Mr. Bunch:  
Is there a second?

All those in favor, say "aye."

Opposed?

The meeting stands adjourned. Thank you very much.