

# PPG Capital Markets Day December 5, 2011

## Final Comments

Charles E. Bunch, Chairman of the  
Board and Chief Executive Officer

Information current as of  
December 5, 2011



**PPG Industries**

Bringing innovation to the surface.™



# Key PPG Strategic Initiatives Continue

## Strategy Elements:

Innovation & Technology

Leverage Global Capabilities

Market Leadership

Strengthen Business Portfolio

## Key Strategic EPS Growth Drivers / Initiatives:

Continue Expansion in Emerging Regions:

Asia

South America

Middle East, Central & Eastern Europe, Africa

Further Global Market Penetration:

Optical

Auto Refinish

Aerospace

Capitalize on Expanding Global Aftermarkets:

Auto Refinish

Aerospace

Protective & Marine

Grow in Under-Represented Markets:

Architectural Coatings

Accretive Cash Deployment:

Related Acquisitions

Share Repurchases

# 2012 Macro Environment

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- **Global coatings/paints growth led by ongoing industrial recovery**
- **Sub-par growth in architectural coatings**
- **Emerging regions growth continues, at a slightly lower rate**
- **Weakened European activity levels**
- **Further consolidation in coatings industry**
- **Less general commodity inflation**

# 2012 PPG Specific Items

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- **Strong growth and share gains continue in key markets (aerospace, refinish, optical)**
- **Global footprint and high portfolio mix of special purpose coatings aiding PPG growth versus industry**
- **Overall stability in raw material costs (vs. year-end 2011)**
- **Sub-par European activity levels; flat demand for U.S. chlorine production (lower Y-O-Y in 1<sup>st</sup> half)**
- **Aggressive cost management continues**
- **Cash deployment remains a notable earnings growth lever (elevated cash position at beginning of year)**

# 2012 PPG End-Use Market Volume Outlook

	<u>North America</u>	<u>Europe</u>	<u>Asia</u>	<u>Other Emerging</u>
Auto OEM Coatings	Dark Green	Orange	Dark Green	Dark Green
Industrial Coatings	Light Green	Yellow	Dark Green	Dark Green
Packaging Coatings	Yellow	Orange	Dark Green	Dark Green
Aerospace	Dark Green	Dark Green	Dark Green	Dark Green
Protective Coatings	Light Green	Yellow	Dark Green	Light Green
Marine Coatings	Orange	Orange	Red	Yellow
Refinish Coatings	Yellow	Yellow	Dark Green	Dark Green
Architectural Coatings	Yellow	Orange	Light Green	Light Green
Optical & Specialty Materials	Dark Green	Light Green	Dark Green	Dark Green
Commodity Chemicals	Yellow	Grey	Grey	Grey
Fiber Glass / Glass (N.A. only)	Yellow	Yellow	Dark Green	Grey

<u>Legend:</u>
>+4%
1% to 4%
Flat
-1% to -4%
<-4%
Little/No PPG Participation

**Geographic and business diversity provides for above market growth opportunities**



# PPG Vision & Strategic Direction



**Vision:**  
**Leading  
Coatings and  
Specialty  
Materials  
Company**

## PPG Strategic Direction

### Accelerate Profitable Growth

- **Strengthen Leadership in Coatings and Specialty Products**
- **Continuously Improve Customer Value Proposition**
- **Drive Innovation and New Technologies to Gain a Competitive Advantage**
- **Expand Global Presence**

### Enhance Operational Excellence

- **Establish Margin Leadership**
- **Strive for Cost, Supply Chain and Working Capital Leadership**
- **Selectively Invest to Strengthen all Businesses**

# Accelerate Profitable Growth

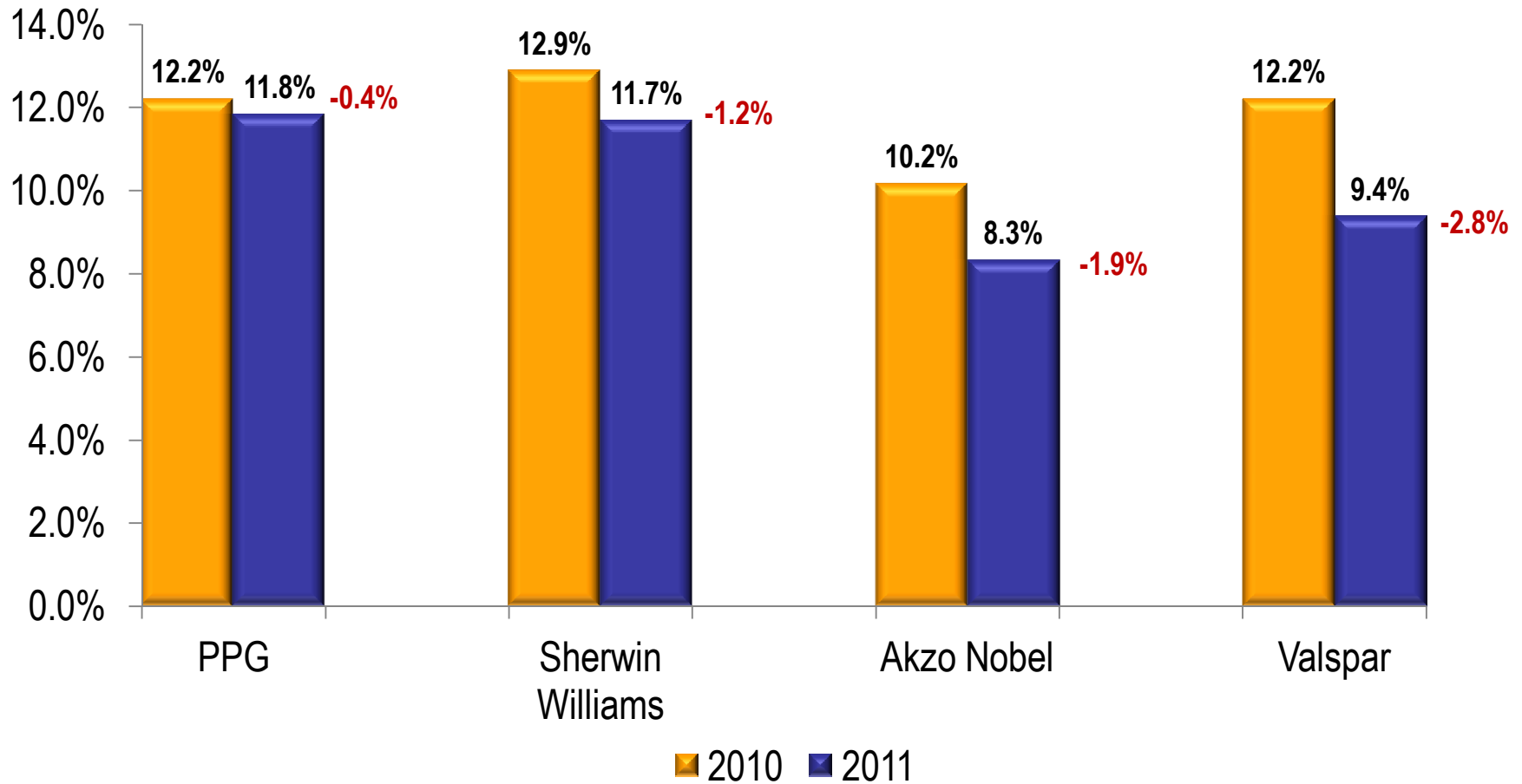
## Notable Financial Items Impacting Results:

Topic	Earnings Impact (2008 vs. 2011)	Driver/Comments:
Cost savings / restructuring	<b>~\$450MM</b>	Aggressive cost actions and restructuring savings
Lower volume in developed regions, partly offset by emerging region growth	<b>-\$250MM</b>	Only partial volume recovery in developed regions from recession, partly offset by growth and share gain in emerging regions
Lower market natural gas unit costs	<b>\$8.00 to \$4.00 (~\$250MM)</b>	Shale gas extraction resulting in lower market prices
Lower net interest expense	<b>~\$60MM</b>	Debt pay down; Lower interest rates
Lower corporate tax rate	<b>31% to 26%</b>	Improved geographic mix of earnings
Lower PPG share count	<b>~10MM lower</b>	Share repurchases more than offsetting dilution

**Aggressive management and cash deployment driving positive earnings change**

# Establish Margin Leadership

## 3Q YTD Coatings Margins

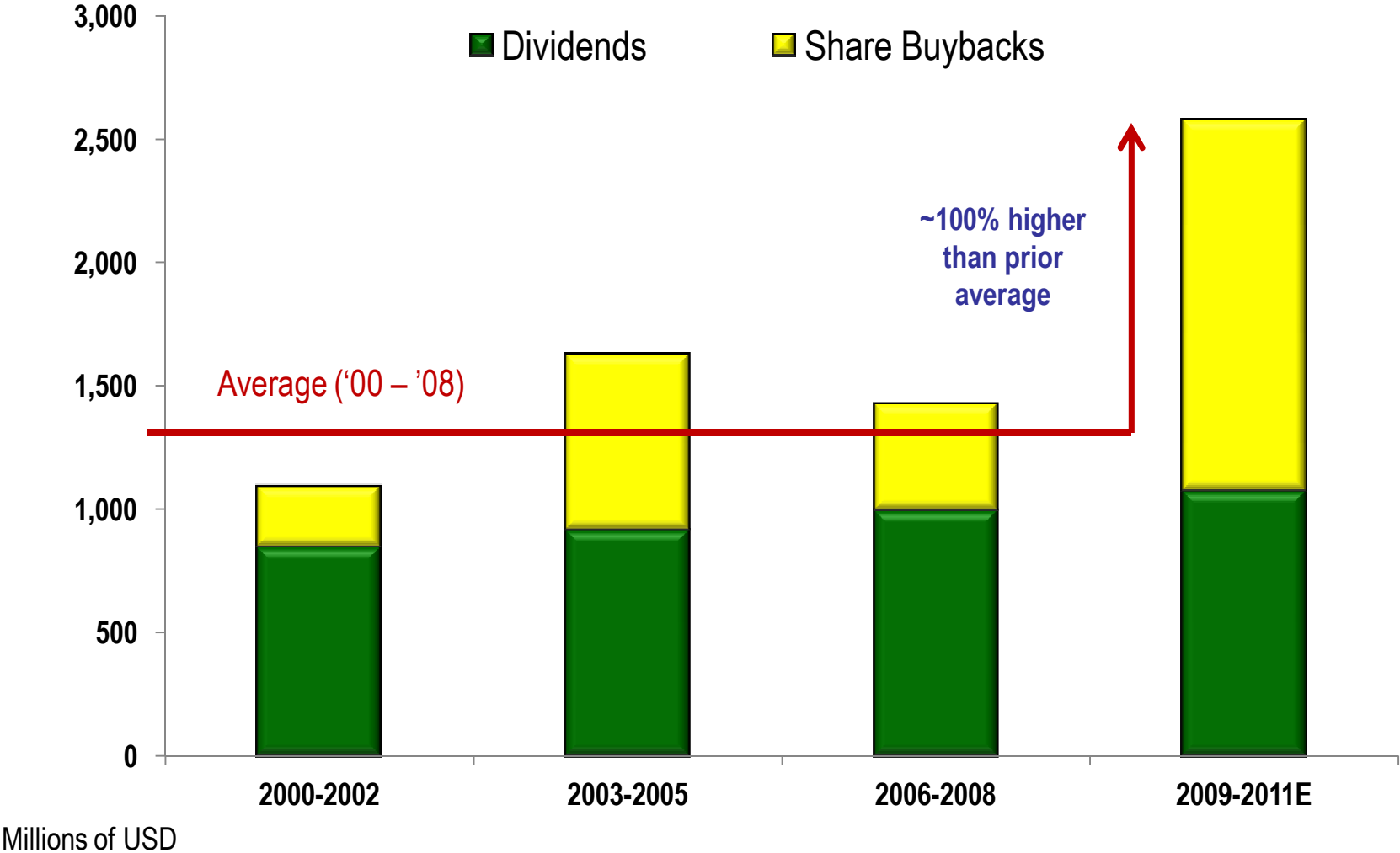


Source: Company Reports

**Strong execution, cost focus and global business portfolio aiding PPG results**

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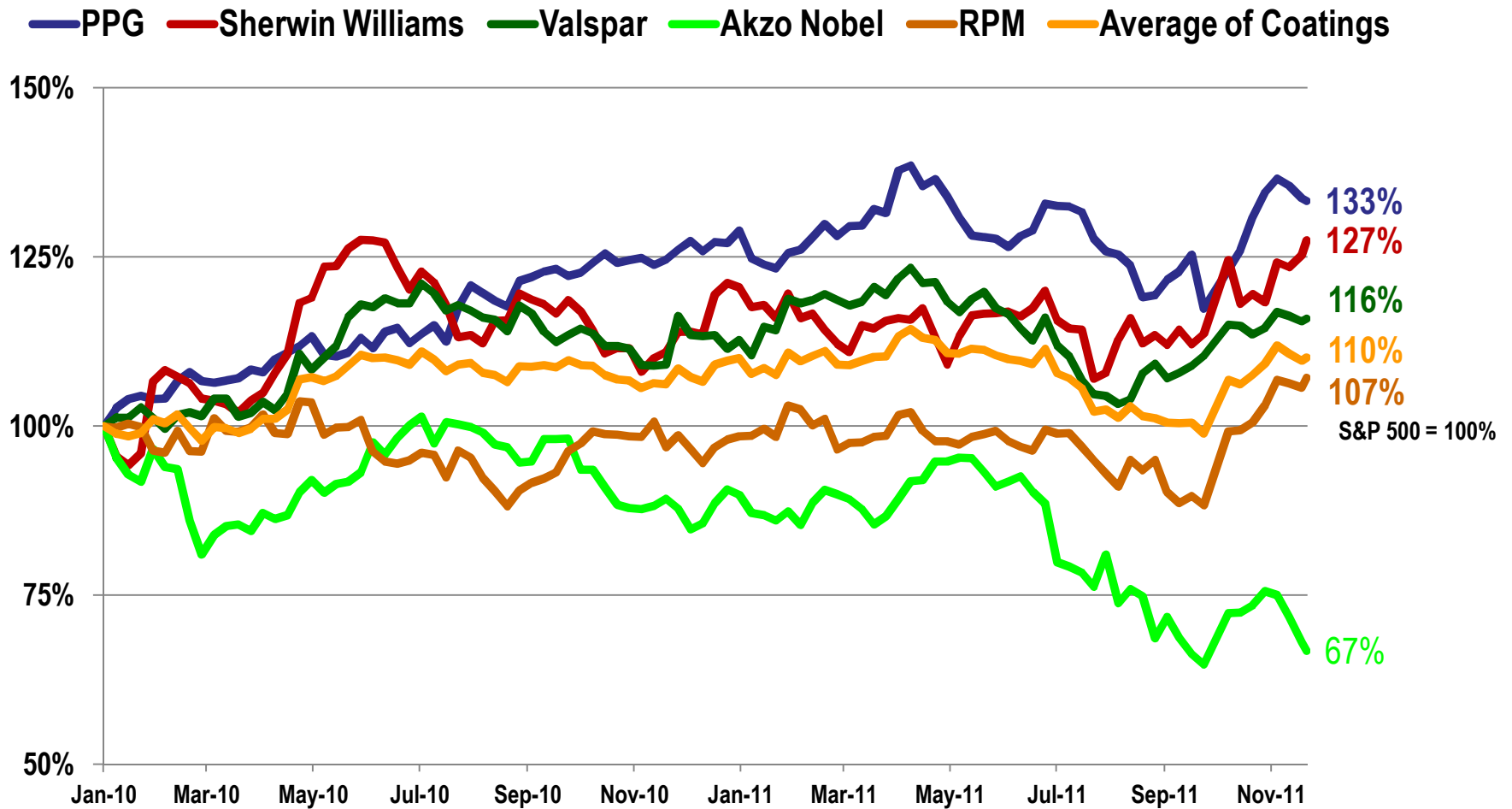
# Increased Cash Returned to Shareholders



Increasing return of cash to shareholders reflecting higher free cash flow



# Enhance Shareholder Value



Source: Bloomberg

**Coatings industry pacing ahead of S&P 500; Strong PPG financial results and disciplined cash deployment creating shareholder value**

# Summary

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- **Strengthened global PPG business portfolio**
- **Aggressive cost management, strong execution and cash deployment driving record PPG earnings results**
- **PPG's technology and customer value proposition will continue to drive company's performance**
- **Strong cash deployment capability remains**

# Forward-Looking Statements

Statements contained herein relating to matters that are not historical facts are forward-looking statements reflecting PPG's current view with respect to future events and financial performance. These matters within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, involve risks and uncertainties that may affect PPG's operations, as discussed in PPG's filings with the Securities and Exchange Commission pursuant to Sections 13(a), 13(c) or 15(d) of the Exchange Act, and the rules and regulations promulgated thereunder. Accordingly, many factors could cause actual results to differ materially from the forward-looking statements contained herein. Such factors include global economic conditions, increasing price and product competition by foreign and domestic competitors, fluctuations in cost and availability of raw materials, the ability to maintain favorable supplier relationships and arrangements, difficulties in integrating acquired businesses and achieving expected synergies therefrom, economic and political conditions in international markets, the ability to penetrate existing, developing and emerging foreign and domestic markets, foreign exchange rates and fluctuations in such rates, fluctuations in tax rates, the impact of future legislation, the impact of environmental regulations, unexpected business disruptions, and the unpredictability of existing and possible future litigation, including litigation that could result if the asbestos settlement discussed in PPG's filings with the Securities and Exchange Commission does not become effective. However, it is not possible to predict or identify all such factors. Consequently, while the list of factors presented here and in PPG's Form 10-K for the year ended December 31, 2010 are considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on PPG's consolidated financial condition, results of operations or liquidity. All information in this presentation speaks only as of December 5, 2011, and any distribution of this presentation after that date is not intended and will not be construed as updating or confirming such information. PPG undertakes no obligation to update any forward-looking statement.